

VOLUME 2
SESSION LAWS
STATE OF ARIZONA

THIRTY-FIRST LEGISLATURE
SECOND REGULAR SESSION
FIRST SPECIAL SESSION
SECOND SPECIAL SESSION



WESLEY BOLIN

Secretary of State

1974

LAWS OF ARIZONA

CHAPTER 165

Senate Bill 1231

AN ACT

RELATING TO TAXATION AND TAXATION OF INCOME; PRESCRIBING POWERS AND DUTIES OF THE DEPARTMENT OF REVENUE; PRESCRIBING TAX BENEFITS FOR INSTALLATION OF SOLAR ENERGY DEVICE DESIGNED TO PRODUCE HEAT OR ELECTRICITY; AMENDING TITLE 42, CHAPTER 1, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-123.01, AND AMENDING TITLE 43, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-123.37.

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

Section 1. Title 42, chapter 1, article 2, is amended by adding section 42-123.01, Arizona Revised Statutes, to read:

42-123.01. Alternate powers and duties of department

A. NOTWITHSTANDING THE PROVISIONS OF SECTION 42-123 AND UNTIL DECEMBER 31, 1984, THE DEPARTMENT SHALL:

1. EXERCISE GENERAL SUPERVISION OVER COUNTY ASSESSORS IN THE ADMINISTRATION OF THE STATE PROPERTY TAX LAWS OF THE STATE FOR THE PURPOSE OF INSURING THAT ALL PROPERTY IS UNIFORMLY VALUED FOR STATE PROPERTY TAX PURPOSES.

2. PRESCRIBE RULES AND REGULATIONS RELATING TO THE ENFORCEMENT OF THE POWERS AND DUTIES OF THE DEPARTMENT UNDER THE PROVISIONS OF THIS TITLE.

3. REQUIRE THE USE BY THE COUNTY ASSESSORS OF PRESCRIBED FORMS FOR THE LISTING AND VALUING OF PROPERTY FOR TAX PURPOSES, THE REPORTING OF CHANGES IN VALUATIONS AND FOR SUCH OTHER PURPOSES AS MAY BE REQUIRED BY THE DEPARTMENT UNDER THE PROVISIONS OF THIS TITLE.

LAWS OF ARIZONA

4. REQUIRE COUNTY ASSESSORS TO MAINTAIN UNIFORM MAPS AND RECORDS.

5. ADOPT STANDARD APPRAISAL METHODS AND TECHNIQUES FOR USE BY THE DEPARTMENT AND COUNTY ASSESSORS IN DETERMINING THE VALUATION OF PROPERTY, AND PREPARE AND MAINTAIN MANUALS AND OTHER NECESSARY GUIDELINES REFLECTING SUCH METHODS AND TECHNIQUES IN ORDER TO PERPETUATE A CURRENT INVENTORY OF ALL PROPERTY SUBJECT TO TAXATION AND THE VALUATION THEREOF. IN THE STANDARD APPRAISAL METHODS AND TECHNIQUES ADOPTED CURRENT USAGE SHALL BE INCLUDED IN THE FORMULA FOR REACHING A DETERMINATION OF FULL CASH VALUE AND WHEN THE METHODS AND TECHNIQUES ADOPTED PRESCRIBE THE USE OF MARKET DATA AS AN INDICATION OF MARKET VALUE, THE PRICE PAID FOR FUTURE ANTICIPATED PROPERTY VALUE INCREMENTS AND ANY SOLAR ENERGY DEVICE, AS DEFINED IN SUBDIVISION (d) OF SECTION 43-123.37, SHALL BE EXCLUDED.

6. REQUIRE THE COUNTY ASSESSORS TO MEET WITH THE DIRECTOR AT THE STATE CAPITOL, OR AT A PLACE DESIGNATED BY HIM, AT LEAST TWICE A YEAR FOR THE PURPOSE OF CONSIDERING MATTERS RELATING TO PROPERTY TAXATION. THE TRAVELING EXPENSES OF ASSESSORS IN ATTENDING SUCH MEETINGS SHALL BE PAID BY THE RESPECTIVE COUNTIES.

7. INVESTIGATE PROPERTY VALUATIONS AND ANY MATTERS RELATING TO PROPERTY TAXES AND REQUIRE THE PRODUCTION OF ANY PRIVATE OR PUBLIC RECORD RELATING TO SUCH VALUATIONS OR PROPERTY TAXES. THE DIRECTOR OR HIS AGENT MAY ENTER UPON AND EXAMINE ANY AND ALL PROPERTY WITHIN THE STATE FOR THE PURPOSE OF DETERMINING ITS FULL CASH VALUE AND REQUIRE ANY OFFICER WHOSE DUTIES RELATE TO THE ASSESSMENT OR COLLECTION OF TAXES TO REPORT TO HIM AT SUCH TIME AND IN SUCH MANNER AS HE PRESCRIBES. IN THE EVENT THE OWNER OR POSSESSOR OF PROPERTY REFUSES ENTRANCE TO THE DIRECTOR OR HIS AGENTS, THE VALUATION OF SUCH PROPERTY MAY BE ESTIMATED BY THE DIRECTOR.

8. REQUIRE THE USE BY COUNTY ASSESSORS OF SUCH A DATA PROCESSING SYSTEM AS THE DEPARTMENT MAY

LAWS OF ARIZONA

PRESCRIBE, PROVIDED THAT ANY COUNTY ASSESSOR HAVING A DATA PROCESSING SYSTEM COMPATIBLE WITH THE SYSTEM PRESCRIBED BY THE DEPARTMENT MAY CONTINUE TO USE HIS OWN SYSTEM AS LONG AS IT IS COORDINATED WITH THE SYSTEM PRESCRIBED BY THE DEPARTMENT.

9. CONTRACT WITH THE COUNTIES TO FURNISH ELECTRONIC DATA PROCESSING EQUIPMENT IN INSTANCES WHERE THE COUNTIES DO NOT HAVE THE EQUIPMENT NECESSARY TO MEET THE REQUIREMENTS OF THE DEPARTMENT.

10. FURNISH ASSISTANCE TO THE COUNTY ASSESSORS IN ORDER TO IMPLEMENT PLACEMENT ON THE ROLLS OF THE VALUATIONS DETERMINED UNDER ARTICLE 2.1 OF THIS CHAPTER AND TO ASSURE A UNIFORM VALUATION OF ALL PROPERTY THROUGHOUT THE STATE FOR PROPERTY TAX PURPOSES, INCLUDING BUT NOT LIMITED TO THE PROVIDING OF SERVICES OF DEPARTMENT PERSONNEL TO THE COUNTIES, PROVIDED THAT SUBSEQUENT TO JUNE 30, 1968 THE COST OF PROVIDING THE SERVICES OF DEPARTMENT PERSONNEL TO THE COUNTIES SHALL BE CHARGED TO THE COUNTY SERVED.

11. FURNISH THE STATE BOARD WITH SUCH INFORMATION AS IT MAY REQUEST.

12. AT SUCH TIME AS THE STATE ACQUIRES FROM THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION ORTHOPHOTO BASE MAPS FOR USE BY ALL DEPARTMENTS OF ARIZONA STATE GOVERNMENT AND OTHERS IN NEED OF SUCH MAPS, CHARGE FOR DUPLICATION AND SALE OF THESE MAPS AND DEPOSIT SUCH REVENUES IN THE STATE GENERAL FUND.

B. THE DEPARTMENT MAY:

1. EXAMINE INTO ALL ALLEGED VIOLATIONS OF THE PROVISIONS OF THIS TITLE RELATING TO THE VALUATION OF PROPERTY AND THE ASSESSMENT AND COLLECTION OF TAXES AND REQUEST THE ATTORNEY GENERAL OR THE COUNTY ATTORNEY IN THEIR RESPECTIVE COUNTIES TO COMMENCE AND PROSECUTE ACTIONS AND PROCEEDINGS OR TO REPRESENT COUNTIES TO COMMENCE AND PROSECUTE ACTIONS AND PROCEEDINGS OR TO REPRESENT THE DEPARTMENT IN

LAWS OF ARIZONA

LITIGATION TO ENFORCE THE LAWS RELATING TO TAXATION AND ORDERS, OR THE RULES AND REGULATIONS OF THE DEPARTMENT. WHEN IN THE OPINION OF THE DIRECTOR AND IN THE OPINION OF THE ATTORNEY GENERAL OR THE COUNTY ATTORNEY IN WHICH THE PUBLIC OFFICIAL SERVES, A PUBLIC OFFICIAL, WHO PERFORMS VALUING, TAXING OR EQUALIZING FUNCTIONS, IS GUILTY OF OFFICIAL MISCONDUCT OR NEGLECT OF DUTY, THE DIRECTOR SHALL TAKE WHATEVER STEPS ARE NECESSARY TO INSURE THAT COMPLAINTS ARE FILED AND PROSECUTIONS COMMENCED AGAINST SUCH OFFICIALS FOR THEIR REMOVAL FROM OFFICE. A COMPLAINT BY THE DIRECTOR CHARGING OFFICIAL MISCONDUCT OR NEGLECT OF DUTY OF A PUBLIC OFFICER SHALL BE DELIVERED TO THE COUNTY ATTORNEY OR TO THE ATTORNEY GENERAL WHO SHALL FILE THE ORIGINAL WITH THE SUPERIOR COURT IN THE COUNTY IN WHICH THE PUBLIC OFFICIAL SERVES AND CAUSE A COPY THEREOF TO BE SERVED UPON SUCH PUBLIC OFFICIAL. PROCEEDINGS UPON SUCH COMPLAINTS SHALL BE IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTIONS B AND C OF SECTION 38-342, AND SECTIONS 38-343 AND 38-345.

2. STUDY THE TAX SYSTEMS OF OTHER STATES.
3. EMPLOY TECHNICAL EXPERTS AND ASSISTANTS AND MAKE CONTRACTS FOR SERVICES AS MAY BE REQUIRED TO CARRY OUT ITS DUTIES.
4. APPOINT ADVISORY COMMITTEES REPRESENTATIVE OF VARIOUS CLASSES OF PROPERTY.
5. REQUEST THE ATTORNEY GENERAL TO INITIATE A MANDAMUS ACTION IF ANY ASSESSOR FAILS TO FOLLOW ANY REGULATION, RULE, ORDER OR DIRECTION OF THE DIRECTOR OR THE DEPARTMENT OR IF THE DIRECTOR DETERMINES THAT AN ASSESSOR, OR A COUNTY BOARD OF EQUALIZATION HAS PRACTICED DISCRIMINATION IN THE VALUATION OF PROPERTY. FOR THE PURPOSES OF THIS SECTION, COUNTY BOARDS OF EQUALIZATION AND THE COUNTY ASSESSORS ARE STATE OFFICERS WITHIN THE MEANING OF ARTICLE 6, SECTION 5 OF THE CONSTITUTION OF ARIZONA.
6. CONTEST ANY PROPOSED VALUATION OR CLASSIFICATION OR ANY PROPOSED CHANGE IN VALUATIONS OR

LAWS OF ARIZONA

CLASSIFICATIONS BEFORE ANY COUNTY BOARD OF EQUALIZATION OR BEFORE THE STATE BOARD OF TAX APPEALS. IF ANY DECISION OF ANY COUNTY BOARD OF EQUALIZATION OR OF THE STATE BOARD OF TAX APPEALS IS, IN THE OPINION OF THE DIRECTOR, ERRONEOUS, THE DIRECTOR MAY APPEAL SUCH DECISION TO THE SUPERIOR COURT IN THE MANNER PROVIDED IN SECTION 42-151, ON OR BEFORE THE FINAL DATE A TAXPAYER MAY FILE AN APPEAL FROM THE VALUATION OR CLASSIFICATION OF HIS PROPERTY.

7. SELL CONTACT PRINTS OF ANY NATIONAL AERONAUTICS AND SPACE ADMINISTRATION ORTHOPHOTO BASE MAPS ACQUIRED BY THE DEPARTMENT AND DEPOSIT SUCH REVENUES IN THE STATE GENERAL FUND.

Sec. 2. Title 43, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 43-123.37 to read:

43-123.37. Election to amortize expenditures incurred in the acquisition of any solar energy device designed to produce heat or electricity

(a) **GENERAL RULE.** ANY TAXPAYER MAY ELECT TO AMORTIZE THE ADJUSTED BASIS OF ANY SOLAR ENERGY DEVICE DESIGNED TO PRODUCE HEAT OR ELECTRICITY BASED UPON A PERIOD OF SIXTY MONTHS. IN COMPUTING NET INCOME, SUCH AMORTIZATION SHALL BE ALLOWED AS A DEDUCTION RATABLY OVER THE PERIOD ALLOWED UNDER THIS SUBSECTION BEGINNING WITH THE MONTH IN WHICH SUCH DEVICE IS COMPLETED OR ACQUIRED AND IS PLACED IN SERVICE BY THE TAXPAYER. THIS ELECTION SHALL BE INDICATED BY THE TAXPAYER IN AN APPROPRIATE STATEMENT IN THE TAXPAYER'S INCOME TAX RETURN FOR THE TAXABLE YEAR OF THE ACQUISITION OR COMPLETION AND PLACEMENT IN SERVICE OF SUCH DEVICE. AN ELECTION TO DISCONTINUE AMORTIZATION WITH RESPECT TO THE REMAINDER OF THE AMORTIZATION PERIOD IS PERMITTED AND SHALL BE INDICATED BY AN APPROPRIATE STATEMENT IN THE TAXPAYER'S INCOME TAX RETURN FOR THE TAXABLE YEAR OF DISCONTINUANCE.

(b) **DEDUCTION IN LIEU OF DEPRECIATION.** THE DEDUCTION PROVIDED UNDER SUBSECTION (a) SHALL BE IN LIEU OF ANY ALLOWANCE FOR THE EXHAUSTION, WEAR AND TEAR OF

LAWS OF ARIZONA

PROPERTY USED IN A TRADE OR BUSINESS, OR OF PROPERTY HELD FOR THE PRODUCTION OF INCOME, INCLUDING A REASONABLE ALLOWANCE FOR OBSOLESCENCE AS PROVIDED UNDER SECTION 43-123.14.

(c) **DETERMINING THE ADJUSTED BASIS.** IN DETERMINING THE ADJUSTED BASIS FOR THE PURPOSES OF SUBSECTION (a), SUCH DEVICE, SHALL INCLUDE ONLY AN AMOUNT THAT IS PROPERLY ATTRIBUTABLE TO THE CONSTRUCTION, RECONSTRUCTION, REMODELING, INSTALLATION OR ACQUISITION OF SUCH DEVICE.

(d) **DEFINITION.** IN THIS SECTION AND SECTION 42-123.01, "SOLAR ENERGY DEVICE" MEANS A SYSTEM OR A SERIES OF MECHANISMS DESIGNED PRIMARILY TO PROVIDE HEATING, TO PROVIDE COOLING, TO PRODUCE ELECTRICAL POWER, TO PRODUCE MECHANICAL POWER, OR ANY COMBINATION THEREOF, BY MEANS OF COLLECTING AND TRANSFERRING SOLAR-GENERATED ENERGY INTO SUCH USES AND WHICH ALSO MAY HAVE THE CAPABILITY OF STORING SUCH ENERGY FOR FUTURE UTILIZATION.

Sec. 3. Effective date

The provisions of this act shall become effective retroactive to the taxable year beginning from and after December 31, 1973.

Sec. 4. Expiration date

The provisions of this act shall expire with the taxable year beginning from and after December 31, 1984.

Approved by the Governor—May 15, 1974

Filed in the Office of the Secretary of State—May 15, 1974

LAWS OF ARIZONA

CHAPTER 166

Senate Bill 1320

AN ACT

RELATING TO TAXATION OF INCOME; PROVIDING FOR A CREDIT ALLOWED RESIDENTS FOR RENT PAID; PROVIDING FOR DISPOSITION OF PROCEEDS; AMENDING TITLE 43, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-128.02; AMENDING SECTION 43-196, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1974, FIRST SPECIAL SESSION, CHAPTER 2, SECTION 18, AND PROVIDING EFFECTIVE DATES.

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

Section 1. Title 43, chapter 1, article 1, Arizona Revised Statutes, is amended by adding a new section 43-128.02, to read:

43-128.02. Credit allowed taxpayers – credit for rent paid

(a) **CREDIT, RESIDENTS PAYING RENT.** THERE SHALL BE ALLOWED TO EACH RESIDENT A CREDIT OF TEN PER CENT OF RENT PAID OR TWENTY-FIVE DOLLARS, WHICHEVER IS LESS, AGAINST THE TAXES IMPOSED BY THIS TITLE FOR A TAXABLE YEAR FOR RENT CONSTITUTING PROPERTY TAXES PAID IN THAT TAXABLE YEAR.

(b) **DISPOSITION OF UNUSED CREDIT; OFFSET AGAINST TAX LIABILITIES; REFUND.** DISPOSITION OF THE CLAIMANT'S ALLOWABLE CREDIT SHALL BE AS PROVIDED BELOW.

(1) IF THE ALLOWABLE AMOUNT OF SUCH CLAIM EXCEEDS THE INCOME TAXES OTHERWISE DUE ON THE CLAIMANT'S INCOME, OR IF THERE ARE NO STATE INCOME TAXES DUE ON THE CLAIMANT'S INCOME, THE AMOUNT OF THE CLAIM NOT USED AS AN OFFSET AGAINST INCOME TAXES, AFTER AUDIT BY THE DEPARTMENT, SHALL BE PAID IN THE SAME MANNER AS A REFUND GRANTED UNDER SECTION 43-184. NO INTEREST SHALL BE ALLOWED ON ANY PAYMENT MADE TO A CLAIMANT PURSUANT TO THIS SECTION.

LAWS OF ARIZONA

(2) THE AMOUNT OF ANY CLAIM OTHERWISE PAYABLE FOR RELIEF FOR RENT CONSTITUTING PROPERTY TAXES PAID MAY BE APPLIED BY THE DEPARTMENT AGAINST ANY LIABILITY OUTSTANDING ON THE BOOKS OF THE DEPARTMENT AGAINST THE CLAIMANT, OR AGAINST HIS OR HER SPOUSE WHO WAS A MEMBER OF THE CLAIMANT'S HOUSEHOLD IN THE TAXABLE YEAR.

(c) **PUBLIC WELFARE RECIPIENTS EXCLUDED.** NO CLAIM FOR RELIEF FOR RENT CONSTITUTING PROPERTY TAXES PAID SHALL BE ALLOWED TO ANY PERSON WHO WAS A RECIPIENT OF PUBLIC FUNDS FOR THE PAYMENT OF PROPERTY TAXES OR RENT DURING THE TAXABLE YEAR.

(d) **ADMINISTRATION.** THE DEPARTMENT SHALL MAKE AVAILABLE SUITABLE FORMS WITH INSTRUCTIONS FOR CLAIMANTS, INCLUDING A FORM WHICH MAY BE INCLUDED WITH OR AS A PART OF THE INDIVIDUAL INCOME TAX BLANK. THE CLAIM SHALL BE IN SUCH FORM AS THE DEPARTMENT MAY PRESCRIBE.

(e) **FILING DATE; EXTENSION OF TIME.** NO CLAIM WITH RESPECT TO RENT CONSTITUTING PROPERTY TAXES PAID SHALL BE ALLOWED OR PAID UNLESS THE CLAIM IS ACTUALLY FILED ON OR BEFORE APRIL 15 FOR THE NEXT PRECEDING CALENDAR YEAR.

(f) **LIMITATION ON NUMBER OF CLAIMANTS.** ONLY ONE CLAIMANT PER HOUSEHOLD PER YEAR SHALL BE ENTITLED TO RELIEF PURSUANT TO THIS SECTION.

(g) **DEFINITIONS.** IN THIS SECTION UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "CLAIMANT" MEANS A PERSON WHO HAS FILED A CLAIM FOR CREDIT UNDER THIS SECTION AND WAS A RESIDENT OF THIS STATE DURING THE ENTIRE TAXABLE YEAR. SUCH CLAIMANT SHALL HAVE RENTED PROPERTY IN THIS STATE DURING THE ENTIRE TAXABLE YEAR AND SHALL HAVE OCCUPIED THE SAME RESIDENCE QUARTERS FOR AT LEAST SIX MONTHS OF THAT YEAR. WHEN TWO INDIVIDUALS OF A HOUSEHOLD ARE ABLE TO MEET THE QUALIFICATIONS FOR A CLAIMANT, THEY MAY DETERMINE BETWEEN THEM AS TO WHO THE CLAIMANT SHALL BE. IF THEY ARE UNABLE TO AGREE, THE MATTER SHALL BE REFERRED TO THE DEPARTMENT AND ITS DECISION SHALL BE FINAL.

LAWS OF ARIZONA

(2) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

(3) "RENT" MEANS RENTAL PAID SOLELY FOR THE RIGHT OF OCCUPANCY OF A HOMESTEAD OR SPACE RENTAL PAID TO A LANDLORD FOR THE PARKING OF A MOBILE HOME, EXCLUSIVE OF CHARGES FOR ANY UTILITIES, SERVICES, FURNITURE, FURNISHINGS OR PERSONAL PROPERTY APPLIANCES FURNISHED BY THE LANDLORD AS A PART OF THE RENTAL AGREEMENT, WHETHER OR NOT EXPRESSLY SET OUT IN THE RENTAL AGREEMENT.

(h) NO PERSON MAY CLAIM BOTH THE DEDUCTION AUTHORIZED BY THIS SECTION AND THE CREDIT ALLOWED BY SECTION 43-128.01 FOR RENT CONSTITUTING PROPERTY TAXES ACCRUED.

Sec. 2. Section 43-196, Arizona Revised Statutes, as amended by Laws 1974, First Special Session, chapter 2, section 18, is amended to read:

43-196. Disposition of proceeds

(a) **Collections, transmitted to state treasurer.** The tax commission shall transmit promptly to the state treasury all monies and remittances received by it under this title as provided in subdivision (b) of this section. It shall at the same time furnish copies of the schedules covering the transmittals to the commissioner of finance.

(b) **Income tax fund, urban revenue sharing fund, collections deposited therein.**

All moneys and remittances so received and so transmitted shall be deposited, after clearance of remittance, in the state treasury and the state treasurer shall credit the same to the specific funds as instructed by the tax commission, as follows:

(i) ~~Twelve and one-half~~ SIXTEEN percent to the income tax fund;

(ii) Amounts sufficient to meet the requirements of section 43-196.01 to the urban revenue sharing fund, and

(iii) The remainder to the general fund.

(c) **Income tax fund, use for refunds.** The commissioner of finance will draw all sums to be used for making refunds under this title from the income tax fund. Any amount remaining in the income tax fund on June 30 of each year in excess of two hundred thousand dollars shall be deposited in the general fund.

LAWS OF ARIZONA

Sec. 3. **Effective date**

A. The provisions of section 1 of this act shall be effective retroactive to, from and after December 31, 1973.

B. The provision of section 2 of this act shall become effective as provided by law.

Approved by the Governor—May 15, 1974

Filed in the Office of the Secretary of State—May 15, 1974

CHAPTER 167

Senate Bill 1140

AN ACT

RELATING TO PUBLIC OFFICERS AND EMPLOYEES: INCREASING THE PERCENTAGE TO BE USED IN THE RETIREMENT PLAN FOR A WHOLE OR FRACTIONAL YEAR OF CREDITED FUTURE SERVICE; PROVIDING FOR CONTRIBUTIONS BY EMPLOYERS AND EMPLOYEES; AMENDING SECTIONS 38-781.04, 38-781.05 AND 38-781.07, ARIZONA REVISED STATUTES.

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

Section 1. **Purpose**

The purposes of this act are to provide in the retirement plan for:

- 1. An increase in benefits for credited future service.
- 2. An increase in contributions by employers and employees.

Sec. 2. Section 38-781.04, Arizona Revised Statutes, is amended to read:

38-781.04 **Employee contributions**

A. Participants of the plan shall be required to authorize deduction of ~~five~~ SEVEN per cent of their compensation. Amounts so deducted by employer members shall be remitted into the plan's depository.

B. Contributions of members shall be required as a condition of employment and shall be made by payroll deductions. Payment of an

LAWS OF ARIZONA

employee's compensation less such payroll deductions, shall constitute a full and complete discharge and satisfaction of all claims and demands by the employee relating to remuneration for his services rendered during the period covered by the payment, except with respect to the benefits provided under the plan.

C. Employee contributions shall commence simultaneously with employee eligibility as provided in this article.

Sec. 3. Section 38-781.05, Arizona Revised Statutes, is amended to read:

38-781.05. Employer contributions

A. Employer contributions shall be ~~five~~ SEVEN per cent of compensation of all employees of the employers, excluding the compensation of those employees who are members of the system, plus such additional amounts as shall be determined by the plan's actuary. The total employer contribution shall be determined on the entry age normal cost method. The total employer contributions shall be equal to the employer normal cost plus the amount required to amortize the past service funding requirement over a thirty-year period commencing July 1, 1972. Any change in the employer contribution to amortize the past service funding requirement, except increases due to changes in benefits, which increases the employer contribution for the amortization of the past service funding requirement as a percentage of the current covered payroll from the preceding year's percentage shall not be made except as hereinafter provided in this section. If such increases in the employer contribution to amortize the past service funding requirement occurs, the period required for the amortization of the then existing past service funding requirement shall be adjusted such that the current year employer contribution as a percentage of payroll for such amortization shall be the same as in the preceding year. Such adjustment in the period shall in no event cause such period to exceed forty-five years from the current valuation date. If the adjustment of the period for the amortization of the past service funding requirement to a maximum of forty-five years is not sufficient to prevent the employer's contribution for such amortization as a percentage of payroll from increasing from the preceding year, then the employer's contribution for such amortization will increase to the amount required to amortize the then existing past service funding requirement over a forty-five year period from such valuation date. After a level of employer contributions for the amortization of the past service funding requirement has been reached, the level shall not be reduced until it will amortize the then existing past service funding requirement by the end of the thirty-year amortization period commencing July 1, 1972.

LAWS OF ARIZONA

B. All contributions made by the employer allocated to the fund shall be irrevocable and shall be used as benefits under the plan or to pay expenses of the plan.

C. Amounts required of employers as provided in subsections A and B shall be in addition to any payments required of such employers on behalf of prior service credits under the system arising from participants of the plan. Payments made to the plan on behalf of plan participants with prior service credits shall reduce by such amount the payments required to be paid to the system for such prior service credits.

D. The required employer contributions shall be determined on an annual basis by an actuary selected by the board who is a fellow of the society of actuaries.

Sec. 4. Section 38-781.07, Arizona Revised Statutes, is amended to read:

38-781.07. Normal retirement

A. A participant shall be eligible for a normal pension upon retirement on or after his normal retirement date. Payment of a normal pension shall commence as of the first day of the month coinciding with or next following the date of retirement, and the last payment thereof shall be made as of the first day of the month in which the death of the retired member occurs.

B. A participant who meets the requirements for pension at normal retirement shall receive a monthly life annuity pension equaling the sum of items (i) and (ii), both times item (iii) plus item (iv) when such items are defined as follows:

(i) The number of whole and fractional years of credited past service times one and one-fourth per cent.

(ii) The number of whole and fractional years of credited future service times ~~one and one-half~~ TWO per cent.

(iii) The participant's average monthly compensation.

(iv) Any prior service benefits to which the participant was entitled under the system.

Employers shall provide evidence of, and certify to, in a manner provided by the board, the participant's average monthly compensation if such information is not already available from the records of the plan or system.

LAWS OF ARIZONA

C. Except as provided in section 38-781.09, all state officers and employees and officers and employees who are declared by law to be subject to the provisions of this article, except elected officials or officers designated by law for a definite or an indefinite term and appointive members of boards and commissions, who have attained or exceeded the age of seventy years on and after the effective date of this section shall be compulsorily retired and shall not be compensated for state service nor be paid retirement benefits of any kind except as provided by this article. The provisions of this subsection shall likewise apply to officers and employees of political subdivisions of the state, except that the date on which such retirement shall be compulsory shall be July 1 of the year following the effective date of their employer's retirement plan established under the provisions of section 38-781.20.

D. Participants employed by institutions under control of the Arizona board of regents who reach the age of seventy, as long as they continue to render valuable service to the institution employing them, may be continued in employment at the discretion of the board of regents. Any other participant, except an elected official, an officer designated by law for a definite or an indefinite term, an appointive member of a board or commission and an employee of a political subdivision whose compensation is provided wholly or in part from state funds who is declared by law after July 3, 1955, to be a state employee for retirement purposes, who has attained age seventy and who is certified by his appointing authority as specially fitted by reason of long experience to perform the duties of his position shall, if he so desires, upon request of his appointing authority and approval of the governor, if a state employee, or approval of the governing body of the political subdivision if an employee thereof, be continued in service for such period or periods as may be requested by the appointing authority, but no term of continued employment shall exceed one year and no more than five such terms may be approved.

E. Except for participants covered under section 38-781.31, no contributions shall be made either by a participant or his employer, nor any service credited, after the participant has attained age seventy.

Sec. 5. Section 38-781.08, Arizona Revised Statutes, is amended to read:

38-781.08. Early retirement

A participant shall be eligible to elect early retirement providing he has twenty years of total credited service and has attained the age of fifty years or attainment of age sixty-two but has not attained the age of sixty-five years. Such an election in a form and manner prescribed by the

LAWS OF ARIZONA

board shall take place on the first day of the month and year designated in such request. A participant electing early retirement shall accrue a benefit as determined in section 38-781.07. A benefit so determined shall be payable at the normal retirement date. A participant electing early retirement may also choose a reduced retirement income commencing at any date subsequent to the date of his retirement and prior to the normal retirement date. ~~which is the actuarial equivalent of~~ SUCH REDUCED RETIREMENT INCOME SHALL BE DETERMINED BY REDUCING AT THE RATE OF THREE PER CENT PER YEAR FROM AGE SIXTY TO AGE SIXTY-FIVE AND FIVE PER CENT PER YEAR FROM AGE FIFTY THROUGH AGE SIXTY the early retirement benefit which the participant may elect payable at the normal retirement date.

Sec. 6. Section 38-781.31, Arizona Revised Statutes, is amended to read:

38-781.31. Retirement benefits for elected officers of state; exceptions

A. Notwithstanding any provisions of law to the contrary, each elected officer of the state serving as such on the effective date of this section, except judges who are members of the retirement program provided in article 3 of this chapter, shall receive retirement benefits in the same manner as provided for employee participants under the provisions of this article, except that the benefits to be received by such officers shall be at the annual rate of fifty per cent of his yearly salary upon retirement, but not more than twelve thousand dollars, provided he has served fifteen years as an elected officer of this state. Years of services for purposes of this section only shall include years of past service, years of prior service and years of future service. If such elected officer serves as such for more than fifteen years, but not to exceed thirty years, then such benefits shall be increased at the rate of three and one third per cent per year of his yearly salary upon retirement, except that such benefits shall not be increased more than twenty-five per cent of his yearly salary upon retirement for past or prior service, or both. If he serves as such officer less than fifteen years but five or more years his annual benefits shall be decreased proportionately at the rate of three and one third per cent. If he serves as an officer less than five years, he shall have refunded to him the contributions made by him together with interest as determined by the board.

B. In addition to the benefits provided in subsection A of this section, such elected officers shall be eligible for all other benefits provided in this article except for retirement benefits, which shall be as provided in subsection A of this section.

C. Any additional monies needed to carry out the provisions of this section, in excess of the employee contributions and employer

LAWS OF ARIZONA

contributions required on the effective date of this section, shall be funded by legislative appropriations therefor in accordance with actuarial determinations required under the provisions of this article.

D. EACH ELECTED OFFICIAL WHO IS A PARTICIPANT IN THE PLAN IN ACCORDANCE WITH THIS SECTION SHALL BE REQUIRED TO AUTHORIZE DEDUCTION OF FIVE PER CENT OF HIS COMPENSATION. AMOUNTS SO DEDUCTED BY EMPLOYER SHALL BE REMITTED INTO THE PLAN'S DEPOSITORY.

Sec. 7. Applicability of act

The provisions of this act apply to all credited future service accumulated and hereafter accumulated by active participants of the retirement plan established by title 38, chapter 5, article 2.1, Arizona Revised Statutes.

Sec. 8. Effective date

The provisions of section 5 shall become effective July 1, 1975.

Sec. 9. Effective date

The provisions of this act shall become effective July 1, 1975.

Approved by the Governor—May 16, 1974

Filed in the Office of the Secretary of State—May 16, 1974

CHAPTER 168

Senate Bill 1141

AN ACT

RELATING TO PUBLIC OFFICERS AND EMPLOYEES;
AUTHORIZING DEPARTMENT OF PUBLIC SAFETY
EMPLOYEES UNDER PUBLIC SAFETY EMPLOYEES
RETIREMENT SYSTEM THAT HAD CERTAIN PREVIOUS
SERVICE WITH AN EMPLOYER OF THE SYSTEM TO REPAY
WITHDRAWN SEVERANCE BENEFITS AND RECEIVE CREDIT
FOR SUCH SERVICE.

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

Section 1. Credit by department of public safety employees with previous service with other employers of the public safety retirement system

LAWS OF ARIZONA

A. ALL PRESENT ACTIVE MEMBERS OF THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM WHO HAD PREVIOUS SERVICE AS POLICE OFFICERS, FIREMEN, DEPUTY SHERIFFS OR HIGHWAY PATROLMEN WITH EMPLOYERS NOW COVERED BY THE SYSTEM, PRIOR TO THE EFFECTIVE DATE OF THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM AND WHO RECEIVED A SEVERANCE BENEFIT UPON TERMINATION OF SUCH EMPLOYMENT PRIOR TO THE EFFECTIVE DATE OF THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM MAY ELECT TO REDEEM ANY PART OF SUCH PRIOR SERVICE BY PAYING INTO THE SYSTEM THE AMOUNTS SET FORTH IN SUBSECTION B OF THIS SECTION.

B. ANY PRESENT ACTIVE MEMBER WHO ELECTS TO REDEEM ANY PART OF HIS PRIOR SERVICE UNDER THE PROVISIONS OF THIS SECTION SHALL PAY INTO THE SYSTEM AMOUNTS PREVIOUSLY WITHDRAWN BY HIM AS SEVERANCE BENEFITS PLUS THE AMOUNT THAT HIS PRESENT EMPLOYER WOULD HAVE BEEN REQUIRED TO CONTRIBUTE TO THE SYSTEM FOR EACH YEAR OF PRIOR SERVICE FOR WHICH THE EMPLOYEE IS DEEMED ELIGIBLE BY THE FUND MANAGER, TOGETHER WITH ACCUMULATED INTEREST ON BOTH, AS DETERMINED BY THE FUND MANAGER, WITHIN THE TIME LIMITATION SET FORTH IN SUBSECTION C OF THIS SECTION.

C. THE PROVISIONS OF THIS SECTION SHALL EXPIRE ON DECEMBER 1, 1975.

Approved by the Governor—May 16, 1974

Filed in the Office of the Secretary of State—May 16, 1974

CHAPTER 169

Senate Bill 1195

AN ACT

RELATING TO WATERS; PROVIDING THAT IF CERTAIN MONIES APPROPRIATED TO THE ARIZONA WATER COMMISSION FOR CERTAIN FLOOD CONTROL PROJECTS HAVE NOT BEEN EXPENDED OR ENCUMBERED BY JANUARY 1, 1975, THE COMMISSION MAY TRANSFER THE MONIES TO CERTAIN OTHER PROJECTS OR TO PROJECTS HEREINAFTER AUTHORIZED BY THE LEGISLATURE; AMENDING LAWS 1973, CHAPTER 40, SECTION 3, AND MAKING AN APPROPRIATION FOR CERTAIN FLOOD CONTROL PROJECTS.

LAWS OF ARIZONA

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

Section 1. Laws of 1973, chapter 40, section 3, is amended to read:

Sec. 3. Appropriations; purposes; exemption

A. The sum of two million four hundred fifty thousand dollars is appropriated to the Arizona water commission to carry out the provisions of this act, to be available for flood control projects, in the amounts stated, as follows:

1.	Williams-Chandler watershed	\$1,350,000.00
2.	Buckhorn Mesa watershed	1,000,000.00
3.	Wickenburg watershed	25,000.00
4.	Foote Wash watershed	<u>75,000.00</u>
	Total	\$2,450,000.00

B. IF THE ABOVE APPROPRIATED MONIES OR ANY PORTION THEREOF HAVE NOT BEEN EXPENDED OR ENCUMBERED BY JANUARY 1, 1975, THE ARIZONA WATER COMMISSION MAY TRANSFER MONIES FROM ANY PROJECT AUTHORIZED BY THIS SECTION TO ANY OTHER PROJECT AUTHORIZED HEREIN OR TO ANY PROJECT HEREINAFTER AUTHORIZED BY THE LEGISLATURE.

~~B.~~ C. The sum of twenty-five thousand dollars is appropriated to the Arizona water commission for the administration of the act.

~~C.~~ D. The appropriations made in this section are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 2. Appropriation; purposes; exemption

A. In addition to the appropriation made by Laws 1973, chapter 40, section 3, the sum of eight hundred ninety-five thousand dollars is appropriated to the Arizona Water Commission to be available for flood control projects as follows:

1.	Indian Bend Wash watershed	\$880,000.00
2.	Wickenburg watershed	<u>15,000.00</u>
	Total	\$895,000.00

B. The appropriations made by subsection A are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

LAWS OF ARIZONA

Sec. 3. **Emergency**

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor—May 16, 1974

Filed in the Office of the Secretary of State—May 16, 1974

CHAPTER 170

Senate Bill 1196

AN ACT

RELATING TO PUBLIC OFFICERS AND EMPLOYEES; PROVIDING FOR PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM DEPOSITORY; PROVIDING FOR INCREASE IN CERTAIN RETIREMENT SYSTEM INVESTMENT LIMITATIONS, AND AMENDING SECTIONS 38-757, 38-842 AND 38-848, ARIZONA REVISED STATUTES.

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

Section 1. Section 38-757, Arizona Revised Statutes, is amended to read:

38-757. **Financing of retirement system; investment of funds; limitations**

A. The investment management after investigation and study, shall determine the method of financing the retirement system established by this article to insure the greatest return commensurate with sound financing policy and adequate safety. The investment management may invest and reinvest the monies in its accounts as authorized by this section and may hold, purchase, sell, assign, transfer and dispose of any of the securities and investments in which any of the monies of its accounts are invested, and, upon such sale, the proceeds thereof shall be redeposited in the system's depository subject to reinvestment.

B. Investment management may invest and reinvest the monies directed to it as follows:

LAWS OF ARIZONA

1. Bonds or other evidences of indebtedness of the United States of America or any of its agencies or instrumentalities when such obligations are guaranteed as to principal and interest by the United States of America or by any agency or instrumentality thereof.

2. Bonds or other evidences of indebtedness of any state of the United States, or of any of the counties or incorporated cities, towns or duly organized school districts of any state or territory of the United States.

3. Bonds, notes or evidences of indebtedness of any county, municipal or municipal district utility within the United States, which are payable from revenues or earnings specifically pledged for the payment of the principal and interest on such obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment therein, or, if such obligations were issued less than five years prior to the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor on any other obligations of the issuer within five years of such investment.

4. Bonds, notes or evidences of indebtedness issued by any municipal improvement district in this or any other state to finance local improvements authorized by law, if the principal and interest of such obligations are payable from assessments on real property within such local improvement district. No such investment shall be made unless the face value of all such obligations, and similar obligations outstanding, do not exceed fifty per cent of the market value of the real property and improvements upon which such bonds or the assessments for the payment of principal and interest thereon are liens inferior only to the liens for general ad valorem property taxes. No such investment shall be made unless no default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment therein, or, if such obligations were issued less than five years prior to the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of such investment.

5. (a) Bonds, debentures, notes and other evidences of indebtedness issued, assumed or guaranteed by any solvent institution created or existing under the laws of the United States or of any state, district or territory thereof, which are not in default as to principal or interest and which are secured by collateral worth at least fifty per cent more than the par value of the entire issue of such obligations, but only if not more than one third of the total value of such required collateral shall consist of common stock.

LAWS OF ARIZONA

(b) Fixed interest bearing obligations which are not in default as to principal or interest, other than those described in subdivision (a) above, of such institutions if the net earnings of the issuing, assuming or guaranteeing institution available for its fixed charges for a period of five fiscal years next preceding the date of investment therein have averaged per year not less than one and one-half times its average annual fixed charges applicable to such period and if during either of the last two years of such period such net earnings have been not less than one and one-half times its fixed charges for such year.

6. Equipment trust obligations or certificates which in the opinion of the investment management are adequately secured, or other instruments so secured and evidencing an interest in transportation equipment, wholly or in part within the United States, which carry the right to receive determined portions of rental, purchase or other fixed obligatory payments to be made for the use or purchase of such transportation equipment.

7. Preferred or guaranteed stock or shares of any solvent institution created or existing under the laws of the United States or of any state, district or territory thereof, if all of the prior obligations and prior preferred stocks, if any, of such institution at the date of acquisition are eligible as investments under this subsection and if the net earnings of such institution available for its fixed charges during either of the last two years shall have been, and during each of the last five years shall have averaged not less than one and one-half times the sum of its average annual fixed charges, if any, its average annual maximum contingent interest, if any, and its average annual preferred dividend requirements. For the purposes of this paragraph, such computation shall refer to the fiscal years immediately preceding the date of acquisition, and the term "preferred dividend requirement" shall be deemed to mean cumulative or noncumulative dividends, whether paid or not. The retirement system shall not invest more than ~~two-thirds of one~~ FOUR per cent of its assets in the preferred stock of any one issuing company, nor shall the aggregate of its investments under this paragraph exceed ~~ten~~ TWENTY per cent of its assets.

8. Nonassessable, except for taxes or wages, common stocks or shares of any solvent institution, created or existing under the laws of the United States or of any state, district or territory thereof if all the obligations and preferred stock, if any, of such institution are eligible as investments under the provisions of this subsection, and if such institution has earned, during a period of five fiscal years next preceding the date of acquisition, an aggregate sum applicable to dividends on its common shares equal at least to an aggregate sum which would have been sufficient to pay dividends of

LAWS OF ARIZONA

four per cent per annum on the par value, or in the case of shares having no par value, then upon the value upon which those shares were issued, of all its common shares outstanding during such period. The retirement system shall not, however, invest more than ~~one~~ FOUR per cent of its assets in the common stock or capital stock of any one issuing company, nor shall the aggregate of its investments under the provisions of this paragraph, at a cost not to exceed sixty per cent of its assets.

9. Term contracts of sale and lease purchase agreements issued, agreed to or entered into by the federal government or any agency thereof or by the state or any department, agency or duly constituted authority of the state or a political subdivision thereof authorized by law to enter into contracts and agreements for the acquisition of lands and improvements thereon for public use, provided that such investments shall be repaid to the system at the prevailing rate of interest for private investments of a similar nature and that each such investment made by the investment management does not exceed ninety per cent of the appraised valuation of the property securing the investment loan.

10. Interest bearing savings accounts or certificates of deposit in banks doing business in this state whose accounts are insured by the Federal Deposit Insurance Corporation, but only if such deposits in excess of the insured amount are secured by the depository to the same extent and in the same manner as required by the general depository law of the state.

11. Interest bearing savings accounts or certificates of deposit in savings and loan associations doing business in this state, whose accounts are insured by the Federal Savings and Loan Insurance Corporation, but only if such deposits in excess of the insured amount are secured by the depository to the same extent and in the same manner as required by the general depository law of the state.

12. Bonds, notes or other evidences of indebtedness which are secured by first mortgages upon improved unencumbered real property located in Arizona, but only upon condition that:

(a) No such mortgage loan acquired on any one property shall, at the time of investment by the investment management, exceed seventy-five per cent of the value of the real property securing the same, except that such loan may equal the amount of any guaranty by the United States of America or by any agency or instrumentality of the United States of America.

(b) Each such mortgage loan shall provide for amortization payments to be made by the borrower on the principal thereof at least quarterly in each year in amounts sufficient to completely amortize the loan within a period

LAWS OF ARIZONA

of twenty-five years, except that in the case of loans guaranteed or insured by the United States of America or by any agency or instrumentality of the United States of America, the amortization schedule may not exceed that permitted by such guaranteed or insured loan.

(c) The value of the real property securing such mortgage loan shall be as determined by an appraisal made by an accredited member of a nationally recognized Real Estate appraisal organization and no such mortgage loan shall be acquired except after such appraisal, except that in the case of loans guaranteed or insured by the United States of America or by any agency or instrumentality of the United States of America, the value of the real property receiving such loan shall be as determined by an appraiser approved by the guaranteeing or insuring agency.

(d) No mortgage loan shall be originated or serviced by the system but shall be acquired from and serviced by an approved mortgagee or the federal housing administration doing business in Arizona.

(e) The aggregate of its investments under the provisions of this paragraph shall not, at cost, exceed forty per cent of its assets.

13. In mutual funds, insurance company investment funds, commercial paper and banker's acceptance. For the purpose of this paragraph:

(a) "Banker's acceptance" is a written unconditional order in the form of a draft drawn on a bank for a period not to exceed one hundred eighty days, requiring the bank to pay on demand a specified amount which, when accepted by the bank, becomes the bank's promise to pay.

(b) "Commercial paper" means negotiable short term promissory notes issued by a well known corporation borrower for any term up to two hundred seventy days.

(c) "Mutual fund" means an open end investment company managing a diversified portfolio in accordance with specified investment objectives. Such company offers and has outstanding redeemable securities of which it is the issuer. Seventy-five per cent of the assets of such mutual fund shall be so invested that:

(i) Not more than five per cent of its assets is invested in any one corporation.

(ii) Not more than ten per cent of the voting securities of any corporation may be held by the mutual fund.

LAWS OF ARIZONA

C. The system shall not have at any time any combination of investments in any one institution, agency, corporation or political subdivision aggregating an amount exceeding ~~five~~ SEVEN per cent of the assets of the retirement system, nor shall the system have any combination of equity investments in any one industry exceeding fifteen per cent, excepting electric and gas utilities, telephone communications, banking, finance and insurance industries. In such excepted industries, the system shall not have a combination of equity investments exceeding twenty-five per cent in any one, nor collectively more than sixty per cent, of the total equity assets of the retirement system. The latter percentages shall be measured by cost or carrying value in the portfolio. This restriction shall not apply to investments in general obligations of the United States of America.

Sec. 2. Section 38-842, Arizona Revised Statutes, is amended to read:

38-842. Definitions

In this article, unless the context otherwise requires:

1. "Accidental disability" means a physical or mental condition which, in the judgment of the board, totally and presumably permanently prevents an employee from performing his regularly assigned duties and was incurred in the performance of his duty. A determination of disability shall be based on medical evidence satisfactory to the board.

2. "Accumulated contributions" means, for each member, the sum of:

(a) The amount of his aggregate contributions made to the fund,

(b) The amount, if any, attributable to the employee's contributions prior to his effective date under another public retirement system, other than the federal social security act, and transferred to the fund, and,

(c) Interest credited on such amounts at a rate and in accordance with procedures adopted by the fund manager, which rate and procedures may be changed from time to time by the fund manager.

3. "Actuarial equivalent" means equality in value of the aggregate amounts expected to be received under two different forms of payment, based upon mortality and interest rate assumptions approved from time to time by the fund manager.

4. "Average monthly compensation" means the result obtained by dividing the total compensation paid to an employee during a considered period by the number of months, including fractional months, in which

LAWS OF ARIZONA

such compensation was received. The considered period shall be the five consecutive calendar years within the last ten completed calendar years of credited service which yield the highest average.

5. "Board" means the retirement board of the employer, the persons appointed to administer the system as it applies to their members in the system.

6. "Compensation" means the remuneration paid to an employee by the employers for personal services which are rendered during the period considered as service, as reported on the employee's federal income tax withholding statement (Form W-2).

7. "Credited service" means the member's total period of service prior to his effective date, plus those compensated periods of his service thereafter for which he made contributions to the fund.

8. "DEPOSITORY" MEANS A BANK IN WHICH ALL MONIES OF THE SYSTEM ARE DEPOSITED AND HELD AND FROM WHICH ALL EXPENDITURES FOR BENEFITS, EXPENSES AND INVESTMENTS ARE DISBURSED.

~~8.~~ 9. "Effective date" means July 1, 1968, except with respect to employers and their covered employees whose contributions to the fund commence thereafter, the effective date of their participation in the system as specified in the applicable joinder agreement.

~~9.~~ 10. "Eligible child" means the child of a deceased member who is entitled to a child's insurance benefit under the federal social security act or would be so entitled if the member's employer contributed under such federal act, while under age eighteen or during disability thereafter.

~~10.~~ 11. "Employee" means any person who is a member of a group of public safety personnel regularly assigned to hazardous duty, including groups of municipal policemen, municipal firemen, state highway patrolmen, county sheriffs and deputies, fish and game wardens, penitentiary guards, college campus policemen, and special agents, and excluding persons compensated on a contractual or fee basis.

~~11.~~ 12. "Employers" means:

(a) Cities contributing to the firemen's relief and pension fund as provided in sections 9-951 to 9-971, inclusive, or statutes amended thereby and antecedent thereto, as of June 30, 1968, on behalf of their full-time paid firemen.

LAWS OF ARIZONA

(b) Cities contributing under the state police pension laws as provided in sections 9-911 to 9-934, inclusive, or statutes amended thereby and antecedent thereto, as of June 30, 1968, on behalf of their municipal policemen.

(c) The state highway patrol covered under the Arizona highway patrol retirement laws, sections 38-765 through 38-775 and 38-777.

(d) The state, or any political subdivision thereof, including but not limited to towns, cities and counties which has elected to participate in the system on behalf of an eligible group of public safety personnel pursuant to a joinder agreement entered into after July 1, 1968.

~~12.~~ 13. "Fund" means the public safety personnel retirement fund, the fund established to receive and invest contributions accumulated under the system and from which benefits are paid.

~~13.~~ 14. "Fund manager" means the fund manager of the system, the persons appointed to invest and operate the fund.

~~14.~~ 15. "Member" means any employee, excluding persons in stenographic or clerical positions:

(a) Who is either a full-time paid municipal policeman, fireman, or a law enforcement officer employed by the state including the director thereof and all ranks designated by the Arizona law enforcement merit system council, or an employee included in a group designated as eligible employees under a joinder agreement entered into by their employer after July 1, 1968, and

(b) Who, on or after his effective date, is receiving remuneration for personal services rendered to an employer or would be receiving such remuneration except for an authorized leave of absence, and

(c) Whose employment with an employer commenced prior to attainment of age fifty, and

(d) Whose customary employment is for more than twenty hours per week and for more than six months in a calendar year, and

(e) Who has not attained age sixty-five prior to his effective date or who was over age sixty-five with twenty-five years or more service prior to his effective date.

LAWS OF ARIZONA

~~15.~~ 16. "Normal retirement date" means the first day of the calendar month immediately following an employee's completion of twenty years of service, or his sixty-second birthday and his completion of fifteen years of service ~~whichever is later~~.

~~16.~~ 17. "Ordinary disability" means a physical or mental condition which, in the judgment of the board, totally and presumably permanently prevents an employee from engaging in any substantial gainful activity. A determination of disability shall be based on medical evidence satisfactory to the board.

~~17.~~ 18. "Pension" means a series of monthly amounts which are payable to a person who is entitled to receive benefits under the plan.

~~18.~~ 19. "Retirement" means termination of employment after a member has fulfilled all requirements for a pension. Retirement shall be considered as commencing on the day immediately following a member's last day of employment, or authorized leave of absence, if later.

~~19.~~ 20. "Service" means the last period of continuous employment of an employee by the employers prior to his retirement of his sixty-fifth birthday, whichever first occurs, except that if such period includes employment during which he would not have qualified as a member had the system then been effective, such as employment as a volunteer fireman, then only twenty-five per cent of such noncovered employment shall be considered as service. Any absence which is authorized by an employer shall not be considered as interrupting continuity of employment, provided the employee returns within the period of authorized absence. Transfers between employers also shall not be considered as interrupting continuity of employment. Any period during which a member is receiving sick leave payments or a temporary disability pension shall be considered as service. Any reference in this system to the number of years of service of an employee shall be deemed to include fractional portions of a year.

~~20.~~ 21. "State" means the state of Arizona, including any department, office, board, commission, agency, or other instrumentality thereof.

~~21.~~ 22. "System" means the public safety personnel retirement system, created by the provisions of this article.

~~22.~~ 23. "Temporary disability" means a physical or mental condition which, in the judgment of the board, totally and presumably temporarily prevents an employee from performing his regularly assigned duties, and which was incurred in the performance of such duty. A determination of disability shall be based on medical evidence satisfactory to the board.

LAWS OF ARIZONA

Sec. 3. Section 38-848, Arizona Revised Statutes, is amended to read:

38-848. Fund manager

~~A. The funds of the system, shall constitute a special fund in the state treasury to be used for the payment of benefits provided under the system. The special fund shall be operated and managed by the fund manager. The fund manager shall consist of three members appointed by the governor pursuant to section 38-211 and shall have such rights, powers and duties as are set forth hereunder. The governor shall appoint one elected member from a local board to represent the employees, one member to represent the state as an employer of public safety personnel, and one member to represent the cities as employers of public safety personnel. The terms of the members shall be limited to three years, and commencing with the first day of January, 1971, the governor shall appoint one member to serve for one year, one member to serve for two years, and one member to serve for three years, and thereafter all members shall be appointed for a term of three years to expire on the third Monday in January of the appropriate year. Notwithstanding any provision in this article to the contrary, all monies in the fund shall be deposited, held and disbursed in the same manner and under the same conditions and requirements as provided by law for other special funds in the state treasury, except that monies in the fund shall not be commingled with other state funds but shall be maintained in a separate account on the books of the depository. Such monies shall be secured by the depository in which they are held to the same extent and in the same manner as required by the general depository law of the state. Any balance in the fund shall not lapse at any time but shall be continuously available to the board for expenditure consistent with this article.~~

B. THERE SHALL BE A PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM DEPOSITORY IN WHICH ALL MONIES IN THE FUND SHALL BE DEPOSITED AND HELD, AND FROM WHICH MONIES IN THE FUND SHALL BE DISBURSED, SEPARATE AND APART FROM ALL MONIES OR FUNDS OF THE STATE AND THE AGENCIES, INSTRUMENTALITIES AND SUBDIVISIONS THEREOF. SUCH MONIES SHALL BE SECURED BY THE DEPOSITORY IN WHICH THEY ARE DEPOSITED AND HELD TO THE SAME EXTENT AND IN THE SAME MANNER AS REQUIRED BY THE GENERAL DEPOSITORY LAW OF THE STATE. THE FUND IS SUBJECT TO THE SOLE MANAGEMENT OF THE FUND MANAGER FOR THE PURPOSE OF THIS ARTICLE.

~~B.~~ C. All contributions under this system shall be forwarded to the fund manager and shall be held, invested and reinvested by the fund manager. All property and funds of the fund, including income from

LAWS OF ARIZONA

investments and from all other sources, shall be retained for the exclusive benefit of members, as provided in the system, and shall be used to pay benefits to members or their beneficiaries, or to pay expenses of operation and administration of the system and fund.

~~C.~~ D. The fund manager shall have the full power, in his sole discretion to invest and reinvest, alter and change the funds accumulated under the system. The fund manager may commingle securities and monies of the fund subject to the crediting of receipts and earnings and charging of payments to the account of the appropriate employer. In making each and all of such investments, the fund manager shall exercise the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital, provided:

1. That not more than fifty per cent of the pension fund shall be invested at any given time in corporate stocks, based on cost value of such stocks irrespective of capital appreciation.
2. That no more than five per cent of the pension fund shall be invested in securities issued by any one institution, agency or corporation, other than securities issued as direct obligations of and fully guaranteed by the United states government.
3. That not more than five per cent of the voting stock of any one corporation shall be owned.
4. That stocks eligible for purchase shall be restricted to stocks which, except for bank stocks and insurance stocks, are listed upon an exchange registered with the federal securities and exchange commission or its successors.

~~D.~~ E. The fund manager shall not be held liable for the exercise of more than ordinary care and prudence in the selection of investments and shall not be limited to so-called "legal investments for trustees," but all funds of the system shall be invested subject to all of the conditions, limitations and restrictions imposed by law.

~~E.~~ F. Except as provided in subsection ~~C~~ D, the fund manager may:

1. Invest and reinvest the principal and income of the pension fund without distinction between principal and income.

LAWS OF ARIZONA

2. Sell, exchange, convey, transfer, or otherwise dispose of any investments of the fund held in the name of the system by private contract or at public auction.

3. Also:

(a) Vote upon any stocks, bonds, or other securities.

(b) Give general or special proxies or powers of attorney with or without power of substitution.

(c) Exercise any conversion privileges, subscription rights or other options and to make any payments incidental thereto.

(d) Consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith.

(e) Generally exercise any of the powers of an owner with respect to stocks, bonds, securities, or other investments held in the fund.

4. Make, execute, acknowledge, and deliver any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.

5. Register any investment held in the fund in the name of the fund or in the name of a nominee.

6. At the expense of the system, may enter into an agreement with any bank or banks for the safekeeping and handling of securities and other investments coming into the possession of the fund manager. The agreement shall be entered into under such terms and conditions as shall secure the proper safeguarding, inventory, withdrawal and handling of the securities and other investments. No access to and no deposit or withdrawal of the securities from any place of deposit selected by the fund manager shall be permitted or made except as the terms of the agreement may provide.

7. Do all acts whether or not expressly authorized which may be deemed necessary or proper for the protection of the investments held in the fund.

~~F.~~ G. An expense account shall be maintained for the system by the fund manager. The account shall be credited with all contributions of employers for the purpose of meeting their respective proportion of the total operation and administrative expenses of the system during each

LAWS OF ARIZONA

fiscal year, and it shall be charged with all disbursements for operation and administrative expenses incurred by the system. The surplus or deficiency of this account at the end of the year shall be used in determining the expense rate applicable for the following fiscal year. Investment expenses shall be accounted for separately and allocated against investment income.

~~G.~~ H. The fund manager, as soon as possible following the close of each fiscal year, and in any event within a period of six months following the close of any year, shall cause to be transmitted to the governor or the legislature an annual statement on the operation of the system, containing, among other things:

1. A balance sheet.
2. A statement of income and expenditures for the year.
3. A report on an actuarial valuation of its assets and liabilities.
4. A detailed statement of the investments acquired and disposed of during the year.
5. A list of investments owned.
6. Any other statistical and financial data which may be necessary for the proper understanding of the financial condition of the system and the results of its operations. A synopsis of such annual report shall be published for the information of members of the system.

~~H.~~ I. The fund manager shall:

1. Maintain the accounts of the system, and issue statements to each employer annually and to each member who may request it.
2. Prescribe the rate of interest that shall be credited to the accumulated contributions each year.
3. Report the results of the actuarial valuations to the local boards and employers.
4. Contract on a fee basis, with an independent investment counsel to advise it in the investment management of the fund and with an independent auditing firm to audit its accounting.
5. Permit the auditor general to make an annual audit the results of which shall be transmitted to the governor and the legislature.

LAWS OF ARIZONA

6. Contract on a fee basis with an actuary, who is a member of the society of actuaries, and who shall make actuarial valuations of the system, be the technical adviser of the fund manager on matters regarding the operation of the funds created by the provisions of the system, and shall perform such other duties as are required in connection therewith.

7. Employ, as administrator, a person, state department, or other body to establish and maintain an adequate system of accounts and records for the system, which shall be integrated with the accounts, records, and procedures of the employers to the end that the same shall operate most effectively and at minimum expense, and that duplication of records and accounts may be avoided.

~~I.~~ J. The attorney general shall be the attorney for the fund manager and shall represent him in any legal proceeding.

~~J.~~ K. As of the date of the establishment of the retirement system, the actuary shall make such investigation of the mortality, service and compensation experience of the members of the system as the fund manager shall authorize, and on the basis of such investigation he shall recommend for adoption by the fund manager such tables as are required for the appropriate actuarial valuation of the system. As soon as practicable after the adoption of the actuarial tables, the actuary shall make a valuation based on such tables, of the assets and liabilities of the funds created by the system, and prepare a report to each employer showing the contributions sufficient to meet both the normal cost on a level cost method and the prescribed interest on the past service cost for its members. An employer shall have the option of making contributions greater than the contributions specified in this section, in order to reduce the past service cost for its members.

~~K.~~ L. At least once in each five-year period after the effective date, the actuary shall make an actuarial investigation into the mortality, service and compensation experience of the members and beneficiaries of the system and shall make a special valuation of the assets and liabilities of the funds of the system. Taking into account the results of such investigation and special valuation, the fund manager shall adopt for the system such mortality, service and other tables as shall be deemed necessary.

~~L.~~ M. On the basis of such tables as the fund manager shall adopt, the actuary shall make a valuation of the assets and liabilities of the funds of the system not less frequently than each two years. The actuary's report shall stipulate the contributions requirement of each employer

LAWS OF ARIZONA

participating in the system, provided that during fiscal years 1968-1969, and 1969-1970, employers shall not be required to contribute a percentage which would exceed the percentage which would have been contributed if the same percentage of payroll as contributed to existing pension systems by such employers in 1967-1968 were applied to the payrolls in 1968-1969 and 1969-1970.

~~M.~~ N. Neither the fund manager nor any of its members or employee thereof shall directly or indirectly, for himself or as an agent, in any manner use the funds or deposits of the fund except to make such current and necessary payments as are authorized by the local boards, nor shall the fund manager or any member or employee become an endorser or surety or in any manner an obligor for monies loaned by or borrowed from the fund.

Approved by the Governor—May 16, 1974

Filed in the Office of the Secretary of State—May 16, 1974

CHAPTER 171

Senate Bill 1245

AN ACT

RELATING TO EDUCATION; PRESCRIBING CERTAIN ADDITIONAL POWERS AND RESPONSIBILITIES OF THE BOARD OF REGENTS RELATING TO EDUCATIONAL INSTITUTIONS; AUTHORIZING THE ARIZONA BOARD OF REGENTS TO REMODEL THE STADIUM AT THE UNIVERSITY OF ARIZONA AND ACQUIRE, CONSTRUCT, EQUIP, FURNISH AND MAINTAIN AN ADDITION THERETO AND ENTER INTO PROJECTS FOR OTHER PURPOSES FOR WHICH REVENUE BONDS MAY BE ISSUED BY THE BOARD OF REGENTS FOR ANY OF THE UNIVERSITIES, AND FOR THOSE PURPOSES TO ACCEPT GIFTS, TO BORROW MONEY AND ISSUE BONDS, TO REFUND BONDS HERETOFORE AND HEREAFTER ISSUED FOR SUCH EDUCATIONAL INSTITUTIONS, TO PROVIDE FOR THE PAYMENT AND SECURITY OF ALL BONDS ISSUED HEREUNDER, AND TO PERFORM NECESSARY OR CONVENIENT ACTS IN CONNECTION WITH SUCH PROJECTS; SUPERSEDING INCONSISTENT PROVISIONS OF ALL OTHER LAWS; PROHIBITING CERTAIN ABORTIONS AT EDUCATIONAL INSTITUTIONS UNDER JURISDICTION OF BOARD OF REGENTS; AMENDING TITLE 15, CHAPTER 7, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-730, AND DECLARING AN EMERGENCY.

LAWS OF ARIZONA

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

Section 1. Definitions

In this act, unless the context otherwise requires:

1. "Acquire" includes to purchase, erect, build, construct, reconstruct, raze, remodel, repair, replace, alter, extend, expand, better, equip, furnish, develop, improve, and embellish a project, and the acquisition, preparation and development of sites therefor.
2. "Board" means the Arizona board of regents or its successor.
3. "Bonds" means any revenue bonds issued pursuant to this act.
4. "Federal agency" means the United States of America, the president of the United States of America, the department of housing and urban development, or any other agency or agencies of the United States of America as may be designated or created to make loans or grants or both.
5. "Institution" or "university" means the university of Arizona, located at Tucson, Arizona, Arizona state university located at Tempe, Arizona or northern Arizona university located at Flagstaff, Arizona, under the jurisdiction and control of the board or its successor.
6. "Project" means and includes the acquisition and remodeling of the stadium at the university of Arizona and the construction of parts thereof, and additions and extensions thereto at the institution and parking therefor; heating, lighting, and other service facilities in connection therewith, including sewer and other utility systems, or parts thereof, or extensions thereto; and equipment and furnishings therefor, and includes any and all other purposes for which revenue bonds may be issued by the board of regents for any of the universities.

Sec. 2. Powers

The board shall have power for any such university to:

1. Acquire any project, and to own, operate and maintain the same.
2. Acquire by purchase, contract, lease, gift or the exercise of eminent domain, and hold or dispose of, real or personal property or rights or interest therein intended solely toward the construction, remodeling, equipping and furnishing of such project.
3. Accept grants, subsidies or loans of money or materials or property of any kind from a federal agency, or others, upon such terms and

LAWS OF ARIZONA

conditions as may be imposed, and to pledge the proceeds of grants, subsidies or loans of money received, or to be received, from the United States of America or any agency or instrumentality thereof, or others, pursuant to agreements entered into between such board and the United States of America or any agency or instrumentality thereof, or others.

4. Borrow money and issue bonds to acquire such project, and to refund bonds heretofore or hereafter issued to acquire any project, and to refund any such refunding bonds, or for any one, or more than one, or all of such purposes, or any combination thereof, and to provide for the security and payment of such bonds and for the rights of the holders thereof.

5. Make contracts and leases and execute all instruments and perform all acts and do all things necessary or convenient to carry out the powers granted in this act.

6. Retain in its treasury:

(a) All monies received from the sale of all bonds issued under this act,

(b) All fees, rentals and other charges from students, faculty, staff members and others using or being served by, or having the right to use or the right to be served by, or to operate, such project,

(c) All fees for student activities, student services, and all other fees collected from students matriculated, registered or otherwise enrolled at and attending said university pledged under the terms of any resolution authorizing bonds pursuant to this act, and

(d) All rentals from any project leased to the United States of America, or others.

Sec. 3. Issuance of bonds

The board shall have power, and is hereby authorized from time to time, to issue negotiable bonds in various amounts but not exceeding in the aggregate principal amount the sum of five million five hundred thousand dollars for the university of Arizona, five million five hundred thousand dollars for Arizona state university and three million five hundred thousand dollars for northern Arizona university:

1. To acquire any project for any such university,

2. To refund bonds heretofore and hereinafter issued to acquire any project for any such university as hereafter provided for,

LAWS OF ARIZONA

3. To refund any such refunding bonds,
4. For any one, or more than one, or all of such purposes, or any combination thereof.

All bonds shall be authorized by resolution of the board, subject to final approval by the joint legislative budget committee, and may be issued in one or more series, may bear such date or dates, may be in such denomination or denominations, may mature at such time or times not exceeding forty years from the respective dates thereof, may mature in such amount or amounts, may bear interest at such rate or rates not to exceed ten per cent payable at such time or times, semi-annually, may be in such form, either coupon or registered as to principal only or as to both principal and interest, may carry such registration privileges, including the conversion of a fully registered bond to a coupon bond or bonds and the conversion of a coupon bond or bonds to a fully registered bond, may be executed in such manner, may be made payable in such medium of payment, at such place or places within or without the state, may be subject to such terms of redemption prior to their expressed maturity, with or without premium, as such resolution or other resolutions may provide. All bonds issued under this act shall be sold as the board shall determine. Such resolution may provide that one of the officers of the board shall sign such bonds manually and that the other signatures may be printed, lithographed, engraved or otherwise reproduced thereon. The coupon bonds shall be fully negotiable within the meaning of the uniform commercial code, chapter 14, title 44, Arizona Revised Statutes, as amended.

Sec. 4. Refunding bonds

The board shall have power, and is hereby authorized from time to time to issue refunding bonds:

1. To refund unpaid matured bonds; and
2. To refund unpaid matured coupons evidencing interest upon its unpaid matured bonds; and
3. To refund interest at the rate specified in its unpaid matured bonds that has accrued since the maturity of those bonds; provided that such refunding bonds may be exchanged for the bonds to be refunded on a par for par basis of the bonds, interest coupons and interest not represented by coupons, if any, or may be sold at not less than par, or may be exchanged in part and sold in part, and the proceeds received at any such sale shall be used to pay the bonds, interest coupons and interest not represented by coupons, if any, and all bonds and interest coupons which have been

LAWS OF ARIZONA

received in exchange or paid shall be cancelled and the obligation for interest, not represented by coupons, which has been discharged, shall be evidenced by a written acknowledgment of the exchange or payment thereof; and

4. To refund bonds at or prior to their maturity or which by their terms are subject to redemption before maturity, or both, in an amount necessary to refund the principal amount of the bonds to be refunded, the interest to accrue up to and including the maturity date or dates, or to the next succeeding redemption date, thereof, and the applicable redemption premiums, if any, and may be exchanged for not less than an equal principal amount of bonds to be refunded or may be sold at not less than par, or may be exchanged in part and sold in part, and all proceeds received at the sale thereof, excepting the accrued interest received, shall be used:

(a) If the bonds to be refunded are then due, for the payment thereof;

(b) If the bonds to be refunded are voluntarily surrendered with the consent of the holder or holders thereof, for the payment thereof;

(c) If the bonds to be refunded are then subject to prior redemption by their terms, for the redemption thereof;

(d) If the bonds to be refunded are not then subject to payment or redemption, to purchase direct obligations of the United States of America so long as such obligations will mature at such time or times, with interest thereon or the proceeds received therefrom, to provide funds adequate to pay when due or called for redemption prior to maturity the bonds to be refunded, together with the interest accrued thereon and any redemption premium due thereon, and such proceeds or obligations of the United States of America shall, with all other funds legally available for such purpose, be deposited in escrow with a banking corporation, or national banking association, located in and doing business in the state of Arizona, with power to accept and execute trusts, or any successors thereto, which is also a member of the federal deposit insurance corporation and of the federal reserve system, to be held in an irrevocable trust solely for and until the payment and redemption of the bonds so to be refunded, and any balance remaining in such escrow after the payment and retirement of the bonds to be refunded shall be used and held for use by such board as revenues pledged for the payment of such refunding bonds; or

LAWS OF ARIZONA

(e) For any combination thereof.

Sec. 5. Security of bonds

A. Notwithstanding any other provisions of law, including any other provisions in this act, no fees required to be paid by any students may be increased for the purpose of securing payment of any bonds issued pursuant to this act.

B. In connection with the issuance of any bonds under this act, and in order to secure the payment of any such bonds and the interest thereon, the board shall have power for such university:

1. To fix, maintain and collect:

(a) Fees, rentals and other charges from students, faculty, staff members and others using or being served by, or having the right to use or the right to be served by, or to operate, such project,

(b) Fees for student activities, student services, and all other fees from students matriculated, registered or otherwise enrolled at and attending such university, and

(c) Rentals from any facility or building leased to the United States of America, or others; the aggregate of which shall be sufficient at all times to pay the bonds at maturity and accruing interest thereon in accordance with their terms, and to create and maintain all reserves therefor as provided by the resolution authorizing such bonds, and to pay all necessary expenses of the operation and maintenance of such project.

2. To provide that bonds issued under this act shall be payable from and secured by a pledge of and lien on all or part of the income and revenues derived from, and to pledge and assign to, or in trust for the benefit of, the holder or holders of bonds issued under this act all or any part of the income and revenues derived from:

(a) Fees, rentals and other charges from students, faculty, staff members and others using or being served by, or having the right to use or the right to be served by, or to operate, such project,

(b) Fees for student activities, student services, and all other fees collected from students matriculated, registered or otherwise enrolled at and attending such university, and

LAWS OF ARIZONA

(c) Rentals from any facility or building leased to the United States of America, or others; provided that, if such board provides that any bonds issued under this act shall also be payable from the income and revenues of any project heretofore acquired for such university, any such provision for the payment of such bonds from the income and revenues of any such project heretofore acquired for such university shall be subject to, and in all respects in full conformity and compliance with, the rights of the holders of any bonds or obligations payable from the income and revenues of any such project heretofore issued for such university and then outstanding.

3. To covenant with or for the benefit of the holder or holders of the bonds issued under this act that so long as any such bonds shall remain outstanding and unpaid the board will fix, maintain and collect in such installments as may be agreed upon:

(a) Fees, rentals and other charges from students, faculty, staff members and others using or being served by, or having the right to use or the right to be served by, or to operate such project,

(b) Fees for student activities, student services, and all other fees from students matriculated, registered or otherwise enrolled at and attending such university pledged under the terms of any resolution authorizing bonds pursuant to this act, and

(c) Rentals from any facility or building leased to the United States of America, or others; the aggregate of which shall be sufficient at all times to pay the bonds at maturity and accruing interest thereon in accordance with their terms, and to create and maintain all reserves therefor as provided by the resolution authorizing such bonds, until such bonds and accruing interest have been paid in accordance with their terms, and to pay all necessary expenses of the operation and maintenance of any project.

4. To covenant with or for the benefit of the holder or holders of bonds issued under this act as to all matters deemed advisable by the board, including:

(a) The purposes, terms and conditions for the issuance of additional parity or junior lien bonds that may thereafter be issued, and for the payment of the principal, redemption premiums, and interest on such bonds.

LAWS OF ARIZONA

- (b) The kind and amount of all insurance to be carried, the cost of which shall be charged as an operation and maintenance expense of such project.
 - (c) The operation, maintenance and management of such project to assure the maximum use and occupancy thereof; the accounting for, and the keeping of records, reports and audits of, all income and revenue from, and all expenses of, such project; and the employment of engineers and consultants.
 - (d) The obligation of the board to maintain such project in good condition and to operate the same at all times in an economical and efficient manner.
 - (e) The terms and conditions for creating and maintaining sinking funds, reserve funds, and such other special funds as may be created in the resolution authorizing such bonds, separate and apart from all other funds and accounts of such board and such university.
 - (f) The procedure by which the terms of any contract with the holders of the bonds may be amended, the amount of the bonds the holders of which must consent thereto, and the manner in which consent may be given.
 - (g) Providing the procedure for refunding such bonds.
 - (h) Such other covenants as may be deemed necessary or desirable to assure a successful operation of such project and the prompt payment of the principal of and interest upon the bonds so authorized.
5. To make and enforce and agree to make and enforce parietal rules that shall insure the use of such project to the maximum extent to which the same is capable of serving students, faculty, staff members and others using or being served by, or having the right to use or the right to be served by, or to operate, such project.
6. To covenant that so long as any of the bonds issued under this act shall remain outstanding and unpaid, it will not, except upon such terms and conditions as may be determined:
- (a) Voluntarily create or cause to be created any debt, lien, mortgage, pledge, assignment, encumbrance or other charge having priority to the

LAWS OF ARIZONA

lien of the bonds issued under this act upon any of the income and revenues derived from:

- (i) All fees, rentals and other charges from students, faculty, staff members and others using or being served by, or having the right to use or the right to be served by, or to operate, such project,
 - (ii) Fees for student activities, student services, and all other fees collected from students matriculated, registered or otherwise enrolled at and attending such university, and
 - (iii) All rentals from any facility or building leased to the United States of America, or others.
- (b) Convey or otherwise alienate such project or the real estate upon which such project shall be located, except at a price sufficient to pay all the bonds issued for such project then outstanding and interest accrued thereon, and then only in accordance with any agreements with the holder or holders of such bonds.

7. To vest in a trustee or trustees the right to receive all or any part of the income and revenue pledged and assigned to, or for the benefit of the holder or holders of bonds issued under this act, and to hold, apply and dispose of the same and the right to enforce any covenant made to secure or pay or in relation to the bonds; execute and deliver a trust agreement or trust agreements which may set forth the powers and duties and remedies available to such trustee or trustees and limiting the liabilities thereof and describing what occurrences shall constitute events of default and prescribing the terms and conditions upon which such trustee or trustees or the holder or holders of any specified amount or percentage of such bonds may exercise such rights and enforce any and all such covenants and resort to such remedies as may be appropriate.

8. To covenant to perform any and all acts and to do any and all such things as may be necessary or convenient or desirable in order to secure its bonds, or as may in the judgment of the board tend to make the bonds more marketable, notwithstanding that such acts or things may not be enumerated herein, it being the intention hereof to give the board issuing bonds pursuant to this act power to make all covenants, to perform all acts and to do all things not inconsistent with the constitution of the state of Arizona.

LAWS OF ARIZONA

Sec. 6. Enforcement of contract

The provisions of this act and of any resolution or other proceeding authorizing the issuance of bonds shall constitute a contract with the holders of such bonds and the provisions thereof shall be enforceable either in law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, to enforce and compel the performance of all duties required by this act and by any resolution authorizing the issuance of bonds adopted responsive hereto.

Sec. 7. Monies of the board

No monies derived from the sale of bonds issued under the provisions of this act, or pledged or assigned to or in trust for the benefit of the holder or holders thereof, shall be required to be paid into the state treasury but shall be deposited by the treasurer or other fiscal officer of the board in such bank or banks or trust company or trust companies as may be designated by the board, and all deposits of such monies shall, if required by the board, be secured by obligations of the United States of America, of a market value equal at all times to the amount of such monies on deposit. Such monies shall be disbursed as may be directed by the board and in accordance with the terms of any agreements with the holder or holders of any bonds. This section shall not be construed as limiting the power of the board to agree in connection with the issuance of any of its bonds as to the custody and disposition of the monies received from the sale of such bonds or from the income and revenues pledged or assigned to or in trust for the benefit of the holder or holders thereof.

Sec. 8. Validity of bonds

The bonds bearing the signature of officers of the board in office on the date of the signing thereof shall be valid and binding obligations, notwithstanding that before the delivery thereof and payment therefor any or all persons whose signatures appear thereon shall have ceased to be such officers. The validity of the bonds shall not be dependent on nor affected by the validity or regularity of any proceedings to acquire any project financed by the bonds, or to refund outstanding bonds, or taken in connection therewith.

Sec. 9. Prohibitions against obligating state of Arizona

Nothing in this act shall be construed to authorize the board to contract a debt on behalf of, or in any way to obligate, the state of Arizona, or to

LAWS OF ARIZONA

pledge, assign or encumber in any way, or to permit the pledging, assigning or encumbering in any way, of appropriations made by the legislature, or revenue derived from the investment of the proceeds of the sale, and from the rental of such lands as have been set aside by the enabling act approved June 20, 1910, or other legislative enactments of the United States, for the use and benefit of the board or university.

Sec. 10. Bonds obligations of board

All bonds pursuant to this act shall be obligations of the board issuing such bonds, payable only in accordance with the terms thereof, and shall not be obligations general, special or otherwise of the state of Arizona. Such bonds shall not constitute a debt, legal or moral, of the state of Arizona, and shall not be enforceable against the state, nor shall payment thereof be enforceable out of any funds of the board or institution issuing such bonds other than the income and revenue pledged and assigned to, or in trust for the benefit of, the holder or holders of such bonds.

Sec. 11. Certification of bonds by attorney general

The board may submit to the attorney general of the state of Arizona any bonds to be issued hereunder after all proceedings for the issuance of such bonds have been taken. Upon the submission of such proceedings to the attorney general, it shall be the duty of the attorney general to examine into and pass upon the validity of such bonds and the regularity of all proceedings in connection therewith. If such proceedings conform to the provisions of this act, and such bonds when delivered and paid for will constitute binding and legal obligations of the board enforceable according to the terms thereof, the attorney general shall certify in substance upon the back of each of such bonds that it is issued in accordance with the constitution and laws of the state of Arizona.

Sec. 12. Bonds as legal investments

The state and all counties, cities, towns and other municipal corporations, political subdivisions and public bodies, and public officers of any thereof, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, monies or other

LAWS OF ARIZONA

funds belonging to them or within their control in any bonds issued pursuant to this act, it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm or corporation from any duty of exercising reasonable care in selecting securities for purchase or investment.

Sec. 13. Excision of unconstitutional and ineffective parts of act

It is hereby declared that the sections, clauses, sentences and parts of this act are severable, are not matters of mutual essential inducement, and any of them may be excised by any court of competent jurisdiction if this act would otherwise be unconstitutional or ineffective. It is the intention of this act to confer upon the board the whole or any part of the powers in this act provided for, and if any one or more sections, clauses, sentences and parts of this act shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions thereof, but shall be confined in its operation to the specific provision or provisions so held unconstitutional or invalid, and the inapplicability or invalidity of any section, clause, sentence or part of this act in any one or more instances shall not be taken to affect or prejudice its applicability or validity in any other instance.

Sec. 14. Supplemental nature of act; construction and purpose

The powers conferred by this act shall be in addition to and supplemental to the powers conferred by any other law, general or special, and bonds may be issued under this act notwithstanding the provisions of any other such law and without regard to the procedure required by any other such laws. Insofar as the provisions of this act are inconsistent with the provisions of any other law, general or special, the provisions of this act shall be controlling.

Sec. 15. Title 15, chapter 7, article 2, Arizona Revised Statutes, is amended by adding section 15-730, to read:

15-730. Abortion at educational facility prohibited; exception

LAWS OF ARIZONA

NO ABORTION SHALL BE PERFORMED AT ANY FACILITY UNDER THE JURISDICTION OF THE BOARD OF REGENTS UNLESS SUCH ABORTION IS NECESSARY TO SAVE THE LIFE OF THE WOMAN HAVING THE ABORTION.

Sec. 16. Emergency

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor—May 16, 1974

Filed in the Office of the Secretary of State—May 16, 1974

CHAPTER 172

Senate Bill 1278

AN ACT

RELATING TO STATE GOVERNMENT; PRESCRIBING ADDITIONAL POWERS AND DUTIES OF ECONOMIC ESTIMATES COMMISSION; PRESCRIBING CERTAIN ADJUSTMENTS OF EXPENDITURE BASE FOR POLITICAL SUBDIVISIONS; AND PROVIDING FOR A CONDITIONAL ENACTMENT, AMENDING TITLE 41, CHAPTER 3, ARTICLE 9, AS AMENDED BY LAWS 1974, CHAPTER 3, SECTION 77, FIRST SPECIAL SESSION, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-643, AND AMENDING TITLE 42, CHAPTER 2, ARTICLE 4, BY ADDING SECTION 42-303.04, ARIZONA REVISED STATUTES, AND PROVIDING FOR A CONDITIONAL ENACTMENT.

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

Section 1. Title 41, chapter 3, article 9, Arizona Revised Statutes, as amended by Laws 1974, chapter 3, section 77, first special session, is amended by adding section 41-643 to read:

LAWS OF ARIZONA

41-643. Additional powers and duties of the commission

A. THE ECONOMIC ESTIMATES COMMISSION SHALL DETERMINE AND PUBLISH PRIOR TO OCTOBER 1 OF EACH YEAR THE MAXIMUM DOLLAR AMOUNT WHICH IS AVAILABLE FOR LEGISLATIVE APPROPRIATION FROM STATE TAX REVENUES PURSUANT TO SECTION 17 OF ARTICLE 9 OF THE CONSTITUTION FOR THE SUCCEEDING FISCAL YEAR. THE DOLLAR AMOUNT AVAILABLE FOR APPROPRIATION FROM STATE TAX REVENUES SHALL BE COMPUTED BY MULTIPLYING TOGETHER THE APPROPRIATION PERCENTAGE LIMITATION FOR THE SUCCEEDING FISCAL YEAR AND THE ESTIMATED TOTAL PERSONAL INCOME OF THE STATE OF ARIZONA FOR THE SUCCEEDING FISCAL YEAR.

B. STATE TAX REVENUE AS USED IN THIS SECTION MEANS THE REVENUE OF THE STATE FOR ITS OWN USE FROM LICENSES, FEES AND PERMITS, AND FROM STATE TAXES ON PROPERTY, INCOME, TRANSACTION PRIVILEGE AND USE, EXCISE, FUEL, LUXURY PRIVILEGE, INSURANCE PREMIUMS, ESTATES, GIFTS, MOTOR CARRIERS, PARI-MUTUEL, COMPENSATION INSURANCE, WATER-CRAFT LICENSES, BINGO RECEIPTS, BOXING AND WRESTLING RECEIPTS, AND ALL OTHER STATE TAXES LEVIED AND COLLECTED FOR ITS USE. STATE TAX REVENUE AS USED IN THIS SECTION DOES NOT INCLUDE FEDERAL, PRIVATE OR OTHER GRANTS, GIFTS, AIDS AND CONTRIBUTIONS, NOR REVENUES FROM SALES AND SERVICES, NOR TRUST AND AGENCY FUNDS, INTRA-STATE SERVICE FUNDS, BOND FUNDS, ENDOWMENT EARNINGS, NOR REVENUES FROM SALES AND SERVICES, DIVIDENDS, INTEREST, NOR TAXES COLLECTED BY THE STATE FOR DISTRIBUTION TO COUNTIES AND INCORPORATED CITIES AND TOWNS.

Sec. 2. Title 42, chapter 2, article 4, Arizona Revised Statutes, is amended by adding section 42-303.04 to read:

42-303.04. Adjustment of expenditure base caused by transfer of cost of program

IF, BY ORDER OF ANY COURT, OR BY LEGISLATIVE ENACTMENT, THE COSTS OF A PROGRAM ARE TRANSFERRED FROM A CITY,

LAWS OF ARIZONA

TOWN OR COUNTY TO THE STATE, THE GOVERNING BODY OF THE CITY, TOWN OR COUNTY SHALL REDUCE THE EXPENDITURE BASE FOR ITS NEXT SUCCEEDING BUDGET BY THE FULL COST OF THE PROGRAM WHICH IS TRANSFERRED. SUCH REDUCTION SHALL BE MADE FOR PURPOSES OF ESTABLISHING A NEW AND CORRECTED BUDGET, LEVY AND ASSESSMENT LIMIT AS PROVIDED IN SECTIONS 42-302, 42-303, AND 42-304. THE REDUCED EXPENDITURE BASE ADOPTED PURSUANT TO THIS SECTION SHALL BE THE BASIS FOR FUTURE BUDGETS OF SUCH COUNTY, CITY OR TOWN.

Sec. 3. Conditional enactment

The provisions of this act shall not become effective until such time as the constitution of Arizona is amended to provide for an economic estimates commission.

Approved by the Governor—May 16, 1974

Filed in the Office of the Secretary of State—May 16, 1974

CHAPTER 173

House Bill 2185

AN ACT

RELATING TO INSURANCE; PROVIDING COVERAGE FOR CAR POOL OPERATORS AND CAR POOL VEHICLES; DEFINING "CAR POOL OPERATOR", "CAR POOL VEHICLE" AND "CARRIER OF EMPLOYEES"; PROVIDING FOR CERTAIN MANDATORY INSURANCE COVERAGE ON CERTAIN NEWBORN CHILDREN FROM THE INSTANT OF BIRTH; AMENDING TITLE 20, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-259.02; AMENDING SECTIONS 20-826, 20-934, 20-1057, 20-1342, 20-1402, 20-1404, ARIZONA REVISED STATUTES; AMENDING SECTION 28-101, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 1973, CHAPTER 146, SECTION 9, AND AMENDING SECTIONS 40-601 AND 40-681, ARIZONA REVISED STATUTES.

LAWS OF ARIZONA

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

Section 1. Title 20, chapter 2, article 2, Arizona Revised Statutes, is amended by adding section 20-259.02, to read:

20-259.02. Coverage to include car pool operators and car pool vehicles

ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, NO POLICY OF PRIVATE PASSENGER VEHICLE INSURANCE SHALL BE DELIVERED OR ISSUED FOR DELIVERY IN THIS STATE UNLESS COVERAGE IS PROVIDED FOR THE PROTECTION OF ANY PERSON INSURED THEREUNDER WHILE SUCH PERSON IS ACTING AS A CAR POOL OPERATOR, AS DEFINED IN SECTION 40-601, SUBSECTION A, PARAGRAPH 1, AND FOR THE PROTECTION OF ANY VEHICLE, AND PROPERTY CONTAINED THEREIN OR THEREON, INSURED THEREUNDER WHILE SUCH VEHICLE IS, OR WHILE IT IS BEING OPERATED AS A CAR POOL VEHICLE, AS DEFINED IN SECTION 28-101, PARAGRAPH 6. SUCH CAR POOL COVERAGE SHALL NOT ENTAIL A PREMIUM HIGHER THAN THE PREMIUM WOULD OTHERWISE HAVE BEEN FOR SUCH PRIVATE PASSENGER VEHICLE. PRIVATE PASSENGER VEHICLE AS USED IN THIS SECTION DOES NOT INCLUDE VEHICLES ACCOMMODATING MORE THAN SIX PASSENGERS, VEHICLES USED FOR COMMERCIAL PURPOSES, OR MOTORCYCLES.

Sec. 2. Section 20-826, Arizona Revised Statutes, is amended to read:

20-826. Subscription contracts

- A. No contract between such a corporation and its subscribers shall be issued unless the form thereof is approved in writing by the director.
- B. Each contract shall plainly state the services to which the subscriber is entitled and those to which the subscriber is not entitled under the plan, and shall constitute a direct obligation of the providers of services with which the corporation has contracted for hospital or medical services.
- C. Each contract shall be so written that the corporation shall pay benefits:

LAWS OF ARIZONA

1. For performance of any surgical service which is covered by the terms of such contract, regardless of the place of service;
2. For any home health service performed by a licensed home health agency which a physician has prescribed in lieu of hospital service, providing the hospital service would have been covered;
3. For any diagnostic service which a physician has performed outside a hospital in lieu of inpatient service, providing the inpatient service would have been covered; and
4. For any service performed in a hospital's outpatient department or in a free-standing surgical facility, providing such service would have been covered if performed as an inpatient service.

D. ANY CONTRACT EXCEPT ACCIDENTAL DEATH AND DISMEMBERMENT APPLIED FOR THAT PROVIDES FAMILY COVERAGE SHALL, AS TO SUCH COVERAGE OF FAMILY MEMBERS, ALSO PROVIDE THAT THE BENEFITS APPLICABLE FOR CHILDREN SHALL BE PAYABLE WITH RESPECT TO A NEWLY BORN CHILD OF THE INSURED FROM THE INSTANT OF SUCH CHILD'S BIRTH TO THE SAME EXTENT THAT SUCH COVERAGE APPLIES TO OTHER MEMBERS OF THE FAMILY. THE COVERAGE FOR NEWLY BORN CHILDREN SHALL INCLUDE COVERAGE OF INJURY OR SICKNESS INCLUDING NECESSARY CARE AND TREATMENT OF MEDICALLY DIAGNOSED CONGENITAL DEFECTS AND BIRTH ABNORMALITIES. IF PAYMENT OF A SPECIFIC PREMIUM IS REQUIRED TO PROVIDE COVERAGE FOR A CHILD, THE CONTRACT MAY REQUIRE THAT NOTIFICATION OF BIRTH OF A NEWLY BORN CHILD AND PAYMENT OF THE REQUIRED PREMIUM MUST BE FURNISHED TO THE INSURER WITHIN THIRTY-ONE DAYS AFTER THE DATE OF BIRTH IN ORDER TO HAVE THE COVERAGE CONTINUE BEYOND THE THIRTY-ONE DAY PERIOD.

Sec. 3. Section 20-934, Arizona Revised Statutes, is amended to read:

20-934. **Limitation on insuring powers**

LAWS OF ARIZONA

A. No benefit insurer shall have power to:

1. Issue any life insurance policy or policies under which the maximum possible benefits payable on the death of any one insured exceed three thousand dollars.
2. Issue any disability policy or policies under which the maximum possible benefits for or on account of any one insured exceed five thousand dollars.
3. Issue any policies, in combination or otherwise, whereby the maximum possible benefits payable to or on account of any one insured exceed five thousand dollars.
4. Issue any policy with cash surrender values, loan values, paid-up or extended insurance provisions.
5. Issue any policy containing a prorate clause, that is to say, a provision by which the insurer may within any given period of time compute the total unpaid policy claims and prorate the amount of money in the mortuary or morbidity fund at such time, or that may be collected for such period, or that may be collected as to such claims, and pay the prorated sum to the beneficiaries or members as full payment of their claims.
6. Issue any graded life insurance policy, that is to say, a policy providing for a period of time in which only a portion of the maximum benefit will be paid with periodical increases until the maximum amount is attained, unless the policy provides that after it has attained its maximum amount, such amount shall thereafter remain unchanged.
7. Authorize the deduction of any premium or assessment from any benefit payable under the terms of a policy, except such premiums or assessments as may be due or covered by a written order or note at the time of payment of the benefit.
8. Limit the amount of the benefit to be paid to a sum less than that stated in the policy and for which the premium has been paid.
9. Issue any endowment, limited payment whole life or annuity contract.

LAWS OF ARIZONA

10. Issue group or blanket insurance policies, except family group.

B. The insurer shall keep reinsured all accidental death risks as to any one individual in excess of one thousand dollars or ten per cent of the insurer's assets exclusive of its statutory deposit, whichever is the larger amount.

C. ANY POLICY EXCEPT ACCIDENTAL DEATH AND DISMEMBERMENT APPLIED FOR THAT PROVIDES FAMILY COVERAGE SHALL, AS TO SUCH COVERAGE OF FAMILY MEMBERS, ALSO PROVIDE THAT THE BENEFITS APPLICABLE FOR CHILDREN SHALL BE PAYABLE WITH RESPECT TO A NEWLY BORN CHILD OF THE INSURED FROM THE INSTANT OF SUCH CHILD'S BIRTH TO THE SAME EXTENT THAT SUCH COVERAGE APPLIES TO OTHER MEMBERS OF THE FAMILY. THE COVERAGE FOR NEWLY BORN CHILDREN SHALL INCLUDE COVERAGE OF INJURY OR SICKNESS INCLUDING NECESSARY CARE AND TREATMENT OF MEDICALLY DIAGNOSED CONGENITAL DEFECTS AND BIRTH ABNORMALITIES. IF PAYMENT OF A SPECIFIC PREMIUM IS REQUIRED TO PROVIDE COVERAGE FOR A CHILD, THE POLICY MAY REQUIRE THAT NOTIFICATION OF BIRTH OF A NEWLY BORN CHILD AND PAYMENT OF THE REQUIRED PREMIUM MUST BE FURNISHED TO THE INSURER WITHIN THIRTY-ONE DAYS AFTER THE DATE OF BIRTH IN ORDER TO HAVE THE COVERAGE CONTINUE BEYOND THE THIRTY-ONE DAY PERIOD. ANY SUCH POLICY THAT PROVIDES FAMILY COVERAGE SHALL BE SO WRITTEN THAT THE BENEFIT INSURER SHALL PAY BENEFITS:

1. FOR PERFORMANCE OF ANY SURGICAL SERVICE WHICH IS COVERED BY THE TERMS OF SUCH POLICY, REGARDLESS OF THE PLACE OF SERVICE;

2. FOR ANY HOME HEALTH SERVICE PERFORMED BY A LICENSED HOME HEALTH AGENCY WHICH A PHYSICIAN HAS PRESCRIBED IN LIEU OF HOSPITAL SERVICE, PROVIDING THE HOSPITAL SERVICE WOULD HAVE BEEN COVERED;

3. FOR ANY DIAGNOSTIC SERVICE WHICH A PHYSICIAN HAS PERFORMED OUTSIDE A HOSPITAL IN LIEU OF INPATIENT SERVICE, PROVIDING THE INPATIENT SERVICE WOULD HAVE BEEN COVERED; AND

LAWS OF ARIZONA

4. FOR ANY SERVICE PERFORMED IN A HOSPITAL'S OUTPATIENT DEPARTMENT OR IN A FREE-STANDING SURGICAL FACILITY, PROVIDING SUCH SERVICE WOULD HAVE BEEN COVERED IF PERFORMED AS AN INPATIENT SERVICE.

Sec. 4. Section 20-1057, Arizona Revised Statutes, is amended to read:

20-1057. Evidence of coverage by health care services organizations

A. Every enrollee in a health care plan shall be issued an evidence of coverage by the responsible health care services organization.

B. ANY CONTRACT EXCEPT ACCIDENTAL DEATH AND DISMEMBERMENT APPLIED FOR THAT PROVIDES FAMILY COVERAGE SHALL, AS TO SUCH COVERAGE OF FAMILY MEMBERS, ALSO PROVIDE THAT THE BENEFITS APPLICABLE FOR CHILDREN SHALL BE PAYABLE WITH RESPECT TO A NEWLY BORN CHILD OF THE INSURED FROM THE INSTANT OF SUCH CHILD'S BIRTH TO THE SAME EXTENT THAT SUCH COVERAGE APPLIES TO OTHER MEMBERS OF THE FAMILY. THE COVERAGE FOR NEWLY BORN CHILDREN SHALL INCLUDE COVERAGE OF INJURY OR SICKNESS INCLUDING NECESSARY CARE AND TREATMENT OF MEDICALLY DIAGNOSED CONGENITAL DEFECTS AND BIRTH ABNORMALITIES. IF PAYMENT OF A SPECIFIC PREMIUM IS REQUIRED TO PROVIDE COVERAGE FOR A CHILD, THE CONTRACT MAY REQUIRE THAT NOTIFICATION OF BIRTH OF A NEWLY BORN CHILD AND PAYMENT OF THE REQUIRED PREMIUM MUST BE FURNISHED TO THE INSURER WITHIN THIRTY-ONE DAYS AFTER THE DATE OF BIRTH IN ORDER TO HAVE THE COVERAGE CONTINUE BEYOND THE THIRTY-ONE DAY PERIOD.

~~B.~~ C. No evidence of coverage, amendment thereto, advertising matter or sales material shall be issued or delivered to any person in this state until a copy of the form of the evidence of coverage, or amendment thereto, has been filed with and approved by the director. Such filing shall be accompanied by fees prescribed by section 20-167.

~~C.~~ D. An evidence of coverage shall contain a clear and complete statement if a contract, or a reasonably complete summary if a certificate of contract, of:

LAWS OF ARIZONA

1. The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health care plan.
2. Any limitations of the services, kind of services, benefits, or kind of benefits to be provided, including any deductible or co-payment feature.
3. Where and in what manner information is available as to how services may be obtained.
4. The enrollee's obligation, if any, respecting charges for the health care plan.

~~D.~~ E. An evidence of coverage shall contain no provisions or statements which are unjust, unfair, inequitable, misleading, or deceptive, or which encourage misrepresentation, or which are untrue or misleading.

~~E.~~ F. The director shall approve any form of evidence of coverage if the requirements of subsections ~~C~~ D and ~~D~~ E are met. It shall be unlawful to issue such form until approved. If the director does not disapprove any such form within thirty days after the filing thereof, it shall be deemed approved. If the director disapproves a form of evidence of coverage, advertising matter or sales material, he shall notify the health care services organization. In the notice, the director shall specify the reasons for his disapproval. The director shall grant a hearing on such disapproval within fifteen days after a request therefor in writing is received from the health care services organization.

Sec. 5. Section 20-1342, Arizona Revised Statutes, is amended to read:

20-1342. Scope and format of policy

No policy of disability insurance shall be delivered or issued for delivery to any person in this state unless it otherwise complies with this code, and complies with the following:

1. The entire money and other considerations therefor shall be expressed therein.
2. The time when the insurance takes effect and terminates shall be expressed therein.

LAWS OF ARIZONA

3. It shall purport to insure only one person, except that a policy may insure, originally or by subsequent amendment, upon the application of the head of a family or his spouse, who shall be deemed the policyholder, any two or more eligible members of that family, including husband, wife, dependent children or any children under a specified age which shall not exceed nineteen years and any other person dependent upon the policyholder. ANY POLICY EXCEPT ACCIDENTAL DEATH AND DISMEMBERMENT APPLIED FOR THAT PROVIDES FAMILY COVERAGE SHALL, AS TO SUCH COVERAGE OF FAMILY MEMBERS, ALSO PROVIDE THAT THE BENEFITS APPLICABLE FOR CHILDREN SHALL BE PAYABLE WITH RESPECT TO A NEWLY BORN CHILD OF THE INSURED FROM THE INSTANT OF SUCH CHILD'S BIRTH TO THE SAME EXTENT THAT SUCH COVERAGE APPLIES TO OTHER MEMBERS OF THE FAMILY. THE COVERAGE FOR NEWLY BORN CHILDREN SHALL INCLUDE COVERAGE OF INJURY OR SICKNESS INCLUDING NECESSARY CARE AND TREATMENT OF MEDICALLY DIAGNOSED CONGENITAL DEFECTS AND BIRTH ABNORMALITIES. IF PAYMENT OF A SPECIFIC PREMIUM IS REQUIRED TO PROVIDE COVERAGE FOR A CHILD, THE POLICY MAY REQUIRE THAT NOTIFICATION OF BIRTH OF A NEWLY BORN CHILD AND PAYMENT OF THE REQUIRED PREMIUM MUST BE FURNISHED TO THE INSURER WITHIN THIRTY-ONE DAYS AFTER THE DATE OF BIRTH IN ORDER TO HAVE THE COVERAGE CONTINUE BEYOND THE THIRTY-ONE DAY PERIOD.

4. The style, arrangement and over-all appearance of the policy shall give no undue prominence to any portion of the text, and every printed portion of the text of the policy and of any endorsements or attached papers shall be plainly printed in light-faced type of a style in general use, the size of which shall be uniform and not less than ten point with a lower case unspaced alphabet length not less than one hundred and twenty point. "Text" shall include all printed matter except the name and address of the insurer, name or title of the policy, the brief description, if any, and captions and subcaptions.

5. The exceptions and reductions of indemnity shall be set forth in the policy and, other than those contained in sections 20-1345 to 20-1368, inclusive, shall be printed, at the insurer's option, either included with the benefit provision to which they apply, or under an appropriate caption such as "Exceptions," or "Exceptions and Reductions," except that if an exception or reduction specifically applies only to a particular benefit of the policy, a statement of such exception or reduction shall be included with the benefit provision to which it applies.

LAWS OF ARIZONA

6. Each such form, including riders and endorsements, shall be identified by a form number in the lower left-hand corner of the first page thereof.

7. The policy shall contain no provision purporting to make any portion of the charter, rules, constitution or bylaws of the insurer a part of the policy unless such portion is set forth in full in the policy, except in the case of the incorporation of, or reference to, a statement of rates or classification of risks, or short-rate table filed with the director.

8. Each contract shall be so written that the corporation shall pay benefits:

(a) For performance of any surgical service which is covered by the terms of such contract, regardless of the place of service;

(b) For any home health service performed by a licensed home health agency which a physician has prescribed in lieu of hospital service, providing the hospital service would have been covered;

(c) For any diagnostic service which a physician has performed outside a hospital in lieu of inpatient service, providing the inpatient service would have been covered; and

(d) For any service performed in a hospital's outpatient department or in a free-standing surgical facility, providing such service would have been covered if performed as an inpatient service.

Sec. 6. Section 20-1402, Arizona Revised Statutes, is amended to read:

20-1402. Provisions of group disability policies

Each group disability policy shall contain in substance the following provisions:

1. A provision that, in the absence of fraud, all statements made by the policyholder or by any insured person shall be deemed representations and not warranties, and that no statement made for the purpose of effecting insurance shall avoid such insurance or reduce benefits unless contained in a written instrument signed by the policyholder or the insured person, a copy of which has been furnished to the policyholder or to the person or his beneficiary.

LAWS OF ARIZONA

2. A provision that the insurer will furnish to the policyholder, for delivery to each employee or member of the insured group, an individual certificate setting forth in summary form a statement of the essential features of the insurance coverage of the employee or member and to whom benefits are payable. If dependents or family members are included in the coverage additional certificates need not be issued for delivery to the dependents or family members. ANY POLICY EXCEPT ACCIDENTAL DEATH AND DISMEMBERMENT APPLIED FOR THAT PROVIDES FAMILY COVERAGE SHALL, AS TO SUCH COVERAGE OF FAMILY MEMBERS, ALSO PROVIDE THAT THE BENEFITS APPLICABLE FOR CHILDREN SHALL BE PAYABLE WITH RESPECT TO A NEWLY BORN CHILD OF THE INSURED FROM THE INSTANT OF SUCH CHILD'S BIRTH TO THE SAME EXTENT THAT SUCH COVERAGE APPLIES TO OTHER MEMBERS OF THE FAMILY. THE COVERAGE FOR NEWLY BORN CHILDREN SHALL INCLUDE COVERAGE OF INJURY OR SICKNESS INCLUDING THE NECESSARY CARE AND TREATMENT OF MEDICALLY DIAGNOSED CONGENITAL DEFECTS AND BIRTH ABNORMALITIES. IF PAYMENT OF A SPECIFIC PREMIUM IS REQUIRED TO PROVIDE COVERAGE FOR A CHILD, THE POLICY MAY REQUIRE THAT NOTIFICATION OF BIRTH OF A NEWLY BORN CHILD AND PAYMENT OF THE REQUIRED PREMIUM MUST BE FURNISHED TO THE INSURER WITHIN THIRTY-ONE DAYS AFTER THE DATE OF BIRTH IN ORDER TO HAVE THE COVERAGE CONTINUE BEYOND SUCH THIRTY-ONE DAY PERIOD.

3. A provision that to the group originally insured may be added from time to time eligible new employees or members or dependents, as the case may be, in accordance with the terms of the policy.

4. Each contract shall be so written that the corporation shall pay benefits:

(a) For performance of any surgical service which is covered by the terms of such contract, regardless of the place of service;

(b) For any home health service performed by a licensed home health agency which a physician has prescribed in lieu of hospital service, providing the hospital service would have been covered;

(c) For any diagnostic service which a physician has performed outside a hospital in lieu of inpatient service, providing the inpatient service would have been covered; and

LAWS OF ARIZONA

(d) For any service performed in a hospital's outpatient department or in a free-standing surgical facility, providing such service would have been covered if performed as an inpatient service.

Sec. 7. Section 20-1404, Arizona Revised Statutes, is amended to read:

20-1404. **Blanket disability insurance**

A. Blanket disability insurance is that form of disability insurance covering special groups of persons as enumerated in one of the following paragraphs 1 to 7:

1. Under a policy or contract issued to any common carrier, which shall be deemed the policyholder, covering a group defined as all persons who may become passengers on such common carrier.
2. Under a policy or contract issued to an employer, who shall be deemed the policyholder, covering all employees or any group of employees defined by reference to exceptional hazards incident to such employment. Dependents of the employees and guests of the employer may also be included where exposed to the same hazards.
3. Under a policy or contract issued to a college, school or other institution of learning or to the head or principal thereof, who or which shall be deemed the policyholder, covering students or teachers.
4. Under a policy or contract issued in the name of any volunteer fire department, first aid or other such volunteer group, or agency having jurisdiction thereof, which shall be deemed the policyholder, covering all of the members of such fire department or group.
5. Under a policy or contract issued to a creditor, who shall be deemed the policyholder, to insure debtors of the creditor.
6. Under a policy or contract issued to a sports team or to a camp or sponsor thereof, which team or camp or sponsor thereof shall be deemed the policyholder, covering members or campers.
7. Under a policy or contract issued to any other substantially similar group which, in the discretion of the director, may be subject to the issuance of a blanket disability policy or contract.

LAWS OF ARIZONA

B. An individual application need not be required from a person covered under a blanket disability policy or contract, nor shall it be necessary for the insurer to furnish each person a certificate.

C. All benefits under any blanket disability policy shall be payable to the person insured, or to his designated beneficiary or beneficiaries, or to his estate, except that if the person insured is a minor, such benefits may be made payable to his parent, guardian or other person actually supporting him, and except that the policy may provide that all or any portion of any indemnities provided by any such policy on account of hospital, nursing, medical or surgical services may, at the insurer's option, be paid directly to the hospital or person rendering such services, but the policy may not require that the service be rendered by a particular hospital or person. Payment so made shall discharge the insurer's obligation with respect to the amount of insurance so paid.

D. Nothing contained in this section shall be deemed to affect the legal liability of policyholders for the death of or injury to any member of the group.

E. ANY POLICY OR CONTRACT EXCEPT ACCIDENTAL DEATH AND DISMEMBERMENT APPLIED FOR THAT PROVIDES FAMILY COVERAGE SHALL, AS TO SUCH COVERAGE OF FAMILY MEMBERS, ALSO PROVIDE THAT THE BENEFITS APPLICABLE FOR CHILDREN SHALL BE PAYABLE WITH RESPECT TO A NEWLY BORN CHILD OF THE INSURED FROM THE INSTANT OF SUCH CHILD'S BIRTH TO THE SAME EXTENT THAT SUCH COVERAGE APPLIES TO OTHER MEMBERS OF THE FAMILY. THE COVERAGE FOR NEWLY BORN CHILDREN SHALL INCLUDE COVERAGE OF INJURY OR SICKNESS INCLUDING NECESSARY CARE AND TREATMENT OF MEDICALLY DIAGNOSED CONGENITAL DEFECTS AND BIRTH ABNORMALITIES. IF PAYMENT OF A SPECIFIC PREMIUM IS REQUIRED TO PROVIDE COVERAGE FOR A CHILD, THE POLICY OR CONTRACT MAY REQUIRE THAT NOTIFICATION OF BIRTH OF A NEWLY BORN CHILD AND PAYMENT OF THE REQUIRED PREMIUM MUST BE FURNISHED TO THE INSURER WITHIN THIRTY-ONE DAYS AFTER THE DATE OF BIRTH IN ORDER TO HAVE THE COVERAGE CONTINUE BEYOND THE THIRTY-ONE DAY PERIOD.

F. EACH POLICY OR CONTRACT SHALL BE SO WRITTEN THAT THE INSURER SHALL PAY BENEFITS:

LAWS OF ARIZONA

1. FOR PERFORMANCE OF ANY SURGICAL SERVICE WHICH IS COVERED BY THE TERMS OF SUCH CONTRACT, REGARDLESS OF THE PLACE OF SERVICE;
2. FOR ANY HOME HEALTH SERVICE PERFORMED BY A LICENSED HOME HEALTH AGENCY WHICH A PHYSICIAN HAS PRESCRIBED IN LIEU OF HOSPITAL SERVICE, PROVIDING THE HOSPITAL SERVICE WOULD HAVE BEEN COVERED;
3. FOR ANY DIAGNOSTIC SERVICE WHICH A PHYSICIAN HAS PERFORMED OUTSIDE A HOSPITAL IN LIEU OF INPATIENT SERVICE, PROVIDING THE INPATIENT SERVICE WOULD HAVE BEEN COVERED; AND
4. FOR ANY SERVICE PERFORMED IN A HOSPITAL'S OUTPATIENT DEPARTMENT OR IN A FREE-STANDING SURGICAL FACILITY, PROVIDING SUCH SERVICE WOULD HAVE BEEN COVERED IF PERFORMED AS AN INPATIENT SERVICE.

Sec. 8. Section 28-101, Arizona Revised Statutes, as added by Laws 1973, chapter 146, section 9, is amended to read:

28-101. Definitions

In this title, unless the context otherwise requires:

1. "Authorized emergency vehicle" means vehicles of the fire department, police vehicles and such ambulances and emergency vehicles of municipal departments or public service corporations as are designated or authorized by the department or local authorities.
2. "Bicycle" means every device propelled by human power upon which any person may ride, having two tandem wheels either of which is more than sixteen inches in diameter.
3. "Board" means the transportation board.

LAWS OF ARIZONA

4. "Bus" means a motor vehicle designed for carrying more than ten passengers and used for the transportation of persons, and every motor vehicle, other than a taxicab, designed and used for the transportation of persons for compensation.

5. "Business district" means the territory contiguous to and including a highway when within any six hundred feet along such highway there are buildings in use for business or industrial purposes, including hotels, banks or office buildings, railroad stations and public buildings which occupy at least three hundred feet of frontage on one side or three hundred feet collectively on both sides of the highway.

6. "CAR POOL OPERATOR" MEANS A CAR POOL OPERATOR, AS DEFINED IN SECTION 40-601, SUBSECTION A, PARAGRAPH 1.

7. "CAR POOL VEHICLE" MEANS ANY MOTOR VEHICLE WHEN OPERATED BY A CAR POOL OPERATOR, AS DEFINED IN SECTION 40-601, SUBSECTION A, PARAGRAPH 1.

~~6.~~ 8. "Chauffeur" means a person who is employed by another for the principal purpose of driving a motor vehicle, or a person who drives a school bus transporting school children or any motor vehicle when in use for the transportation of persons or property for compensation, BUT DOES NOT INCLUDE A CAR POOL OPERATOR.

~~7.~~ 9. "County highway" means any public road constructed and maintained by a county.

~~8.~~ 10. "Dealer" means any person engaged in the business of buying, selling or exchanging motor vehicles, trailers or semitrailers, and who has an established place of business.

~~9.~~ 11. "Department" means the department of transportation acting directly or through its duly authorized officers and agents.

~~10.~~ 12. "Director" means the director of the department of transportation.

~~11.~~ 13. "Distributor" includes any person who refines, manufactures, produces, compounds, blends or imports motor vehicle fuel in the original

LAWS OF ARIZONA

package or container or otherwise, and includes every person importing motor vehicle fuel by means of a pipe line or in any other manner, but does not include persons importing motor vehicle fuel in the fuel tank of a motor vehicle.

~~12.~~ 14. "Driver" means a person who drives or is in actual physical control of a vehicle.

~~13.~~ 15. "Essential parts" means integral and body parts, the removal, alteration or substitution of which will tend to conceal the identity or substantially alter the appearance of the vehicle.

~~14.~~ 16. "Farm tractor" means a motor vehicle designed and used primarily as a farm implement for drawing implements of husbandry.

~~15.~~ 17. "Foreign vehicle" means any motor vehicle, trailer or semitrailer brought into this state otherwise than in the ordinary course of business by or through a manufacturer or dealer, and which has not been registered in this state.

~~16.~~ 18. "Implements of husbandry" include vehicles designed primarily for agricultural purposes and used exclusively in the conduct of agricultural operations. Any implement or vehicle, whether self-propelled or otherwise, which is used exclusively for carrying products of farming from one part of a farm to another part thereof, or from one farm to another farm, and is used solely for agricultural purposes including the preparation of harvesting of cotton, alfalfa, grains and other farm crops, and which is only incidentally operated or moved on a highway whether as a trailer or self-propelled unit, is an implement of husbandry exempt from registration as a motor vehicle.

~~17.~~ 19. "Improved highway" means a highway paved with cement concrete or asphaltic concrete, or having a hard surface and distinct roadway not less than four inches thick, made up of a mixture of rock, sand or gravel, bound together by an artificial binder other than natural soil.

~~18.~~ 20. "Local authorities" mean the county, municipal and other local board or body exercising jurisdiction over highways under the constitution and laws of this state.

~~19.~~ 21. "Manufacturer" means any person engaged in the business of manufacturing motor vehicles, trailers or semitrailers.

LAWS OF ARIZONA

- ~~20-~~ 22. "Motorcycle" means a motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, but excluding a tractor.
- ~~21-~~ 23. "Motor-driven cycle" means a motor cycle, including every motor scooter, with a motor which produces not to exceed five horsepower, and every bicycle with motor attached.
- ~~22-~~ 24. "Motor vehicle" means any self-propelled vehicle, but for the purposes of the laws relating to the imposition of a tax upon motor vehicle fuel the term means any vehicle operated upon the highways of this state which is propelled by the use of motor vehicle fuel.
- ~~23-~~ 25. "Motor vehicle division" or "vehicle division" means the division of motor vehicles of the department of transportation acting directly or through its duly authorized officers and agents as designated by the director.
- ~~24-~~ 26. "Motor vehicle fuel" includes all products commonly or commercially known or sold as gasoline, including casing head gasoline, natural gasoline, and all flammable liquids, other than kerosene used as aircraft fuel, composed of a mixture of selected hydrocarbons expressly manufactured and blended for the purpose of effectively and efficiently operating internal combustion engines. The term "motor vehicle fuel" does not include "fuel" as defined in section 28-1551.
- ~~25-~~ 27. "Nonresident" means a person who is not a resident of this state as defined in section 28-102.
- ~~26-~~ 28. "Operator" means a person, other than a chauffeur, who drives or is in actual physical control over a motor vehicle upon a highway or who is exercising control over or steering a vehicle being towed by a motor vehicle.
- ~~27-~~ 29. "Owner" means a person who holds the legal title of a vehicle or, if a vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, the conditional vendee or lessee, or, if a mortgagor of a vehicle is entitled to possession, the mortgagor.

LAWS OF ARIZONA

- ~~28.~~ 30. "Pedestrian" means any person afoot.
- ~~29.~~ 31. "Person" means every natural person, firm, copartnership, association or corporation.
- ~~30.~~ 32. "Pneumatic tire" means every tire in which compressed air is designed to support the load.
- ~~31.~~ 33. "Pole trailer" means a vehicle without motive power designed to be drawn by another vehicle and attached to the towing vehicle by means of a reach or pole, or by being boomed or otherwise secured to the towing vehicle, and ordinarily used for transporting long or irregularly shaped loads as poles, pipes or structural members capable, generally, of sustaining themselves as beams between the supporting connections.
- ~~32.~~ 34. "Public transit" or "mass transit" means the transportation of passengers on scheduled routes by means of a conveyance on an individual passenger fare-paying basis, and excluding transportation by a sight-seeing bus, school bus, taxi or any vehicle not operated on a scheduled route basis.
- ~~33.~~ 35. "Reconstructed vehicle" means any vehicle which has been assembled or constructed largely by means of essential parts, new or used, derived from vehicles or makes of vehicles of various names, models and types, or which, if originally otherwise constructed, has been materially altered by the removal of essential parts, or by the addition or substitution of essential parts, new or used, derived from other vehicles or makes of vehicles.
- ~~34.~~ 36. "Residence district" means the territory contiguous to and including a highway not comprising a business district when the property on the highway for a distance of three hundred feet or more is in the main improved with residences or residences and buildings in use for business.
- ~~35.~~ 37. "Right-of-way" means the privilege of the immediate use of the highway.
- ~~36.~~ 38. "Road tractor" means any motor vehicle designed and used for drawing other vehicles and not constructed to carry a load thereon either independently or any part of the weight of a vehicle or load so drawn.

LAWS OF ARIZONA

- ~~37~~ 39. "Safety zone" means the area or space officially set apart within a roadway for the exclusive use of pedestrians and which is protected or is so marked or indicated by adequate signs as to be plainly visible at all times while set apart as a safety zone.
- ~~38~~ 40. "School bus" means a motor vehicle owned by a public or governmental agency or other institution, and operated for the transportation of children to or from school or privately-owned and operated for compensation for the transportation of children to or from school.
- ~~39~~ 41. "Semitrailer" means a vehicle with or without motive power, other than a pole trailer, designed for carrying persons or property and for being drawn by a motor vehicle and so constructed that some part of its weight and that of its load rests upon or is carried by another vehicle.
- ~~40~~ 42. "Service station" means a place operated primarily for the purpose of delivering motor vehicle fuel into the fuel tanks of motor vehicles.
- ~~41~~ 43. "Solid tire" means a tire made of rubber or other resilient material which does not depend upon compressed air for the support of the load.
- ~~42~~ 44. "Specially constructed vehicle" means any vehicle not originally constructed under a distinctive name, make, model or type by a generally recognized manufacturer of vehicles.
- ~~43~~ 45. "State engineer" means the assistant director of the highway division of the department of transportation.
- ~~44~~ 46. "State highway" means any state route, or portion thereof, accepted and designated by the transportation board as such, and maintained by the state.
- ~~45~~ 47. "State route" means any right-of-way, whether actually used as a highway or not, designated by the transportation board as a location for the construction of a state highway.
- ~~46~~ 48. "State airports" means state owned airports.
- ~~47~~ 49. "Street" or "highway" means the entire width between the boundary lines of every way when any part thereof is open to the use of the public for purposes of vehicular travel.

LAWS OF ARIZONA

- ~~48.~~ 50. "Superintendent" means the assistant director for the motor vehicle division of the department of transportation.
- ~~49.~~ 51. "Trailer" means a vehicle with or without motive power, other than a pole trailer, designed for carrying persons or property and for being drawn by a motor vehicle and so constructed that no part of its weight rests upon the towing vehicle.
- ~~50.~~ 52. "Truck" means any motor vehicle designed or used primarily for the carrying of property other than the effects of the driver or passengers, and includes a motor vehicle to which has been added a box, platform or other equipment for such carrying.
- ~~51.~~ 53. "Truck tractor" means any motor vehicle designed and used primarily for drawing other vehicles and not constructed to carry a load other than a part of the weight of the vehicle and load so drawn.
- ~~52.~~ 54. "Vehicle" means a device in, upon or by which any person or property is or may be transported or drawn upon a public highway, excepting devices moved by human power or used exclusively upon stationary rails or tracks.

Sec. 9. Section 40-601, Arizona Revised Statutes, is amended to read:

40-601. Definitions

A. In articles 1 and 2 of this chapter, unless the context otherwise requires:

1. "CAR POOL OPERATOR" MEANS ANY NATURAL PERSON WHEN ENGAGED EITHER REGULARLY OR OCCASIONALLY IN CARRYING ONE OR MORE OTHER PERSONS BY MOTOR VEHICLE ON ANY PUBLIC HIGHWAY, WITH OR WITHOUT COMPENSATION BUT NOT FOR PROFIT; PROVIDED THAT THE CARRIAGE OF SUCH OTHER PERSON OR PERSONS IS INCIDENTAL TO ANOTHER PURPOSE OF THE CAR POOL OPERATOR. A CAR POOL OPERATOR SHALL BE CONCLUSIVELY PRESUMED NOT TO BE CARRYING PERSONS FOR PROFIT IF (a) HE RECEIVES COMPENSATION NOT EXCEEDING TWENTY CENTS PER MILE FOR TOTAL VEHICLE MILES TRAVELED; PROVIDED THAT THE PROPORTIONATE SHARE OF THE CAR POOL OPERATOR SHALL BE INCLUDED IN SUCH AMOUNT, OR (b) HE CARRIES ONE OR MORE OF HIS

LAWS OF ARIZONA

PASSENGERS IN CONSIDERATION OF HIS BEING CARRIED IN LIKE SITUATIONS BY SUCH PASSENGER OR PASSENGERS. THE RECEIPT OF COMPENSATION IN EXCESS OF TWENTY CENTS PER MILE FOR TOTAL VEHICLE MILES TRAVELED SHALL NOT PRECLUDE A CAR POOL OPERATOR FROM SHOWING THAT SUCH COMPENSATION DOES NOT RESULT IN A PROFIT TO HIM OR THAT SUCH OPERATOR DID NOT INTEND THAT A PROFIT RESULT. SUCH CARRIAGE SHALL BE DEEMED INCIDENTAL TO ANOTHER PURPOSE OF THE CAR POOL OPERATOR IF, EXCEPT IN UNUSUAL CIRCUMSTANCES, SUCH OPERATOR IS NOT MAKING THE TRIP SOLELY FOR THE PURPOSE OF CARRYING A PASSENGER OR PASSENGERS. A CAR POOL OPERATOR SHALL BE CONCLUSIVELY PRESUMED NOT TO BE EITHER A COMMON MOTOR CARRIER OF PASSENGERS OR A CONTRACT MOTOR CARRIER OF PASSENGERS.

2. "CARRIER OF EMPLOYEES" MEANS ANY PERSON, OR ANY GROUP OF PERSONS ACTING AS A JOINT VENTURE, WHEN ENGAGED EITHER REGULARLY OR OCCASIONALLY IN CARRYING ONE OR MORE OF SUCH PERSON'S EMPLOYEES TO OR FROM THEIR PLACE OF EMPLOYMENT AND THEIR PLACE OF RESIDENCE OR OTHER DESIGNATED COLLECTION AND DELIVERY POINT, WITH OR WITHOUT COMPENSATION BUT NOT FOR PROFIT. THE TERM CARRIER OF EMPLOYEES DOES NOT INCLUDE ANY PERSON HAVING A RELATIONSHIP OF INDEPENDENT CONTRACTOR WITH AN EMPLOYER FOR THE PURPOSE OF CARRYING HIS EMPLOYEES. A CARRIER OF EMPLOYEES SHALL BE CONCLUSIVELY PRESUMED NOT TO BE EITHER A COMMON MOTOR CARRIER OF PASSENGERS OR A CONTRACT MOTOR CARRIER OF PASSENGERS.

~~1~~ 3. "Commission" means the Arizona corporation commission.

~~2~~ 4. "Common motor carrier of passengers" means any person engaged in the transportation on any public highway by motor vehicle of passengers for compensation as a common carrier.

~~3~~ 5. "Common motor carrier of property" means any person engaged in the transportation on any public highway by motor vehicle of property for compensation as a common carrier.

LAWS OF ARIZONA

- ~~4.~~ 6. "Contract motor carrier of passengers" means any person engaged in the transportation on any public highway by motor vehicle of passengers for compensation, and not included in the term common motor carrier of passengers.
- ~~5.~~ 7. "Contract motor carrier of property" means any person engaged in the transportation by motor vehicle of property, for compensation, on any public highway, and not included in the term common motor carrier of property, and, for the purpose of taxation, the owner of any motor vehicle in excess of six thousand pounds unladen weight who leases, licenses or by any other arrangement permits the use of such vehicle by any other, other than a common or contract carrier subject to tax under articles 1 and 2 of this chapter, for the transportation of property upon the public highway for compensation or in the furtherance of any commercial or industrial enterprise.
- ~~6.~~ 8. "Motor carrier" means any common motor carrier of property or passengers, or any contract motor carrier of property or passengers.
- ~~7.~~ 9. "Motor vehicle" means any automobile, truck, truck tractor, trailer, semitrailer, motor bus or any self-propelled or motor driven vehicle used upon any public highway of this state for the purpose of transporting persons or property, except farm tractors, implements of husbandry and other vehicles designed primarily for or used in agricultural operations and only incidentally operated or moved upon a highway, which shall be exempt from the provisions of this chapter.
- ~~8.~~ 10. "Private motor carrier" means any person not included in the term "common motor carrier" or "contract motor carrier" who transports by any motor vehicle in excess of six thousand pounds unladen weight property of which such person is the owner, lessee or bailee, when such transportation is for the purpose of sale, lease, rent or bailment, or in the furtherance of any commercial enterprise, but ownership of the property transported shall not be accepted as sufficient proof of a private motor carrier operation if the carrier is in fact engaged in the transportation of property for hire, compensation or remuneration, or if such transportation operations are conducted for profit and not merely as an incident to a commercial enterprise, provided that towing of disabled vehicles by tow trucks operated in connection with an automobile repair or service business or a wrecking yard shall be deemed to be incidental to a commercial enterprise, and the operator thereof shall be deemed to be a

LAWS OF ARIZONA

private motor carrier when engaged in such operations, and provided that transporting of pulpwood logs which are consumed in the manufacture of pulp or paper within the state of Arizona by a person in the business of harvesting such pulpwood logs shall be deemed to be incidental to a commercial enterprise and a pulpwood harvester transporting such pulpwood logs shall be deemed to be a private motor carrier when so engaged. For purposes of this paragraph "pulpwood logs" means logs which are used or intended for use as a raw material in the manufacture of pulp or paper.

~~9.~~ 11. "Public highway" means any public street, alley, road, highway or thoroughfare of any kind used by the public, or open to the use of the public as a matter of right for the purpose of vehicular travel.

~~10.~~ 12. "Superintendent" means the superintendent of the motor vehicle division of the state highway department.

B. The transportation for more than one consignor, or to more than three consignees, by any motor carrier, shall be prima facie evidence that such motor carrier is acting as a common carrier.

Sec. 10. Section 40-681, Arizona Revised Statutes, is amended to read:

40-681. Definitions

In this article, unless the context otherwise requires:

1. "Agent's license" means motor carrier transportation agent's license.
2. "Commission" means the Arizona corporation commission.
3. "Motor carrier" means any person, firm or corporation, including lessee, trustee and receiver, transporting or offering to transport persons by motor vehicle for compensation, without being authorized so to operate as required by law, or not required by law to be so authorized.
4. "Motor carrier transportation agent" means a person acting FOR PROFIT either individually or as an officer of a corporation, member of a partnership or association, or employee, agent or representative of a corporation, firm or association, or otherwise, as an intermediary between the public and a motor carrier in arranging for transportation, or who sells,

LAWS OF ARIZONA

offers for sale or negotiates for transportation, when the transportation is furnished or offered by a motor carrier.

Sec. 11. **Applicability of act**

The provisions of sections 2 through 7 of this act shall apply to all subscription contracts and insurance policies delivered or issued for delivery in this state more than one hundred twenty days after the effective date of this act, and to all existing group policies or contracts thereafter on their renewal, anniversary date or expiration of their collective bargaining agreement, if any, whichever is later.

Approved by the Governor—May 16, 1974

Filed in the Office of the Secretary of State—May 16, 1974

CHAPTER 174

House Bill 2340

AN ACT

RELATING TO STATE GOVERNMENT; REQUIRING THAT CERTAIN FUNDS OF THE ARIZONA OUTDOOR RECREATION COORDINATING COMMITTEE BE APPROPRIATED BY THE LEGISLATURE BEFORE THEY MAY BE EXPENDED; PROVIDING THAT POLITICAL SUBDIVISIONS MAY ENTER INTO AGREEMENTS WITH DIVISION OF FINANCE FOR JOINT BIDDING AND PURCHASE AGREEMENTS FOR POLITICAL SUBDIVISIONS, AND AMENDING SECTIONS 5-382, 28-1502.01, 41-511.25 AND 41-731, ARIZONA REVISED STATUTES.

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

Section 1. Section 5-382, Arizona Revised Statutes, is amended to read:

5-382. **State lake improvement fund; administration; report**

LAWS OF ARIZONA

A. There shall be a state lake improvement fund. Monies deposited in the fund shall be used only as provided in this section. State lake improvement funds encumbered by the state parks director and not allocated to projects for which plans have been approved prior to the effective date of this section may be allocated by the Arizona outdoor recreation coordinating commission after the effective date of this section. Unallocated monies in the state lake improvement fund shall be used as follows:

1. Such amount as may be appropriated annually by the legislature to the Arizona outdoor recreation coordinating commission to administer the state lake improvement fund, and prepare a statewide lake development and improvement plan.

2. All monies remaining in the fund after payment of monies under the provisions of paragraph 1 of this section shall be used on any waters of the state as approved by the Arizona outdoor recreation coordinating commission, established under the provisions of section 41-511.25. The Arizona outdoor recreation coordinating commission shall establish rules and regulations to assure that all projects approved for construction from this fund shall be completed in accordance with the statewide lake development and improvement plan on waters where boats are permitted and shall be limited to the following:

- (a) Public launching ramps.
- (b) Public piers, marinas or marina stadia.
- (c) Public toilets, sanitation facilities and domestic waters.
- (d) Public picnic tables and facilities.
- (e) Public parking areas.
- (f) Lake construction or improvement.
- (g) Marking buoys and other safety facilities.
- (h) WATERCRAFT.

B. The state lake improvement fund shall be administered by the Arizona outdoor recreation coordinating commission. Projects involving

LAWS OF ARIZONA

expenditure of monies from such fund may be constructed by the Arizona state parks board, by the Arizona game and fish commission, by the board of supervisors of any county, or by the governing body of a city or town, provided such projects do not interfere with any vested water rights, or the operation or maintenance of water projects, including domestic, municipal, irrigation district, drainage district, flood control district or reclamation projects. The Arizona outdoor recreation coordinating commission shall examine plans for such projects to determine if they come within those projects authorized, are in accordance with the statewide lake development and improvement plan, and to determine if there are sufficient monies available for such project. If it finds the projects qualify and monies are available ~~available~~ APPROPRIATED FROM THE STATE LAKE IMPROVEMENT FUND BY THE LEGISLATURE FOR SUCH PROJECTS, it may approve such plans and disburse such monies as claims against the state lake improvement fund. The Arizona outdoor recreation coordinating commission shall annually on or before January 15 report to the legislature the expenditures made for such projects.

C. State lake improvement funds may be used on projects where matching funds are made available.

Sec. 2. Section 28-1502.01, Arizona Revised Statutes, is amended to read:

28-1502.01. Taxes paid on fuel used in watercraft, survey, costs

A. The percentage of the total license taxes paid on motor vehicle fuel that is used in propelling watercraft shall be determined by a statistical survey conducted by a public or private agency selected by the director of the department of transportation and the director of the game and fish department prior to July 1, 1971, and prior to July 1 of every three years thereafter. Each survey shall be completed within three months of the day begun. The director shall use this percentage figure in determining the amount of license taxes collected on the sale of fuel used in watercraft and except as provided in subsection B, of this section, shall transfer this amount on a monthly basis to the state lake improvement fund FROM WHICH THE LEGISLATURE MAY APPROPRIATE MONIES TO FINANCE PROJECTS AUTHORIZED BY SECTION 5-382, SUBSECTION B.

B. Of the percentage of motor vehicle tax paid on fuel used to propel watercraft, one per cent shall be retained by the department of

LAWS OF ARIZONA

transportation to defray administrative expense. In addition, expenses of the survey provided for in subsection A, of this section, shall also be defrayed from the tax prior to transfer to the state lake improvement fund.

Sec. 3. Section 41-511.25, Arizona Revised Statutes, is amended to read:

41-511.25. Arizona outdoor recreation coordinating commission; members; powers and duties

A. The Arizona outdoor recreation coordinating commission is established for the purpose of planning, coordinating and administering an outdoor recreation program in the state of Arizona. The outdoor recreation coordinating commission shall be composed of three members consisting of the director of the Arizona game and fish department, the director of the Arizona state parks board and a member appointed by the governor. The member appointed by the governor shall be a professional full-time parks and recreation department director of a county, city, or town. The member first appointed shall serve for a term ending January 31, 1967 and thereafter each appointive member shall serve for a term of two years.

B. The commission shall:

1. Prepare, maintain and keep up to date a comprehensive plan for the development of the outdoor recreation resources of the state.
2. Initiate and carry out studies to determine the recreational needs of the state, the counties, cities and towns.
3. Coordinate recreational plans and developments of federal, state, county, city, town and private agencies.
4. Receive and allocate in the name of the state monies from the federal government in accordance with Public Law 88-578, eighty-eighth Congress, and such monies as may be appropriated by the legislature, from other agencies of the state, political subdivisions thereof, or other source, to carry out the recreation program in the state.
5. Establish criteria for the administration of the plan and disbursement for funds allocated to the state of Arizona under Public Law 88-578.

LAWS OF ARIZONA

6. Adopt rules for the conduct of its meetings which shall be open to the public and a record shall be kept of all proceedings and transactions.

7. Coordinate and confer with the Arizona water commission in the formulation of the recreational aspects of plans to develop and utilize the water resources of the state.

C. The commission may:

1. Enter into contracts and agreements with the United States or any appropriate agency thereof, or any state agency or political subdivisions thereof, or private organizations, for the purpose of carrying out the duties prescribed in this article.

2. Collect and expend funds **APPROPRIATED TO IT BY THE LEGISLATURE** for administrative costs of the program, provided that such administrative costs shall not exceed ten per cent of each project, and further provided that such costs to the state, political subdivision thereof, or other agency shall be in the same proportion as their proportionate share is of the total project.

3. Employ such personnel as necessary, within legislative appropriation, to carry out the purposes of this article.

Sec. 4. Section 41-731, Arizona Revised Statutes, is amended to read:

41-731. Political subdivision; purchasing agreements

Notwithstanding any provision of law to the contrary, the governing body of any county, city, town, municipality, school district or other political subdivision may enter into an agreement with the division of finance of the department of administration ~~to make purchases for such political subdivision pursuant to this article.~~ **FOR THE PURPOSE OF JOINT BIDDING AND PURCHASE AGREEMENTS FOR SUCH POLITICAL SUBDIVISIONS PURSUANT TO THIS ARTICLE.**

Approved by the Governor—May 16, 1974

Filed in the Office of the Secretary of State—May 16, 1974

LAWS OF ARIZONA

CHAPTER 175

House Bill 2310

AN ACT

RELATING TO ALCOHOLIC BEVERAGES; PROVIDING FOR CERTAIN MUNICIPAL AND COUNTY MONIES FOR FUNDING OF ALCOHOLIC TREATMENT FACILITIES; PROVIDING FOR THE ISSUANCE OF ADDITIONAL LICENSES OF CERTAIN CLASSES; PROVIDING FOR RANDOM SELECTION METHOD FOR CERTAIN LIQUOR LICENSES; AMENDING SECTIONS 4-203 AND 4-206, ARIZONA REVISED STATUTES, AND AMENDING SECTION 36-2029, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1973, CHAPTER 158, SECTION 243.

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

Section 1. Section 4-203, Arizona Revised Statutes, is amended to read:

4-203. Licenses; issuance; contents; transfers; suspension or revocation; reversion to state

A. The board shall issue a spirituous liquor license only after satisfactory showing of the capability, qualifications and reliability of the applicant, and, with the exception of club licensees, that the public convenience required and that the best interest of the community will be substantially served by the issuance.

B. AFTER THE BOARD MAKES THE DETERMINATIONS REQUIRED BY SUBSECTION A, AND IF THERE ARE MORE QUALIFIED APPLICANTS THAN THE NUMBER OF AVAILABLE SPIRITUOUS LIQUOR LICENSES, THE BOARD SHALL PROVIDE A METHOD OF RANDOM SELECTION WITHIN A COUNTY TO DETERMINE WHICH APPLICANT SHALL BE ISSUED A LICENSE. THE RANDOM SELECTION METHOD SHALL ALLOW EACH APPLICANT WITHIN THE COUNTY AN EQUAL OPPORTUNITY OF OBTAINING THE AVAILABLE LICENSE OR LICENSES.

~~B.~~ C. The license shall be to manufacture, sell or deal in spirituous liquors only at the place and in the manner provided therein, and a separate license shall be issued for each specific business, each license specifying:

LAWS OF ARIZONA

1. The particular spirituous liquors which the licensee is authorized to manufacture, sell or deal in.
2. The place of business for which issued.
3. The purpose for which the liquors may be manufactured or sold.

~~C.~~ D. A spirituous liquor license shall be transferable as to any permitted location within the same county, provided such transfer meets the requirements of an original application. A spirituous liquor license, other than a club license, a hotel-motel license and a restaurant license, may be transferred to a person qualified to be a licensee, provided such transfer is pursuant to either judicial decree, a bona fide bulk sale of the entire business and stock in trade, or such other bona fide transactions as may be provided for by a regulation of the board and that such transfer meets the requirements of an original application. Any change in ownership of the business of a licensee, directly or indirectly, as defined by board regulation, shall be deemed a transfer and shall comply with this section.

~~D.~~ E. All applications for a transfer pursuant to subsection ~~C~~-D shall be filed with and determined by the designated representative of the board, provided that:

1. In the event the governing body of the city or town or the board of supervisors receiving such application pursuant to section 4-201 orders disapproval of such application, such application shall be presented to the board, and the transfer shall not become effective unless approved by the board.
2. Any person may appeal to the board on the decision of the designated representative of the board to grant or deny such transfer, provided that such appeal is filed in writing and in detail with the board within ten days after the decision of the designated representative of the board is made, and the decision of the designated representative of the board shall be suspended until the determination of such appeal by the board.
3. The decision of the designated representative of the board on any transfer shall not become final until ten days after such decision is made by the designated representative of the board.

LAWS OF ARIZONA

- ~~E.~~ F. No spirituous liquor license shall be assigned, transferred or sold, except as provided for in this title. No spirituous liquor license shall be leased or subleased.
- ~~F.~~ G. A license which is not used by the licensee for a period in excess of six months shall revert to the state, except that the board may grant additional time if, in its judgment, the licensee is in good faith attempting to comply with this subsection.

Sec. 2. Section 4-206, Arizona Revised Statutes, is amended to read:

4-206. Licenses; number permitted; exception

A. The total number of spirituous liquor licenses issued within a single county for on-sale retailer's licenses providing for consumption on the premises of all spirituous liquors shall not exceed:

1. One license for each one thousand inhabitants for the first twenty-four thousand inhabitants within the county, and in addition
2. One license for each two thousand inhabitants for the population within the county from twenty-five thousand through one hundred thousand inhabitants, and in addition
3. One license for each two thousand five hundred inhabitants for the population within the county from one hundred one thousand inhabitants.

B. The total number of spirituous liquor licenses issued within a single county for on-sale retailers' licenses providing for consumption on the premises of beer and wine shall not exceed one license for each five hundred inhabitants, including licenses permitting the sale of beer and wine as provided in subsection A.

C. The total number of spirituous liquor licenses issued within a single county for off-sale retailers' licenses providing for the sale of spirituous liquors, wines and beer only in the original packages to be taken from and consumed off the premises shall not exceed:

1. One license for each one thousand inhabitants for the first twenty-four thousand inhabitants within the county, and in addition
2. One license for each two thousand inhabitants for the population within the county from twenty-five thousand through one hundred thousand inhabitants, and in addition

LAWS OF ARIZONA

3. One license for each two thousand five hundred inhabitants for the population within the county from one hundred one thousand inhabitants.

D. Club licenses, hotel, motel or restaurant licenses issued pursuant to this title, and any license issued to a lessee of a license pursuant to law shall not be considered in determining the legal number of licenses permitted in any county.

E. The population of a county shall be deemed to be the population as last determined by the bureau of the census, ~~less the number of Indian wards of the United States residing therein, as shown by the census.~~

F. Subsections A, B and C shall not be construed to prevent any licensee holding a valid license on March 30, 1950, or his transferee, from continuing the licensed business or from renewing his license, subject to compliance with the provisions of law and the rules and regulations of the department regardless of the fact that the continuance or renewal may result in there being outstanding, in any county, licenses in excess of the number provided in subsections A, B and C.

G. In addition to the spirituous liquor licenses permitted to be issued in each county under the provisions of subsections A, ~~B~~ and C of this section, an additional number of each class of such licenses may be issued within each county during the calendar year of ~~1962~~ 1975, and each calendar year thereafter to and including the year ~~1970~~ 1980. The number of additional licenses to be issued in each class of licenses during each of such years shall not exceed ~~five~~ THREE per cent of the total number of each class of such licenses issued and in effect within the county as of December 31, ~~1961~~ 1973, ~~provided that no less than one of each of such classes of licenses shall be made available each such year in each county.~~ IN COUNTIES HAVING A POPULATION OF OVER ONE HUNDRED THOUSAND PEOPLE, AND NO LESS THAN ONE OF EACH OF SUCH CLASSES OF LICENSES SHALL BE MADE AVAILABLE IN ALL OTHER COUNTIES. For the purpose of determining the number of additional licenses to be issued in each class of licenses in a county, a fraction of five tenths or more shall entitle the county to have an additional license issued in such class. Licenses authorized under this subsection shall be originally issued only during the calendar year for which each ~~five~~ THREE per cent additional licenses are permitted, and shall not be permitted to accumulate for original issuance in any subsequent year. In all other respects, the provisions of this title applicable to licenses authorized under subsections A, ~~B~~ and C of this section shall be applicable to the additional licenses authorized under this subsection.

LAWS OF ARIZONA

Sec. 3. Issuance of first additional licenses

Notwithstanding the provisions of section 4-206, Arizona Revised Statutes, no additional number of licenses provided for by this act may be issued until 1975.

Sec. 4. Section 36-2029, Arizona Revised Statutes, as amended by Laws 1973, chapter 158, section 243, is amended to read:

36-2029. Funding of facilities; contracts; alcoholic facilities fund; limitations

A. The department may use MUNICIPAL, COUNTY, state and federal monies appropriated or otherwise available for the evaluation and treatment of alcoholics, to assist in the establishment and maintenance of approved public or private treatment facilities. Such funds may be expended for professional fees for services at an approved treatment facility or in contract for advancement or reimbursement of services provided at an approved treatment facility or any other appropriate manner and may be used for any purpose necessary to provide evaluation and treatment at approved treatment facilities. These funds may not be used for department salaries or any other purpose within the department but may be used for consultation to the department in the interest of approved treatment facilities.

B. A public or private treatment facility providing or intending to provide evaluation and treatment and desiring to contract with the department for the furnishing of such services shall submit a program, plan and budget to the department on the forms and in the manner required by the department. If such facility is approved, the department may contract with the facility for services as required and upon such terms and conditions as the department shall require.

C. Each approved treatment facility shall provide the department with a record of all federal, state, county, city and private funds received for the previous year and an estimate of funds to be received by the facility for the following year.

D. An approved private or public treatment facility providing evaluation and treatment may receive state funding upon complying with the rules and regulations established by the department. Any such facility is not eligible for state funding until approved by the director.

LAWS OF ARIZONA

E. There is established an alcoholic facilities fund. The alcoholic facilities fund shall consist of the appropriations and other monies for the use of the department as provided by law. The state treasurer shall receive and disburse the monies in the fund upon claims signed by the director or other persons in the department designated by the director. The state treasurer shall maintain in separate accounts monies for the department which are received by gift, grant, bequest or devise and such monies shall be distributed for the purposes of and in conformity with the terms of the grant, gift, bequest or devise. Any unexpended balance of such money shall not revert to the general fund at the end of the fiscal year. Monies received from the federal government or an agency thereof shall be kept in a separate account in the alcoholic facilities fund. Any unexpended and unencumbered balance of federal funds remaining in the alcoholic facilities fund at the end of the fiscal year shall not revert to the general fund.

F. The provisions of this article shall not be construed to place upon the department or the state any liability for the well-being and care of alcoholics or persons incapacitated by alcohol in a public or private treatment facility or the responsibility for funding such programs beyond the limits of legislative appropriation therefor.

Approved by the Governor—May 16, 1974

Filed in the Office of the Secretary of State—May 16, 1974

CHAPTER 176

Senate Bill 1283

AN ACT

MAKING APPROPRIATIONS TO THE DEPARTMENT OF
CORRECTIONS FOR DIAGNOSTIC AND EVALUATIVE
SERVICES AT ARIZONA YOUTH CENTER AND STATE
PRISON.

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

LAWS OF ARIZONA

Section 1. Appropriation; purpose

The sum of one hundred thousand dollars is appropriated to the department of corrections for the purpose of diagnostic and evaluative services at the Arizona youth center.

Sec. 2. Appropriation; purpose

The sum of ninety-seven thousand dollars is appropriated to the department of corrections for the purpose of diagnostic and evaluative services at the state prison.

Approved by the Governor—May 16, 1974

Filed in the Office of the Secretary of State—May 16, 1974

CHAPTER 177

Senate Bill 1285

AN ACT

MAKING A SUPPLEMENTAL APPROPRIATION TO THE ARIZONA
OUTDOOR RECREATION COORDINATING COMMISSION TO
BE UTILIZED AS MATCHING FUNDS.

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

Section 1. Appropriation; purpose; exemption

A. In addition to the appropriation made by Laws 1973, chapter 184, section 1, subdivision 90, the sum of one hundred thousand dollars is appropriated from the state general fund to the Arizona Outdoor Recreation Coordinating Commission to be used as matching funds, on a dollar-for-dollar basis with municipalities and counties, to defray costs of new land acquisition and interest for recreational and flood control related facilities in and along the Salt River Channel.

LAWS OF ARIZONA

B. The appropriation made by subsection A shall not lapse until the purposes for which the appropriation is made shall have been accomplished or abandoned, unless the appropriation shall have stood until June 30, 1976 without any expenditure therefrom or an encumbrance thereon.

Sec. 2. **Emergency**

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor—May 16, 1974

Filed in the Office of the Secretary of State—May 16, 1974

CHAPTER 178

House Bill 2300

AN ACT

RELATING TO LABOR; INCLUDING CERTAIN PERSONS WITHIN WORKMEN'S COMPENSATION LAWS; PRESCRIBING COMPENSATION BASIS FOR PERSONS PLACED IN ON-THE-JOB EVALUATION OR ON-THE-JOB TRAINING UNDER THE DEPARTMENT OF ECONOMIC SECURITY'S VOCATIONAL REHABILITATION PROGRAM, VOLUNTEER SHERIFF'S RESERVE, VOLUNTEER AMBULANCE DRIVERS, ATTENDANTS AND HOSPITAL WORKERS; AMENDING SECTION 23-901, ARIZONA REVISED STATUTES, AND AMENDING SECTION 41-1845, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1973, CHAPTER 158, SECTION 302.

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

Section 1. Section 23-901, Arizona Revised Statutes, is amended to read:

LAWS OF ARIZONA

23-901. **Definitions**

In this chapter, unless the context otherwise requires:

1. "Award" means the finding or decision of a hearing officer or the commission as to the amount of compensation or benefit due an injured employee or the dependents of a deceased employee.
2. "Commission" means the industrial commission of Arizona.
3. "Compensation" means the compensation and benefits provided by this chapter.
4. "Employee", "workmen" and "operative" means:
 - (a) Every person in the service of the state, a county, city, town, municipal corporation or school district, including regular members of lawfully constituted police and fire departments of cities and towns, whether by election, appointment or contract of hire.
 - (b) Every person in the service of any employer subject to the provisions of this chapter, including aliens and minors legally or illegally permitted to work for hire, but not including a person whose employment is casual and not in the usual course of trade, business or occupation of the employer.
 - (c) Lessees of mining property and their employees and contractors engaged in the performance of work which is a part of the business conducted by the lessor and over which the lessor retains supervision or control are within the meaning of this paragraph employees of the lessor, and deemed to be drawing such wages as are usually paid employees for similar work. The lessor may deduct from the proceeds of ores mined by the lessees the premium required by this chapter to be paid for such employees.
 - (d) Regular members of volunteer fire departments organized pursuant to article 1, chapter 9 of title 9, volunteer firemen serving as members of a fire department of any incorporated city or town without pay or without full pay and on a part-time basis, and voluntary policemen serving as such in any incorporated city or town without pay or without full pay and on a part-time basis, are deemed to be employees, but for the purposes of this chapter, the basis for computing wages for premium payments and compensation benefits for such regular members of volunteer fire

LAWS OF ARIZONA

departments, volunteer firemen, and volunteer policemen, shall be the salary equal to the beginning salary of the same rank or grade in the full-time service with the city, town or volunteer fire department, provided if there is no such full-time equivalent then the salary equivalent shall be as determined by resolution of the governing body of the city, town or volunteer fire department.

(e) Regular members of the Arizona highway patrol reserve, organized pursuant to section 41-1744, are deemed to be employees, but for the purposes of this chapter, the basis for computing wages for premium payments and compensation benefits for a member of the Arizona highway patrol reserve shall be the salary received by officers of the Arizona highway patrol for their first month of regular patrol duty as an officer.

~~(f) Any person being evaluated or trained in vocational activities or who performs service for an employer as a trainee under the auspices of vocational rehabilitation division is deemed to be an employee of the vocational rehabilitation division, but, for the purposes of this chapter, the basis for computing wages for premium payments and compensation benefits for such person shall be two hundred dollars per month.~~ PLACED IN ON-THE-JOB EVALUATION OR ON-THE-JOB TRAINING UNDER THE DEPARTMENT OF ECONOMIC SECURITY'S VOCATIONAL REHABILITATION PROGRAM SHALL BE DEEMED TO BE AN EMPLOYEE OF SUCH DEPARTMENT FOR THE PURPOSE OF COVERAGE UNDER THE STATE WORKMEN'S COMPENSATION LAWS ONLY. THE BASIS FOR COMPUTING PREMIUM PAYMENTS AND COMPENSATION BENEFITS SHALL BE TWO HUNDRED DOLLARS PER MONTH. ANY PERSON RECEIVING VOCATIONAL REHABILITATION SERVICES UNDER THE DEPARTMENT OF ECONOMIC SECURITY'S VOCATIONAL REHABILITATION PROGRAM WHOSE MAJOR EVALUATION OR TRAINING ACTIVITY IS ACADEMIC, WHETHER AS AN ENROLLED ATTENDING STUDENT OR BY CORRESPONDENCE, OR WHO IS CONFINED TO A HOSPITAL OR PENAL INSTITUTION, SHALL NOT BE DEEMED TO BE AN EMPLOYEE OF THE DEPARTMENT FOR ANY PURPOSE. ANY DIVIDEND WHICH THE DEPARTMENT'S VOCATIONAL REHABILITATION PROGRAM MAY BE ENTITLED TO RECEIVE FROM THE STATE COMPENSATION FUND BECAUSE OF A FAVORABLE LOSS EXPERIENCE FOR ANY POLICY PERIOD SHALL NOT REVERT TO THE STATE GENERAL FUND BUT SHALL BE APPLIED TO THE DEPARTMENT'S CURRENT PREMIUM OBLIGATIONS FOR WORKMEN'S COMPENSATION COVERAGE FOR SUCH PROGRAM.

LAWS OF ARIZONA

(g) Regular members of a volunteer sheriff's reserve, which may be established by resolution of county board of supervisors, to assist the sheriff in the performance of his official duties. A roster of the current members shall monthly be certified to the clerk of the board of supervisors by the sheriff and shall not exceed the maximum number authorized by the board. Certified members of an authorized volunteer sheriff's reserve shall be deemed to be employees of the county for the purpose of coverage under the Arizona workmen's compensation laws and occupational disease disability laws and shall be entitled to receive the benefits of such laws for any compensable injuries or disabling conditions which arise out of and occur in the course of the performance of duties authorized and directed by the sheriff. Compensation benefits and premium payments shall be based upon ~~a wage of four hundred dollars per month~~ THE SALARY RECEIVED BY A REGULAR FULL-TIME DEPUTY SHERIFF OF THE COUNTY INVOLVED FOR THE FIRST MONTH OF REGULAR PATROL DUTY AS AN OFFICER for each certified member of a volunteer sheriff's reserve. This subdivision shall not be construed to provide compensation coverage for any member of a sheriff's posse who is not a certified member of an authorized volunteer sheriff's reserve.

(h) A working member of a partnership who receives wages irrespective of profits may be deemed to be an employee entitled to the benefits provided by chapters 6 and 7 of this title upon written acceptance by the insurance carrier for the partnership of an application for coverage by such working partner. The basis for computing compensation payable to such working partner shall be subject to section 23-1041 and shall be computed only upon actual wages received, exclusive of profits.

(i) A member of the Arizona national guard, Arizona state guard or unorganized militia shall be deemed a state employee and entitled to coverage under the Arizona workmen's compensation law at all times while such member is receiving the payment of his military salary from the state of Arizona under competent military orders or upon order of the governor. Compensation benefits shall be based upon the monthly military pay rate to which the member is entitled at the time of injury, but not less than a salary of four hundred dollars per month, nor more than the maximum provided by the workmen's compensation law. No Arizona compensation benefits shall inure to a member compensable under federal law.

(j) CERTIFIED AMBULANCE DRIVERS AND ATTENDANTS WHO SERVE AS SUCH ON A VOLUNTEER BASIS FOR WHICH THEY

LAWS OF ARIZONA

RECEIVE NO COMPENSATION ARE DEEMED TO BE EMPLOYEES AND ENTITLED TO THE BENEFITS PROVIDED BY THIS CHAPTER AND THE BASIS FOR COMPUTING WAGES FOR PREMIUM PAYMENTS AND COMPENSATION BENEFITS FOR SUCH CERTIFIED AMBULANCE PERSONNEL SHALL BE FOUR HUNDRED DOLLARS PER MONTH.

(k) VOLUNTEER WORKERS OF A LICENSED HEALTH CARE INSTITUTION MAY BE DEEMED TO BE EMPLOYEES AND ENTITLED TO THE BENEFITS PROVIDED BY THIS CHAPTER UPON WRITTEN ACCEPTANCE BY THE INSURANCE CARRIER OF AN APPLICATION BY THE HEALTH CARE INSTITUTION FOR COVERAGE OF SUCH VOLUNTEERS. THE BASIS FOR COMPUTING WAGES FOR PREMIUM PAYMENTS AND COMPENSATION BENEFITS FOR SUCH VOLUNTEERS SHALL BE FOUR HUNDRED DOLLARS PER MONTH.

5. "General order" means and includes an order applied generally throughout the state to all persons under jurisdiction of the commission.

6. "Insurance carrier" means the state compensation fund and every insurance carrier duly authorized by the director of insurance to write workmen's compensation or occupational disease compensation insurance in the state of Arizona.

7. "Interested party" means the employer, the employee; or if the employee is deceased, the surviving spouse or dependents; the commission, the insurance carrier or their representative.

8. "Order" means and includes any rule, regulation, direction, requirement, standard, determination or decision other than an award or a directive by the commission or a hearing officer relative to any entitlement to compensation benefits, or to the amount thereof, and any procedural ruling relative to the processing or adjudicating of a compensation matter.

9. "Personal injury by accident arising out of, and in the course of employment" shall be defined as:

(a) Personal injury by accident arising out of, and in the course of employment, or

(b) An injury caused by the wilful act of a third person directed against an employee because of his employment, but does not include a disease unless resulting from the injury, or

LAWS OF ARIZONA

(c) An occupational disease which is due to causes and conditions characteristic of and peculiar to a particular trade, occupation, process or employment, and not the ordinary diseases to which the general public is exposed, and subject to the provisions of section 23-901.01.

10. "Special order" means and includes an order other than a general order.

11. "State compensation fund" includes the state compensation fund, accident benefit fund and occupational disease compensation fund in existence upon the effective date of this section and shall thereafter include all funds under the jurisdiction of the board of directors of the state compensation fund which have been derived from the assessment of premiums, interest, penalties and investment earnings for the payment of all workmen's compensation and occupational disease compensation benefits.

Sec. 2. Section 41-1845, Arizona Revised Statutes, as amended by Laws 1973, chapter 158, section 302, is amended to read:

41-1845. Standards for certification of ambulance drivers and attendants; workmen's compensation and occupational disease

A. The corporation commission in cooperation with the health services department, shall establish standards for the training of ambulance drivers and attendants in medical emergency technology including, but not limited to, communications, first aid, equipment maintenance, emergency room techniques and procedures, patient handling and positioning, and knowledge of procedures and equipment used for obstetrical, respiratory and cardiac emergencies, and shall specify the subjects and number of hours of training, or the equivalency thereof, required in each subject.

B. A certified ambulance driver or attendant shall display at all times a card or other means of attesting to his training and qualifications to serve as an ambulance driver or attendant.

~~C. Certified ambulance drivers and attendants who serve as such on a volunteer basis for which they receive no compensation are deemed to be employees for the purpose of workmen's industrial insurance, and the basis for computing wages for premium payments and compensation~~

LAWS OF ARIZONA

~~benefits pursuant to title 23, chapters 6 and 7, for such certified ambulance personnel shall be four hundred dollars per month.~~

Approved by the Governor—May 17, 1974

Filed in the Office of the Secretary of State—May 17, 1974

CHAPTER 179

Senate Bill 1016

AN ACT

RELATING TO PUBLIC BUILDINGS AND IMPROVEMENTS; ESTABLISHING AMOUNT OF WORK WHICH CAN BE DONE WITHOUT ADVERTISING FOR BIDS FROM CONTRACTORS; DEFINING “RESIDENT DEALER”, AND AMENDING SECTIONS 34-201 AND 34-243, ARIZONA REVISED STATUTES.

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

Section 1. Section 34-201, Arizona Revised statutes, is amended to read:

34-201. Notice to contractors of intention to receive bids and enter contract; procedure for submission, acceptance or rejection of bids; doing work without advertising for bids

A. Every agent shall, upon acceptance and approval of the working drawings and specifications, publish a notice to contractors of intention to receive bids and contract for the proposed work, and stating:

1. The nature of the work required, the type, purpose and location of the proposed building, and where the plans, specifications and full information as to the proposed work may be obtained.

2. That contractors desiring to submit proposals may obtain copies of full or partial sets of plans and specifications for estimate on request or by appointment. The return of such plans and specifications shall be

LAWS OF ARIZONA

guaranteed by a deposit of a designated amount which shall be refunded on return of the plans and specifications in good order.

3. That every proposal shall be accompanied by a certified check, cashier's check or a surety bond for five per cent of the amount of the bid included in the proposal as a guarantee that the contractor will enter into a contract to perform the proposal in accordance with the plans and specifications, or as liquidated damages in event of failure or refusal of the contractor to enter into the contract. The certified check, cashier's check, or surety bond shall be returned to the contractors whose proposals are not accepted, and to the successful contractor upon the execution of a satisfactory bond and contract as provided in this article.

4. That the right is reserved to reject any or all proposals or to withhold the award for any reason the agent determines.

B. If the agent believes that any construction, building, addition or alteration contemplated at a public institution can be advantageously done by the inmates thereof and regularly employed help, the agent may cause the work to be done without advertising for bids.

C. If the agent believes the work can be done more advantageously by day work or force account, any building, structure, addition or alteration not exceeding ~~twenty five~~ FIVE ~~hundred~~ THOUSAND dollars in total cost, may be constructed without advertising for bids.

Sec. 2. Section 34-243, Arizona Revised Statutes, is amended to read:

34-243. Preference for materials supplied by resident dealers in awarding contracts for furnishing materials

In awarding contracts for furnishing materials, either directly or through a contractor, to the state or any political subdivision thereof, to be paid for from public funds, the contract shall be awarded to bidders who furnish materials supplied by a dealer who is a resident of the state who has for not less than two successive years immediately prior to submitting the bid paid state and county AD VALOREM PROPERTY taxes within the state ~~on a stock of materials of the kind offered and reasonably sufficient in quantity to meet the requirements of customers from stocks, instead of shipping stock into the state to fill orders previously taken,~~ in preference to a competing bidder who furnishes materials not supplied by the resident

LAWS OF ARIZONA

dealer, whenever the bid of the competing bidder, quality and suitability considered, is less than five per cent lower than that of the resident dealer.

Approved by the Governor--May 17, 1974

Filed in the Office of the Secretary of State--May 17, 1974

CHAPTER 180

Senate Bill 1143

AN ACT

RELATING TO PUBLIC OFFICERS AND EMPLOYEES; PROVIDING THAT TWO MEMBERS OF THE STATE RETIREMENT SYSTEM BOARD SHALL BE APPOINTED FROM AMONG THE EMPLOYEES OF THE SYSTEM, AND AMENDING SECTION 38-742, ARIZONA REVISED STATUTES.

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

Section 1. Section 38-742, Arizona Revised Statutes, is amended to read:

38-742. State retirement system board; qualifications; term

A. There shall be a state retirement system board consisting of five members appointed by the governor pursuant to section 38-211. ~~One member~~ TWO MEMBERS shall be appointed from among the employees of the system or the participants of the plan to represent the employee members of the system and one member shall be appointed to represent the employees of employer participants of the system or plan and three lay members shall be appointed to represent the public, except that one of the members shall also be a member of the investment advisory council. Each member shall have not less than five years of administrative management experience. Of the members first appointed, two shall be appointed for a term of one year and three members each for a term of two years. A member may be reappointed. Upon the expiration of any term, a successor shall be appointed for a full term of two years which shall expire on the third Monday in January of the appropriate year.

LAWS OF ARIZONA

B. Board members shall receive necessary traveling expenses and subsistence as provided by law for other state officers while away from home on business of the board.

Sec. 2. **Effective date**

The provisions of this act shall become effective on January 20, 1975.

Approved by the Governor—May 17, 1974

Filed in the Office of the Secretary of State—May 17, 1974

CHAPTER 181

Senate Bill 1181

AN ACT

RELATING TO MARRIAGE; PROVIDING FOR ISSUANCE OF MARRIAGE LICENSES BY DESIGNATED JUSTICES OF THE PEACE; MINIMUM AGE AT WHICH PERSONS MAY MARRY; EXCEPTIONS; AMENDING SECTION 25-126, ARIZONA REVISED STATUTES; REPEALING SECTION 25-102, ARIZONA REVISED STATUTES, AND AMENDING TITLE 25, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 25-102.

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

Section 1. Section 25-126, Arizona Revised Statutes, is amended to read:

25-126. **Application to justice of the peace for marriage license; issuance; violation; penalty**

A. A justice of the peace whose office is located ~~twenty~~ FIVE miles or more from the county seat of the county in which his office is located may BE DESIGNATED BY THE CLERK OF THE SUPERIOR COURT TO receive applications for AND ISSUE marriage licenses within the

LAWS OF ARIZONA

county where he resides. The applications shall be made on forms conforming to the provisions of section 25-121, which shall be provided by the clerk of the superior court. ~~Completed applications shall be immediately transmitted to the clerk who may, upon receipt of the application and payment of the fee, forward the license to the applicants.~~

B. THE CLERK OF THE SUPERIOR COURT SHALL, UPON REQUEST OF THE JUSTICE OF THE PEACE DESIGNATED AS PROVIDED IN SUBSECTION A, ISSUE IN BLANK SUCH LICENSES AS REQUESTED AND CHARGE THEM AGAINST THE JUSTICE OF THE PEACE. THE CLERK SHALL CREDIT THE ACCOUNT WITH THE AMOUNTS REMITTED FROM TIME TO TIME. A JUSTICE OF THE PEACE HAVING POSSESSION OF MARRIAGE LICENSE FORMS AS PROVIDED HEREIN SHALL ACCOUNT FOR SUCH FORMS AS REQUIRED BY THE CLERK OF THE SUPERIOR COURT.

C. THE JUSTICE OF THE PEACE DESIGNATED AS PROVIDED IN SUBSECTION A SHALL REPORT TO THE CLERK THE ISSUANCE OF EACH LICENSE AND REMIT THEREWITH THE FEE. FAILURE TO TRANSMIT SUCH REPORT AND FEE, OR THE USE OF THE AUTHORITY GRANTED BY THIS SECTION BY THE JUSTICE OF THE PEACE FOR HIS PERSONAL GAIN, IS A MISDEMEANOR.

Sec. 2. Repeal

Section 25-102, Arizona Revised Statutes, is repealed.

Sec. 3. Title 25, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 25-102, to read:

25-102. Minimum age at which persons may marry; exceptions

A. PERSONS UNDER EIGHTEEN YEARS OF AGE SHALL NOT MARRY WITHOUT THE CONSENT OF THE PARENT OR GUARDIAN HAVING CUSTODY OF SUCH PERSON. PERSONS UNDER SIXTEEN YEARS OF AGE SHALL NOT MARRY WITHOUT THE CONSENT OF THE PARENT OR GUARDIAN HAVING CUSTODY OF SUCH PERSON AND THE APPROVAL OF ANY SUPERIOR COURT JUDGE IN THE STATE. WHEN BOTH PARENTS ARE LIVING, THE CONSENT OF EITHER PARENT IS SUFFICIENT. WHEN THE PARENTS ARE LIVING APART, THE CONSENT SHALL BE GIVEN BY THE PARENT WHO HAS THE CUSTODY OF THE MINOR.

LAWS OF ARIZONA

B. NO MARRIAGE SHALL TAKE PLACE UNDER THE PROVISIONS OF THIS SECTION IF IT IS PROHIBITED BY THE LAW RELATING TO PROHIBITED AND VOID MARRIAGES.

Approved by the Governor—May 17, 1974

Filed in the Office of the Secretary of State—May 17, 1974

CHAPTER 182

Senate Bill 1246

AN ACT

RELATING TO EDUCATION; AUTHORIZING THE ARIZONA BOARD OF REGENTS TO ACQUIRE, OWN, OPERATE AND MAINTAIN PROJECTS AS HEREIN DEFINED AT AND FOR THE INSTITUTIONS UNDER ITS CONTROL; TO ISSUE ITS BONDS THEREFOR; TO REFUND BONDS HERETOFORE AND HEREAFTER ISSUED FOR SUCH INSTITUTIONS; TO PROVIDE FOR THE PAYMENT AND SECURITY OF ALL BONDS ISSUED HEREUNDER; DEFINING THE POWERS AND DUTIES OF SUCH BOARD IN REFERENCE THERETO, AND AMENDING TITLE 15, CHAPTER 7, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 6.

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

Section 1. Title of act

This act shall be known and may be cited as the “Arizona board of regents revenue bond act of 1974”.

Sec. 2. Title 15, chapter 7, Arizona Revised Statutes, is amended by adding article 6, sections 15-782 and 15-782.01 through 15-782.14, to read:

LAWS OF ARIZONA

ARTICLE 6. ISSUANCE OF REVENUE
BONDS FOR PROJECTS15-782. **Definitions**

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "ACQUIRE" INCLUDES TO PURCHASE, LEASE, ERECT, BUILD, CONSTRUCT, RECONSTRUCT, RAZE, REMODEL, REPAIR, REPLACE, ALTER, EXTEND, EXPAND, BETTER, EQUIP, FURNISH, DEVELOP, IMPROVE AND EMBELLISH A PROJECT, AND THE ACQUISITION, PREPARATION AND DEVELOPMENT OF A SITE OR SITES THEREFOR.
2. "BOARD" MEANS THE ARIZONA BOARD OF REGENTS OR ITS SUCCESSOR.
3. "BONDS" MEANS ANY BONDS ISSUED PURSUANT TO THIS ARTICLE.
4. "FEDERAL AGENCY" MEANS THE UNITED STATES OF AMERICA, THE PRESIDENT OF THE UNITED STATES OF AMERICA, THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, OR SUCH OTHER AGENCY OR AGENCIES OF THE UNITED STATES OF AMERICA AS MAY BE DESIGNATED OR CREATED TO MAKE LOANS OR GRANTS OR BOTH.
5. "INSTITUTION" MEANS THE UNIVERSITY OF ARIZONA, ARIZONA STATE UNIVERSITY AND NORTHERN ARIZONA UNIVERSITY, OR ANY OTHER COLLEGE OR UNIVERSITY, UNDER THE JURISDICTION AND CONTROL OF THE BOARD OR ITS SUCCESSOR.
6. "PROJECT" MEANS AND INCLUDES BUILDINGS, STRUCTURES, AREAS AND FACILITIES WHICH, AS DETERMINED BY THE BOARD ARE REQUIRED BY, OR NECESSARY FOR THE USE OR BENEFIT OF EACH OF SUCH INSTITUTIONS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, STUDENT, FACULTY OR STAFF HOUSING FACILITIES, RESIDENCE HALLS, DORMITORIES AND APARTMENTS; STUDENT UNION AND RECREATIONAL BUILDINGS AND STADIUMS; OTHER FACILITIES FOR STUDENT, FACULTY OR STAFF SERVICES; ANY

LAWS OF ARIZONA

FACILITY OR BUILDING LEASED TO THE UNITED STATES OF AMERICA; PARKING GARAGES AND AREAS; OFFICES, CLASSROOMS, LABORATORIES, DINING HALLS AND FOOD SERVICE FACILITIES, LIBRARIES, AUDITORIUMS, OR PARTS THEREOF, OR ADDITIONS OR EXTENSIONS THERETO; HEATING, LIGHTING, AND OTHER UTILITY SERVICE FACILITIES IN CONNECTION THEREWITH, OR PARTS THEREOF, OR ADDITIONS OR EXTENSIONS THERETO; WHETHER HERETOFORE ACQUIRED AND NOW OR HEREAFTER USED FOR ANY OR ALL OF THE PURPOSES AFORESAID, OR AS MAY BE HEREAFTER ACQUIRED UNDER THIS ARTICLE, WITH ALL EQUIPMENT AND APPURTENANT FACILITIES; OR ANY ONE, OR MORE THAN ONE, OR ALL OF THE FOREGOING, OR ANY COMBINATION THEREOF, FOR ANY INSTITUTION, INCLUDING SITES THEREFOR.

7. "SYSTEM OF BUILDING FACILITIES" MEANS SUCH PROJECT OR PROJECTS, AS THE BOARD BY RESOLUTION SHALL COLLECTIVELY DESIGNATE TO BE INCLUDED IN A SYSTEM OF BUILDING FACILITIES AT EACH INSTITUTION, EITHER:

(a) HEREAFTER ACQUIRED FOR EACH OF SUCH INSTITUTIONS UNDER THE TERMS OF THIS ARTICLE, OR

(b) HERETOFORE ACQUIRED FOR EACH OF SUCH INSTITUTIONS PRIOR TO THE EFFECTIVE DATE OF THIS ARTICLE UNDER THE TERMS OF ANY OTHER LAW AND NOW LOCATED ON THE CAMPUS OF EACH OF SUCH INSTITUTIONS, WHETHER UNENCUMBERED BY, OR ENCUMBERED BY, A PLEDGE OF AND LIEN ON THE INCOME AND REVENUES DERIVED FROM THE OPERATION THEREOF FOR THE PAYMENT OF ANY BONDS THERETOFORE ISSUED BY THE BOARD FOR THE ACQUISITION THEREOF, OR

(c) AS PROVIDED IN BOTH SUBDIVISIONS (a) AND (b), OR

(d) ANY COMBINATION OF AS PROVIDED IN SUBDIVISIONS (a), (b) AND (c).

15-782.01. **Powers**

THE BOARD SHALL HAVE POWER FOR EACH INSTITUTION, AS DEFINED IN THIS ARTICLE, TO:

LAWS OF ARIZONA

1. ACQUIRE, WHEN AUTHORIZED BY THE LEGISLATURE, ANY PROJECT OR PROJECTS, OR ANY COMBINATION THEREOF, AND TO OWN, OPERATE AND MAINTAIN THE SAME AND ESTABLISH, OWN, OPERATE AND MAINTAIN A SYSTEM OF BUILDING FACILITIES.
2. ACQUIRE BY PURCHASE, CONTRACT, LEASE OR GIFT, AND HOLD OR DISPOSE OF, REAL OR PERSONAL PROPERTY OR RIGHTS OR INTEREST THEREIN.
3. ACCEPT GRANTS, SUBSIDIES OR LOANS OF MONEY FROM A FEDERAL AGENCY, OR OTHERS, UPON SUCH TERMS AND CONDITIONS AS MAY BE IMPOSED, AND TO PLEDGE THE PROCEEDS OF GRANTS, SUBSIDIES OR LOANS OF MONEY RECEIVED, OR TO BE RECEIVED, FROM THE UNITED STATES OF AMERICA OR ANY AGENCY OR INSTRUMENTALITY THEREOF, OR OTHERS, PURSUANT TO AGREEMENTS ENTERED INTO BETWEEN SUCH BOARD AND THE UNITED STATES OF AMERICA, OR ANY AGENCY OR INSTRUMENTALITY THEREOF, OR OTHERS.
4. BORROW MONEY AND ISSUE BONDS TO ACQUIRE ANY ONE PROJECT, OR MORE THAN ONE, OR ANY COMBINATION THEREOF WHEN AUTHORIZED BY THE LEGISLATURE, AND TO REFUND BONDS HERETOFORE OR HEREAFTER ISSUED TO ACQUIRE ANY PROJECT OR PROJECTS, OR TO REFUND ANY SUCH REFUNDING BONDS, OR FOR ANY ONE, OR MORE THAN ONE, OR ALL OF SUCH PURPOSES, OR ANY COMBINATION THEREOF, AND TO PROVIDE FOR THE SECURITY AND PAYMENT OF SUCH BONDS AND FOR THE RIGHTS OF THE HOLDERS THEREOF.
5. MAKE CONTRACTS AND LEASES AND EXECUTE ALL INSTRUMENTS AND PERFORM ALL ACTS AND DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT THE POWERS GRANTED IN THIS ARTICLE.
6. RETAIN IN ITS TREASURY:
 - (a) ALL MONIES RECEIVED FROM THE SALE OF ALL BONDS ISSUED UNDER THIS ARTICLE.
 - (b) ALL FEES, TUITIONS, RENTALS AND OTHER CHARGES FROM STUDENTS, FACULTY, STAFF MEMBERS AND OTHERS

LAWS OF ARIZONA

USING OR BEING SERVED BY, OR HAVING THE RIGHT TO USE OR THE RIGHT TO BE SERVED BY, OR TO OPERATE, ANY PROJECT.

(c) ALL FEES FOR STUDENT ACTIVITIES, STUDENT SERVICES, AND ALL OTHER FEES, TUITIONS AND CHARGES COLLECTED FROM STUDENTS MATRICULATED, REGISTERED OR OTHERWISE ENROLLED AT AND ATTENDING EACH INSTITUTION PLEDGED UNDER THE TERMS OF ANY RESOLUTION AUTHORIZING BONDS PURSUANT TO THIS ARTICLE, AND

(d) ALL RENTALS FROM ANY FACILITY OR BUILDING LEASED TO THE UNITED STATES OF AMERICA.

15-782.02. Issuance of bonds

THE BOARD SHALL HAVE POWER, AND IS HEREBY AUTHORIZED FROM TIME TO TIME, TO ISSUE BONDS:

1. WHEN AUTHORIZED BY THE LEGISLATURE, TO ACQUIRE ANY ONE PROJECT, OR MORE THAN ONE, OR ANY COMBINATION THEREOF, FOR SUCH INSTITUTION, OR
2. TO REFUND BONDS HERETOFORE AND HEREAFTER ISSUED TO ACQUIRE ANY PROJECT OR PROJECTS FOR SUCH INSTITUTION AS HEREINAFTER PROVIDED FOR, OR
3. TO REFUND ANY SUCH REFUNDING BONDS, OR
4. FOR ANY ONE, OR MORE THAN ONE, OR ALL OF SUCH PURPOSES, OR ANY COMBINATION THEREOF.

ALL BONDS SHALL BE AUTHORIZED BY RESOLUTION OF THE BOARD AND MAY BE ISSUED IN ONE OR MORE SERIES, MAY BEAR SUCH DATE OR DATES, MAY BE IN SUCH DENOMINATION OR DENOMINATIONS, MAY MATURE AT SUCH TIME OR TIMES NOT EXCEEDING FORTY YEARS FROM THE RESPECTIVE DATES THEREOF, MAY MATURE IN SUCH AMOUNT OR AMOUNTS, MAY BEAR INTEREST AT SUCH RATE OR RATES NOT TO EXCEED TEN PER CENT, PAYABLE AT SUCH TIME OR TIMES, MAY BE IN SUCH FORM, EITHER COUPON OR REGISTERED AS TO PRINCIPAL ONLY OR AS TO BOTH PRINCIPAL AND INTEREST, MAY CARRY SUCH REGISTRATION PRIVILEGES, INCLUDING THE CONVERSION OF A

LAWS OF ARIZONA

FULLY REGISTERED BOND TO A COUPON BOND OR BONDS AND THE CONVERSION OF A COUPON BOND TO A FULLY REGISTERED BOND, MAY BE EXECUTED IN SUCH MANNER, MAY BE MADE PAYABLE IN SUCH MEDIUM OF PAYMENT, AT SUCH PLACE OR PLACES WITHIN OR WITHOUT THE STATE, MAY BE SUBJECT TO SUCH TERMS OF REDEMPTION PRIOR TO THEIR EXPRESSED MATURITY, WITH OR WITHOUT PREMIUM, AS SUCH RESOLUTION OR OTHER RESOLUTIONS MAY PROVIDE. ALL BONDS ISSUED UNDER THIS ARTICLE SHALL BE SOLD AS THE BOARD SHALL DETERMINE. SUCH RESOLUTION MAY PROVIDE THAT ONE OF THE OFFICERS OF THE BOARD SHALL SIGN SUCH BONDS MANUALLY AND THAT THE OTHER SIGNATURES MAY BE PRINTED, LITHOGRAPHED, ENGRAVED OR OTHERWISE REPRODUCED THEREON. THE COUPON BONDS SHALL BE FULLY NEGOTIABLE WITHIN THE MEANING OF THE UNIFORM COMMERCIAL CODE, CHAPTER 14, TITLE 44.

15-782.03. Refunding bonds

THE BOARD SHALL HAVE POWER, AND IS HEREBY AUTHORIZED FROM TIME TO TIME TO ISSUE REFUNDING BONDS:

1. TO REFUND UNPAID MATURED BONDS; AND
2. TO REFUND UNPAID MATURED COUPONS EVIDENCING INTEREST UPON ITS UNPAID MATURED BONDS; AND
3. TO REFUND INTEREST AT THE COUPON RATE UPON ITS UNPAID MATURED BONDS THAT HAS ACCRUED SINCE THE MATURITY OF THOSE BONDS; PROVIDED THAT SUCH REFUNDING BONDS MAY BE EXCHANGED FOR THE BONDS TO BE REFUNDED ON A PAR FOR PAR BASIS OF THE BONDS, INTEREST COUPONS AND INTEREST NOT REPRESENTED BY COUPONS, IF ANY, OR MAY BE SOLD AT NOT LESS THAN PAR, OR MAY BE EXCHANGED IN PART AND SOLD IN PART, AND THE PROCEEDS RECEIVED AT ANY SUCH SALE SHALL BE USED TO PAY THE BONDS, INTEREST COUPONS AND INTEREST NOT REPRESENTED BY COUPONS, IF ANY, AND ALL BONDS AND INTEREST COUPONS WHICH HAVE BEEN RECEIVED IN EXCHANGE OR PAID SHALL BE CANCELLED AND THE OBLIGATION FOR INTEREST, NOT REPRESENTED BY COUPONS, WHICH HAS BEEN DISCHARGED, SHALL BE EVIDENCED BY A WRITTEN ACKNOWLEDGMENT OF

LAWS OF ARIZONA

THE EXCHANGE OR PAYMENT THEREOF; AND

4. TO REFUND BONDS AT OR PRIOR TO THEIR MATURITY OR WHICH BY THEIR TERMS ARE SUBJECT TO REDEMPTION BEFORE MATURITY, OR BOTH, IN AN AMOUNT NECESSARY TO REFUND THE PRINCIPAL AMOUNT OF THE BONDS TO BE REFUNDED, THE INTEREST TO ACCRUE UP TO AND INCLUDING THE MATURITY DATE OR DATES, OR TO THE NEXT SUCCEEDING REDEMPTION DATE, THEREOF, AND THE APPLICABLE REDEMPTION PREMIUMS, IF ANY, AND MAY BE EXCHANGED FOR NOT LESS THAN AN EQUAL PRINCIPAL AMOUNT OF BONDS TO BE REFUNDED OR MAY BE SOLD AS THE BOARD SHALL DETERMINE, OR MAY BE EXCHANGED IN PART AND SOLD IN PART, AND ALL PROCEEDS RECEIVED AT THE SALE THEREOF, EXCEPTING THE ACCRUED INTEREST RECEIVED, SHALL BE USED:

(a) IF THE BONDS TO BE REFUNDED ARE THEN DUE, FOR THE PAYMENT THEREOF;

(b) IF THE BONDS TO BE REFUNDED ARE VOLUNTARILY SURRENDERED WITH THE CONSENT OF THE HOLDER OR HOLDERS THEREOF FOR THE PAYMENT THEREOF;

(c) IF THE BONDS TO BE REFUNDED ARE THEN SUBJECT TO PRIOR REDEMPTION BY THEIR TERMS, FOR THE REDEMPTION THEREOF;

(d) IF THE BONDS TO BE REFUNDED ARE NOT THEN SUBJECT TO PAYMENT OR REDEMPTION, TO INVEST THE PROCEEDS RECEIVED AT THE SALE IN DIRECT OBLIGATIONS ISSUED BY OR GUARANTEED BY THE UNITED STATES OF AMERICA OR ANY DEPARTMENT, AGENCY OR INSTRUMENTALITY THEREOF, THAT WILL MATURE AT SUCH TIME OR TIMES, WITH INTEREST THEREON OR THE PROCEEDS RECEIVED THEREFROM, TO PROVIDE FUNDS ADEQUATE TO PAY WHEN DUE OR CALLED FOR REDEMPTION PRIOR TO MATURITY THE BONDS TO BE REFUNDED, OR THE BONDS ISSUED TO REFUND THE BONDS TO BE REFUNDED, TOGETHER WITH THE INTEREST ACCRUED THEREON AND ANY REDEMPTION PREMIUM DUE THEREON, AND SUCH PROCEEDS OR OBLIGATIONS OF THE UNITED STATES OF AMERICA SHALL, WITH ALL OTHER FUNDS LEGALLY

LAWS OF ARIZONA

AVAILABLE FOR SUCH PURPOSE, BE DEPOSITED IN ESCROW WITH A BANKING CORPORATION, OR NATIONAL BANKING ASSOCIATION, WITH POWER TO ACCEPT AND EXECUTE TRUSTS, OR ANY SUCCESSOR THERETO, WHICH IS ALSO A MEMBER OF THE FEDERAL DEPOSIT INSURANCE CORPORATION AND OF THE FEDERAL RESERVE SYSTEM, TO BE HELD IN AN IRREVOCABLE TRUST SOLELY FOR AND UNTIL THE PAYMENT AND REDEMPTION OF THE BONDS SO TO BE REFUNDED, AND ANY BALANCE REMAINING IN SUCH ESCROW AFTER THE PAYMENT AND RETIREMENT OF THE BONDS TO BE REFUNDED SHALL BE USED AND HELD FOR USE BY SUCH BOARD AS REVENUES PLEDGED FOR THE PAYMENT OF SUCH REFUNDING BONDS; OR

(e) FOR ANY COMBINATION THEREOF AS PROVIDED IN SUBDIVISIONS (a) THROUGH (d).

15-782.04. **Security of bonds**

IN CONNECTION WITH THE ISSUANCE OF ANY BONDS UNDER THIS ARTICLE, AND IN ORDER TO SECURE THE PAYMENT OF ANY SUCH BONDS AND THE INTEREST THEREON, THE BOARD SHALL HAVE POWER FOR EACH INSTITUTION:

1. TO FIX, MAINTAIN AND COLLECT:

(a) FEES, TUITIONS, RENTALS AND OTHER CHARGES FROM STUDENTS, FACULTY, STAFF MEMBERS AND OTHERS USING OR BEING SERVED BY, OR HAVING THE RIGHT TO USE OR THE RIGHT TO BE SERVED BY, OR TO OPERATE, ANY PROJECT OR SYSTEM OF INSTITUTION BUILDING FACILITIES.

(b) FEES FOR STUDENT ACTIVITIES, STUDENT SERVICES, AND ALL OTHER FEES AND CHARGES FROM STUDENTS MATRICULATED, REGISTERED OR OTHERWISE ENROLLED AT AND ATTENDING EACH SUCH INSTITUTION.

(c) RENTALS FROM ANY FACILITY OR BUILDING LEASED TO THE UNITED STATES OF AMERICA, THE AGGREGATE OF WHICH SHALL BE SUFFICIENT AT ALL TIMES TO PAY THE BONDS AT MATURITY AND ACCRUING INTEREST THEREON IN ACCORDANCE WITH THEIR TERMS, AND TO CREATE AND MAINTAIN ALL RESERVES THEREFOR AS PROVIDED BY THE

LAWS OF ARIZONA

RESOLUTION AUTHORIZING SUCH BONDS, AND TO PAY ALL NECESSARY EXPENSES OF THE OPERATION AND MAINTENANCE OF ANY PROJECT AND SYSTEM OF BUILDING FACILITIES.

2. TO PROVIDE THAT BONDS ISSUED UNDER THIS ARTICLE SHALL BE PAYABLE FROM AND SECURED BY A PLEDGE OF AND LIEN ON ALL OR ANY PART OF THE INCOME AND REVENUES DERIVED FROM, AND TO PLEDGE AND ASSIGN TO, OR IN TRUST FOR THE BENEFIT OF, THE HOLDER OR HOLDERS OF BONDS ISSUED UNDER THIS ARTICLE ALL OR ANY PART OF THE INCOME AND REVENUES DERIVED FROM:

(a) FEES, TUITIONS, RENTALS AND OTHER CHARGES FROM STUDENTS, FACULTY, STAFF MEMBERS AND OTHERS USING OR BEING SERVED BY, OR HAVING THE RIGHT TO USE OR THE RIGHT TO BE SERVED BY, OR TO OPERATE, ANY PROJECT OR SYSTEM OF BUILDING FACILITIES.

(b) FEES FOR STUDENT ACTIVITIES, STUDENT SERVICES, AND ALL OTHER FEES AND CHARGES COLLECTED FROM STUDENTS MATRICULATED, REGISTERED OR OTHERWISE ENROLLED AT AND ATTENDING EACH SUCH INSTITUTION.

(c) RENTALS FROM ANY FACILITY OR BUILDING LEASED TO THE UNITED STATES OF AMERICA, EXCEPT THAT, IF SUCH BOARD PROVIDES THAT ANY BONDS ISSUED UNDER THIS ARTICLE SHALL ALSO BE PAYABLE FROM THE INCOME AND REVENUES OF ANY PROJECT HERETOFORE ACQUIRED FOR EACH SUCH INSTITUTION, ANY SUCH PROVISION FOR THE PAYMENT OF SUCH BONDS FROM THE INCOME AND REVENUES OF ANY SUCH PROJECT HERETOFORE ACQUIRED FOR EACH SUCH INSTITUTION SHALL BE SUBJECT TO, AND IN ALL RESPECTS IN FULL CONFORMITY AND COMPLIANCE WITH, THE RIGHTS OF THE HOLDERS OF ANY BONDS OR OBLIGATIONS PAYABLE FROM THE INCOME AND REVENUES OF ANY SUCH PROJECT HERETOFORE ISSUED FOR EACH INSTITUTION AND THEN OUTSTANDING.

(d) INTEREST AND EARNINGS ON INVESTMENTS.

3. TO COVENANT WITH OR FOR THE BENEFIT OF THE HOLDER OR HOLDERS OF THE BONDS ISSUED UNDER THIS ARTICLE THAT

LAWS OF ARIZONA

SO LONG AS ANY SUCH BONDS SHALL REMAIN OUTSTANDING AND UNPAID THE BOARD WILL FIX, MAINTAIN AND COLLECT IN SUCH INSTALLMENTS AS MAY BE AGREED UPON:

(a) FEES, RENTALS AND OTHER CHARGES FROM STUDENTS, FACULTY, STAFF MEMBERS AND OTHERS USING OR BEING SERVED BY, OR HAVING THE RIGHT TO USE OR THE RIGHT TO BE SERVED BY, OR TO OPERATE ANY PROJECT OR SYSTEM OF BUILDING FACILITIES.

(b) FEES FOR STUDENT ACTIVITIES, STUDENT SERVICES, AND ALL OTHER FEES FROM STUDENTS MATRICULATED, REGISTERED OR OTHERWISE ENROLLED AT AND ATTENDING EACH INSTITUTION PLEDGED UNDER THE TERMS OF ANY RESOLUTION AUTHORIZING BONDS PURSUANT TO THIS ARTICLE.

(c) RENTALS FROM ANY FACILITY OR BUILDING LEASED TO THE UNITED STATES OF AMERICA, THE AGGREGATE OF WHICH SHALL BE SUFFICIENT AT ALL TIMES TO PAY THE PROPORTIONATE SHARE OF THE BONDS AT MATURITY AND ACCRUING INTEREST THEREON IN ACCORDANCE WITH THEIR TERMS, AND TO CREATE AND MAINTAIN ALL RESERVES THEREFOR AS PROVIDED BY THE RESOLUTION AUTHORIZING SUCH BONDS, UNTIL SUCH BONDS AND ACCRUING INTEREST HAVE BEEN PAID IN ACCORDANCE WITH THEIR TERMS, AND TO PAY ALL NECESSARY EXPENSES OF THE OPERATION AND MAINTENANCE OF ANY PROJECT OR SYSTEM OF BUILDING FACILITIES.

4. TO COVENANT WITH OR FOR THE BENEFIT OF THE HOLDER OR HOLDERS OF BONDS ISSUED UNDER THIS ARTICLE AS TO ALL MATTERS DEEMED ADVISABLE BY THE BOARD, INCLUDING:

(a) THE PURPOSES, TERMS AND CONDITIONS FOR THE ISSUANCE OF ADDITIONAL PARITY OR JUNIOR LIEN BONDS THAT MAY THEREAFTER BE ISSUED, AND FOR THE PAYMENT OF THE PRINCIPAL, REDEMPTION PREMIUMS, AND INTEREST ON SUCH BONDS.

(b) THE KIND AND AMOUNT OF ALL INSURANCE TO BE CARRIED, THE COST OF WHICH SHALL BE CHARGED AS AN

LAWS OF ARIZONA

OPERATION AND MAINTENANCE EXPENSE OF ANY PROJECT OR SYSTEM OR BUILDING FACILITIES.

(c) THE OPERATION, MAINTENANCE AND MANAGEMENT OF ANY PROJECT OR SYSTEM OF BUILDING FACILITIES, TO ASSURE THE MAXIMUM USE AND OCCUPANCY THEREOF; THE ACCOUNTING FOR, AND THE KEEPING OF RECORDS, REPORTS AND AUDITS OF, ALL INCOME AND REVENUE FROM, AND ALL EXPENSES OF, ANY PROJECT OR SYSTEM OF BUILDING FACILITIES; AND THE EMPLOYMENT OF ENGINEERS AND CONSULTANTS.

(d) THE OBLIGATION OF THE BOARD TO MAINTAIN ANY PROJECT OR SYSTEM OF BUILDING FACILITIES IN GOOD CONDITION AND TO OPERATE THE SAME AT ALL TIMES IN AN ECONOMICAL AND EFFICIENT MANNER.

(e) THE TERMS AND CONDITIONS FOR CREATING AND MAINTAINING SINKING FUNDS, RESERVE FUNDS, AND SUCH OTHER SPECIAL FUNDS AS MAY BE CREATED IN THE RESOLUTION AUTHORIZING SUCH BONDS, SEPARATE AND APART FROM ALL OTHER FUNDS AND ACCOUNTS OF SUCH BOARD AND EACH INSTITUTION.

(f) THE PROCEDURE BY WHICH THE TERMS OF ANY CONTRACT WITH THE HOLDERS OF THE BONDS MAY BE AMENDED, THE AMOUNT OF THE BONDS THE HOLDERS OF WHICH MUST CONSENT THERETO, AND THE MANNER IN WHICH CONSENT MAY BE GIVEN.

(g) PROVIDING THE PROCEDURE FOR REFUNDING SUCH BONDS.

(h) SUCH OTHER COVENANTS AS MAY BE DEEMED NECESSARY OR DESIRABLE TO ASSURE A SUCCESSFUL OPERATION OF ANY PROJECT OR SYSTEM OF BUILDING FACILITIES AND THE PROMPT PAYMENT OF THE PRINCIPAL OF AND INTEREST UPON THE BONDS SO AUTHORIZED.

5. TO MAKE AND ENFORCE AND AGREE TO MAKE AND ENFORCE PARIETAL RULES THAT SHALL INSURE THE USE OF ANY PROJECT OR SYSTEM OF BUILDING FACILITIES TO THE

LAWS OF ARIZONA

MAXIMUM EXTENT TO WHICH THE SAME IS CAPABLE OF SERVING STUDENTS, FACULTY, STAFF MEMBERS AND OTHERS USING OR BEING SERVED BY, OR HAVING THE RIGHT TO USE OR THE RIGHT TO BE SERVED BY, OR TO OPERATE, ANY PROJECT OR SYSTEM OF BUILDING FACILITIES.

6. TO COVENANT THAT SO LONG AS ANY OF THE BONDS ISSUED UNDER THIS ARTICLE SHALL REMAIN OUTSTANDING AND UNPAID, IT WILL NOT, EXCEPT UPON SUCH TERMS AND CONDITIONS AS MAY BE DETERMINED:

(a) VOLUNTARILY CREATE OR CAUSE TO BE CREATED ANY DEBT, LIEN, MORTGAGE, PLEDGE, ASSIGNMENT, ENCUMBRANCE OR OTHER CHARGE HAVING PRIORITY TO THE LIEN OF THE BONDS ISSUED UNDER THIS ARTICLE UPON ANY OF THE INCOME AND REVENUE DERIVED FROM:

(i) ALL FEES, RENTALS AND OTHER CHARGES FROM STUDENTS, FACULTY, STAFF MEMBERS AND OTHERS USING OR BEING SERVED BY, OR HAVING THE RIGHT TO USE OR THE RIGHT TO BE SERVED BY, OR TO OPERATE, ANY PROJECT OR SYSTEM OF BUILDING FACILITIES.

(ii) FEES FOR STUDENT ACTIVITIES, STUDENT SERVICES, AND ALL OTHER FEES COLLECTED FROM STUDENTS MATRICULATED, REGISTERED OR OTHERWISE ENROLLED AT AND ATTENDING EACH INSTITUTION.

(iii) ALL RENTALS FROM ANY FACILITY OR BUILDING LEASED TO THE UNITED STATES OF AMERICA.

(b) CONVEY OR OTHERWISE ALIENATE ANY PROJECT OR THE REAL ESTATE UPON WHICH SUCH PROJECT SHALL BE LOCATED, EXCEPT AT A PRICE SUFFICIENT TO PAY ALL THE BONDS ISSUED FOR SUCH PROJECT THEN OUTSTANDING AND INTEREST ACCRUED THEREON, AND THEN ONLY IN ACCORDANCE WITH ANY AGREEMENTS WITH THE HOLDER OR HOLDERS OF SUCH BONDS.

7. TO VEST IN A TRUSTEE OR TRUSTEES THE RIGHT TO RECEIVE ALL OR ANY PART OF THE INCOME AND REVENUE PLEDGED AND ASSIGNED TO, OR FOR THE BENEFIT OF THE

LAWS OF ARIZONA

HOLDER OR HOLDERS OF BONDS ISSUED UNDER THIS ARTICLE, AND TO HOLD, APPLY AND DISPOSE OF THE SAME AND THE RIGHT TO ENFORCE ANY COVENANT MADE TO SECURE OR PAY OR IN RELATION TO THE BONDS; EXECUTE AND DELIVER A TRUST AGREEMENT OR TRUST AGREEMENTS WHICH MAY SET FORTH THE POWERS AND DUTIES AND REMEDIES AVAILABLE TO SUCH TRUSTEE OR TRUSTEES AND LIMITING THE LIABILITIES THEREOF AND DESCRIBING WHAT OCCURRENCES SHALL CONSTITUTE EVENTS OF DEFAULT AND PRESCRIBING THE TERMS AND CONDITIONS UPON WHICH SUCH TRUSTEE OR TRUSTEES OR THE HOLDER OR HOLDERS OF ANY SPECIFIED AMOUNT OR PERCENTAGE OF SUCH BONDS MAY EXERCISE SUCH RIGHTS AND ENFORCE ANY AND ALL SUCH COVENANTS AND RESORT TO SUCH REMEDIES AS MAY BE APPROPRIATE.

8. TO COVENANT TO PERFORM ANY AND ALL ACTS AND TO DO ANY AND ALL SUCH THINGS AS MAY BE NECESSARY OR CONVENIENT OR DESIRABLE IN ORDER TO SECURE ITS BONDS, OR AS MAY IN THE JUDGMENT OF THE BOARD TEND TO MAKE THE BONDS MORE MARKETABLE, NOTWITHSTANDING THAT SUCH ACTS OR THINGS MAY NOT BE ENUMERATED HEREIN, IT BEING THE INTENTION HEREOF TO GIVE THE BOARD ISSUING BONDS PURSUANT TO THIS ARTICLE POWER TO MAKE ALL COVENANTS, TO PERFORM ALL ACTS AND TO DO ALL THINGS NOT INCONSISTENT WITH THE CONSTITUTION OF THE STATE OF ARIZONA.

15-782.05. **Effect on bonds authorized but unissued**

ALL ACTS GRANTING AUTHORITY TO THE BOARD TO CONSTRUCT OR ACQUIRE ANY BUILDINGS, PROJECTS OR FACILITIES AND TO ISSUE BONDS THEREFOR SHALL BE KEPT IN FULL FORCE AND EFFECT BUT SHALL BE SUPPLEMENTED BY THIS ENACTMENT WHEN:

1. BONDS REMAIN AUTHORIZED BUT NOT SOLD AND THE LAND, PROJECT, BUILDINGS OR FACILITIES HAVE NOT BEEN FULLY ACQUIRED OR CONSTRUCTED; AND
2. DUE TO THE ISSUANCE OF BONDS AUTHORIZED BY THIS ARTICLE, ANY REVENUES WHICH OTHERWISE WOULD HAVE BEEN USED TO SECURE THE UNISSUED BONDS, IN WHOLE OR IN

LAWS OF ARIZONA

PART, HAVE BEEN APPLIED TO PAYMENT OF BONDS AUTHORIZED BY THIS ARTICLE, THEN THE BOARD MAY ISSUE THE REMAINING BONDS SO AUTHORIZED, SOLELY FOR THE PURPOSES OF ACQUIRING OR CONSTRUCTING OR COMPLETING THE ACQUISITION AND CONSTRUCTION OF THE PROJECTS HERETOFORE AUTHORIZED, AS PARITY BONDS, NOTWITHSTANDING THE FACT THAT THE ACTS AUTHORIZING SUCH ADDITIONAL BONDS MAY LIMIT THE REVENUES AVAILABLE TO BE PLEDGED FOR THEIR REPAYMENT TO SPECIFIED REVENUES OF THE BOARD.

15-782.06. Enforcement of contract

THE PROVISIONS OF THIS ARTICLE AND OF ANY RESOLUTION OR OTHER PROCEEDING AUTHORIZING THE ISSUANCE OF BONDS SHALL CONSTITUTE A CONTRACT WITH THE HOLDERS OF SUCH BONDS AND THE PROVISIONS THEREOF SHALL BE ENFORCEABLE EITHER IN LAW OR IN EQUITY, BY SUIT, ACTION, MANDAMUS OR OTHER PROCEEDING IN ANY COURT OF COMPETENT JURISDICTION, TO ENFORCE AND COMPEL THE PERFORMANCE OF ALL DUTIES REQUIRED BY THIS ARTICLE AND BY ANY RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS ADOPTED RESPONSIVE HERETO.

15-782.07. Monies of the board

NO MONIES DERIVED FROM THE SALE OF BONDS ISSUED UNDER THE PROVISIONS OF THIS ARTICLE, OR PLEDGED OR ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR HOLDERS THEREOF, SHALL BE REQUIRED TO BE PAID INTO THE STATE TREASURY BUT SHALL BE INVESTED IN OBLIGATIONS ISSUED BY OR GUARANTEED BY THE UNITED STATES OF AMERICA OR ANY DEPARTMENT, AGENCY OR INSTRUMENTALITY THEREOF, OR SHALL BE DEPOSITED BY THE TREASURER OR OTHER FISCAL OFFICER OF THE BOARD IN SUCH BANK OR BANKS OR TRUST COMPANY OR TRUST COMPANIES AS MAY BE DESIGNATED BY THE BOARD, AND ALL DEPOSITS OF SUCH MONIES SHALL, IF REQUIRED BY THE BOARD, BE SECURED BY OBLIGATIONS OF THE UNITED STATES OF AMERICA, OF A MARKET VALUE EQUAL AT ALL TIMES TO THE AMOUNT OF SUCH MONIES ON DEPOSIT. SUCH MONIES SHALL BE DISBURSED AS MAY BE DIRECTED BY THE BOARD

LAWS OF ARIZONA

AND IN ACCORDANCE WITH THE TERMS OF ANY AGREEMENTS WITH THE HOLDER OR HOLDERS OF ANY BONDS. THIS SECTION SHALL NOT BE CONSTRUED AS LIMITING THE POWER OF THE BOARD TO AGREE IN CONNECTION WITH THE ISSUANCE OF ANY OF ITS BONDS AS TO THE CUSTODY AND DISPOSITION OF THE MONIES RECEIVED FROM THE SALE OF SUCH BONDS OR FROM THE INCOME AND REVENUES PLEDGED OR ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR HOLDERS THEREOF.

15-782.08. Validity of bonds

THE BONDS BEARING THE SIGNATURES OF OFFICERS OF THE BOARD IN OFFICE ON THE DATE OF THE SIGNING THEREOF SHALL BE VALID AND BINDING OBLIGATIONS, NOTWITHSTANDING THAT BEFORE THE DELIVERY THEREOF AND PAYMENT THEREFOR ANY OR ALL PERSONS WHOSE SIGNATURES APPEAR THEREON SHALL HAVE CEASED TO BE SUCH OFFICERS. THE VALIDITY OF THE BONDS SHALL NOT BE DEPENDENT ON NOR AFFECTED BY THE VALIDITY OR REGULARITY OF ANY PROCEEDINGS TO ACQUIRE ANY PROJECT FINANCED BY THE BONDS, OR TO REFUND OUTSTANDING BONDS, OR TAKEN IN CONNECTION THEREWITH.

15-782.09. Prohibitions against obligating state of Arizona

NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO AUTHORIZE THE BOARD TO CONTRACT A DEBT ON BEHALF OF, OR IN ANY WAY TO OBLIGATE, THE STATE OF ARIZONA, OR TO PLEDGE, ASSIGN OR ENCUMBER IN ANY WAY, OR TO PERMIT THE PLEDGING, ASSIGNING OR ENCUMBERING IN ANY WAY, OF APPROPRIATIONS MADE BY THE LEGISLATURE, OR REVENUE DERIVED FROM THE INVESTMENT OF THE PROCEEDS OF THE SALE, AND FROM THE RENTAL OF SUCH LANDS AS HAVE BEEN SET ASIDE BY THE ENABLING ACT APPROVED JUNE 20, 1910, OR OTHER LEGISLATIVE ENACTMENTS OF THE UNITED STATES, FOR THE USE AND BENEFIT OF THE BOARD OR THE INSTITUTION.

15-782.10. Bonds obligations of board

ALL BONDS ISSUED PURSUANT TO THIS ARTICLE SHALL BE

LAWS OF ARIZONA

OBLIGATIONS OF THE BOARD ISSUING SUCH BONDS, PAYABLE ONLY IN ACCORDANCE WITH THE TERMS THEREOF, AND SHALL NOT BE OBLIGATIONS GENERAL, SPECIAL OR OTHERWISE OF THE STATE OF ARIZONA. SUCH BONDS SHALL NOT CONSTITUTE A DEBT, LEGAL OR MORAL, OF THE STATE OF ARIZONA, AND SHALL NOT BE ENFORCEABLE AGAINST THE STATE, NOR SHALL PAYMENT THEREOF BE ENFORCEABLE OUT OF ANY FUNDS OF THE BOARD OR THE INSTITUTION ISSUING SUCH BONDS OTHER THAN THE INCOME AND REVENUE PLEDGED AND ASSIGNED TO, OR IN TRUST FOR THE BENEFIT OF, THE HOLDER OR HOLDERS OF SUCH BONDS.

15-782.11. Certification of bonds by attorney general

THE BOARD MAY SUBMIT TO THE ATTORNEY GENERAL OF THE STATE OF ARIZONA ANY BONDS TO BE ISSUED HEREUNDER AFTER ALL PROCEEDINGS FOR THE ISSUANCE OF SUCH BONDS HAVE BEEN TAKEN. UPON THE SUBMISSION OF SUCH PROCEEDINGS TO THE ATTORNEY GENERAL, IT SHALL BE THE DUTY OF THE ATTORNEY GENERAL TO EXAMINE INTO AND PASS UPON THE VALIDITY OF SUCH BONDS AND THE REGULARITY OF ALL PROCEEDINGS IN CONNECTION THEREWITH. IF SUCH PROCEEDINGS CONFORM TO THE PROVISIONS OF THIS ARTICLE, AND SUCH BONDS WHEN DELIVERED AND PAID FOR WILL CONSTITUTE BINDING AND LEGAL OBLIGATIONS OF THE BOARD ENFORCEABLE ACCORDING TO THE TERMS THEREOF, THE ATTORNEY GENERAL SHALL CERTIFY IN SUBSTANCE UPON THE BACK OF EACH OF SUCH BONDS THAT IT IS ISSUED IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA.

15-782.12. Bonds as legal investments

THE STATE AND ALL COUNTIES, CITIES, TOWNS AND OTHER MUNICIPAL CORPORATIONS, POLITICAL SUBDIVISIONS AND PUBLIC BODIES, AND PUBLIC OFFICERS OF ANY THEREOF, ALL BANKS, BANKERS, TRUST COMPANIES, SAVINGS BANKS AND INSTITUTIONS, BUILDING AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES AND OTHER PERSONS CARRYING ON A BANKING BUSINESS, ALL INSURANCE COMPANIES, INSURANCE ASSOCIATIONS AND OTHER PERSONS CARRYING ON AN INSURANCE BUSINESS, AND ALL EXECUTORS,

LAWS OF ARIZONA

ADMINISTRATORS, GUARDIANS, TRUSTEES AND OTHER FIDUCIARIES MAY LEGALLY INVEST ANY SINKING FUNDS, MONIES, OR OTHER FUNDS BELONGING TO THEM OR WITHIN THEIR CONTROL IN ANY BONDS ISSUED PURSUANT TO THIS ARTICLE, IT BEING THE PURPOSE OF THIS SECTION TO AUTHORIZE THE INVESTMENT IN SUCH BONDS OF ALL SINKING, INSURANCE, RETIREMENT COMPENSATION, PENSION AND TRUST FUNDS, WHETHER OWNED OR CONTROLLED BY PRIVATE OR PUBLIC PERSONS OR OFFICERS, EXCEPT THAT NOTHING CONTAINED IN THIS SECTION MAY BE CONSTRUED AS RELIEVING ANY PERSON, FIRM OR CORPORATION FROM ANY DUTY OF EXERCISING REASONABLE CARE IN SELECTING SECURITIES FOR PURCHASE OR INVESTMENT.

15-782.13. Excision of unconstitutional and ineffective parts of article

IT IS HEREBY DECLARED THAT THE SECTIONS, CLAUSES, SENTENCES AND PARTS OF THIS ARTICLE ARE SEVERABLE, ARE NOT MATTERS OF MUTUAL ESSENTIAL INDUCEMENT, AND ANY OF THEM MAY BE EXCISED BY ANY COURT OF COMPETENT JURISDICTION IF THIS ARTICLE WOULD OTHERWISE BE UNCONSTITUTIONAL OR INEFFECTIVE. IT IS THE INTENTION OF THIS ARTICLE TO CONFER UPON THE BOARD THE WHOLE OR ANY PART OF THE POWERS IN THIS ARTICLE PROVIDED FOR, AND IF ANY ONE OR MORE SECTIONS, CLAUSES, SENTENCES AND PARTS OF THIS ARTICLE SHALL FOR ANY REASON BE QUESTIONED IN ANY COURT OF COMPETENT JURISDICTION AND SHALL BE ADJUDGED UNCONSTITUTIONAL OR INVALID, SUCH JUDGMENT SHALL NOT AFFECT, IMPAIR OR INVALIDATE THE REMAINING PROVISIONS THEREOF, BUT SHALL BE CONFINED IN ITS OPERATION TO THE SPECIFIC PROVISION OR PROVISIONS SO HELD UNCONSTITUTIONAL OR INVALID, AND THE INAPPLICABILITY OR INVALIDITY OF ANY SECTION, CLAUSE, SENTENCE OR PART OF THIS ARTICLE IN ANY ONE OR MORE INSTANCES SHALL NOT BE TAKEN TO AFFECT OR PREJUDICE ITS APPLICABILITY OR VALIDITY IN ANY OTHER INSTANCE.

15-782.14. Supplemental nature of article; construction and purpose

THE POWERS CONFERRED BY THIS ARTICLE SHALL BE IN ADDITION TO AND SUPPLEMENTAL TO THE POWERS CONFERRED BY ANY OTHER LAW, GENERAL OR SPECIAL, AND BONDS MAY

LAWS OF ARIZONA

BE ISSUED UNDER THIS ARTICLE NOTWITHSTANDING THE PROVISIONS OF ANY OTHER SUCH LAW AND WITHOUT REGARD TO THE PROCEDURE REQUIRED BY ANY OTHER SUCH LAWS. INsofar AS THE PROVISIONS OF THIS ARTICLE ARE INCONSISTENT WITH THE PROVISIONS OF ANY OTHER LAW, GENERAL OR SPECIAL, THE PROVISIONS OF THIS ARTICLE SHALL BE CONTROLLING.

Sec. 3. **Emergency**

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor—May 17, 1974

Filed in the Office of the Secretary of State—May 17, 1974

CHAPTER 183

Senate Bill 1259

AN ACT

RELATING TO TRANSPORTATION; EXPANDING THE BONDING POWERS OF THE DEPARTMENT OF TRANSPORTATION; DEFINING HIGHWAYS AND ROUTES; AMENDING SECTIONS 28-1861, 28-2001, 28-2002, 28-2003, 28-2005, 28-2006, 28-2008 AND 28-2012, ARIZONA REVISED STATUTES.

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

Section 1. Section 28-2001, Arizona Revised Statutes, is amended to read:

28-2001. **Declaration of purpose and policy**

The legislature declares and finds:

1. That the development of an adequate state highway system within the State of Arizona is vital for the well-being, health and prosperity of the people of the state.

LAWS OF ARIZONA

2. That by reason of the state's right and obligation to construct a comprehensive system of modern highways, it is essential to the continued well-being, health and prosperity of the people of the state that the state proceed promptly to acquire real property to constitute the right-of-way for future highway construction, and be placed in a credit position to meet highway needs.

3. THAT CONSTRUCTION OF AN ADEQUATE SYSTEM OF STATE HIGHWAYS AT THE EARLIEST POSSIBLE TIME IS NECESSARY TO THE WELL-BEING, HEALTH AND PROSPERITY OF THE STATE. THAT CURRENT REVENUES AVAILABLE FOR SUCH PURPOSE ARE INSUFFICIENT TO CAUSE THE ORDERLY COMPLETION OF SUCH SYSTEM. THEREFORE, THE TRANSPORTATION BOARD MUST BE EMPOWERED TO ISSUE BONDS FOR ANY LAWFUL HIGHWAY PURPOSE TO PROVIDE FUNDS TO COMPLETE SUCH SYSTEM.

Sec. 2. Section 28-1861, Arizona Revised Statutes, is amended to read:

28-1861. State highways and routes defined

A. The state highways, to be known as state routes, shall consist of the highways declared prior to August 12, 1927 to be state highways, under authority of law, which the transportation board, after receipt of a recommendation from the director, may add to, abandon or change. If the transportation board proceeds contrary to the recommendations of the director, it shall file a written report with the governor, stating the reasons for such action. The state highways shall consist of such parts of the state routes designated and accepted as state highways by the transportation board. No highway which has not been designated a state route shall become a state highway, nor shall any portion of a state route become a state highway until it has been specifically designated and accepted by the transportation board as a state highway, and ordered constructed and improved.

B. ALL HIGHWAYS, ROADS OR STREETS WHICH HAVE BEEN CONSTRUCTED, LAID OUT, OPENED, ESTABLISHED OR MAINTAINED FOR TEN YEARS OR MORE BY THE STATE OR ANY AGENCY OR LEGAL SUBDIVISION OF THE STATE PRIOR TO JANUARY 1, 1960, AND WHICH HAVE BEEN USED CONTINUOUSLY BY THE PUBLIC AS THOROUGHFARES FOR FREE TRAVEL AND

LAWS OF ARIZONA

PASSAGE FOR TEN YEARS OR MORE, REGARDLESS OF ANY ERROR, DEFECT OR OMISSION IN THE PROCEEDING OR FAILURE TO ACT TO ESTABLISH SUCH HIGHWAYS, ROADS OR STREETS, OR IN RECORDING OF THE PROCEEDINGS, AND ALL SUCH HIGHWAYS, ROADS OR STREETS ARE DECLARED PUBLIC HIGHWAYS.

Sec. 3. Section 28-2002, Arizona Revised Statutes, is amended to read:

28-2002. **Definitions**

In this article, unless the context otherwise requires:

1. "ANY HIGHWAY PURPOSE" MEANS ANY ONE OR MORE OF THE FOLLOWING PURPOSES: PAYMENT OF HIGHWAY OBLIGATIONS, COST OF CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND REPAIR OF PUBLIC HIGHWAYS AND BRIDGES, COUNTY, CITY AND TOWN ROADS AND STREETS AND THE COST ALLOCATED THERETO AND SHALL ALSO INCLUDE THE ACQUISITION OF REAL PROPERTY FOR FUTURE HIGHWAY NEEDS.
- ~~1-~~ 2. "Bonds" means bonds of the transportation board issued pursuant to this article AND WHERE PARITY BONDS ARE CONCERNED, "BONDS" ALSO MEANS ANY BONDS ISSUED BY THE ARIZONA STATE HIGHWAY COMMISSION PURSUANT TO TITLE 18, CHAPTER 6.
- ~~2-~~ 3. "Real property for future highway needs" means those real properties and any appurtenances thereto, located within a highway right-of-way corridor and which is designated or may hereafter be designated by the transportation board as a location for the construction of a state highway project and for which the transportation board has not awarded a contract for the construction of such project, including all lands or interests in lands, the use or occupancy of which are necessary or appropriate in the construction, reconstruction, repair, maintenance, extension, betterment, development, improvement or operation of state highway facilities and improvements.
- ~~3-~~ 4. "State" means the state of Arizona.

Sec. 4. Section 28-2003, Arizona Revised Statutes, is amended to read:

LAWS OF ARIZONA

28-2003. **Issuance of bonds**

A. The transportation board shall, subject to this chapter, have the power and is authorized:

1. To issue its negotiable bonds in such principal amount as, in the opinion of the transportation board, shall be necessary to provide sufficient monies for ~~the acquisition of real property for future highway needs and for such other highway purposes as may hereafter be authorized by the legislature,~~ ANY HIGHWAY PURPOSE to establish reserves to secure the bonds and to provide for the payment of all other expenditures of the transportation board incident to and necessary and convenient to carry out such purposes. The aggregate principal amount of such outstanding bonds ~~issued by the transportation board~~ WHICH ARE OUTSTANDING AND UNPROVIDED FOR shall not at any one time exceed the sum of ~~ten~~ FIFTY million dollars without consent by the legislature. ~~The principal amounts shall be at least sufficient to provide funds to pay the cost as determined by the transportation board of such acquisition of real property or such other highway purposes as the legislature may hereafter authorize.~~

2. To issue REFUNDING bonds when the transportation board deems refunding expedient, to refund any bonds ISSUED BY THE TRANSPORTATION BOARD OR BY ITS PREDECESSOR IN INTEREST, THE ARIZONA STATE HIGHWAY COMMISSION, WHERE SUCH BONDS ARE SECURED FROM THE SAME SOURCE OF REVENUES AS THE BONDS HEREIN AUTHORIZED, by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any ~~other~~ HIGHWAY purpose consistent with this article or as may be hereafter authorized by the legislature. Regardless of whether or not the bonds are of such form or character as to be negotiable instruments under the terms of the negotiable instruments law, the bonds shall be and are hereby made fully negotiable within the meaning of and for all purposes of the negotiable instruments law. The transportation board may provide for the registration as to the principal or both principal and interest of the bonds.

B. The bonds shall be authorized by resolution of the transportation board, shall bear such date or dates and mature at such time or times, not exceeding forty years from their respective dates, as such resolution or

LAWS OF ARIZONA

resolutions may provide. The bonds shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, be executed in such manner, be payable in such medium of payment, at the office of the state treasurer of this state or at such other place or places, and be subject to such terms of redemption as such resolution or resolutions may provide. The bonds shall be sold at public or private sale at such price and on such terms as the transportation board may determine, provided that bonds to fund or refund other bonds may be exchanged with the holders of such bonds being funded or refunded on such terms as the transportation board may determine.

C. In connection with the issuance of the bonds authorized by this chapter or in order to secure the payment of such bonds and interest thereon, the transportation board may by resolution:

1. Provide that bonds issued under this article may be secured by a first lien, subject to the provision of section 28-2005, on all or any part of the monies paid into the state highway fund from the sources specifically collected as prescribed in article 9, section 14 of the constitution of Arizona.
2. Pledge and assign to or in trust for the benefit of the holder or the holders of the bonds any part of the state highway fund revenues collected as prescribed in article 9, section 14, of the constitution of Arizona, as will be necessary to pay the principal of and interest on the bonds as the same shall become due.
3. Set aside, regulate and dispose of reserves and sinking funds.
4. Provide that sufficient amounts of the proceeds from the sale of the bonds may be used to fully or partly fund any and all reserves or sinking funds set up by the bond resolution.
5. Prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given.
6. Provide for payment from the proceeds of the sale of the bonds of all legal and financial expenses incurred by the transportation board in the issuance, sale, ~~and~~ delivery AND PAYMENT of the bonds.

LAWS OF ARIZONA

7. Do any other matters, of like or different character, which may in any way affect the security and protection of the bonds.

D. It is intended in the enactment of this article:

1. That any pledge made pursuant to this article shall be valid and binding from the time when the pledge is made.

2. That the monies so pledged and received by the state treasurer to be placed in the state highway fund shall be immediately subject to the lien of such pledge without any future physical delivery or further act and that any such lien of any such pledge shall be valid or binding against all parties having claims of any kind in tort, contract or otherwise against the transportation board irrespective of whether such parties have notice thereof. The official resolution or trust indenture or any instrument by which this pledge is created, shall, when placed in the records of the transportation board, be notice to all concerned of the creation of the pledge, and such instruments need not be recorded in any other place.

E. Neither the members of the transportation board nor any person executing the bonds shall be personally liable for the payment of the bonds. The bonds shall be valid ~~OR~~ AND binding obligations of the ~~highway division~~ TRANSPORTATION DEPARTMENT notwithstanding the fact that before the delivery thereof any of the officers whose signatures appear thereon shall cease to be officers of the ~~highway division~~ TRANSPORTATION DEPARTMENT. From and after the sale and delivery of the bonds, they shall be incontestable by the TRANSPORTATION BOARD OR department.

F. The transportation board may, out of any funds available therefor, purchase bonds, which bonds shall thereupon be canceled, at a price not exceeding either of the following:

1. If the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon.

2. If the bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the bonds become subject to redemption plus accrued interest to such date.

LAWS OF ARIZONA

G. Within ten days after the transportation board adopts a resolution declaring its intention to issue bonds under the provisions of this article, it shall publish a notice of such intention for at least five consecutive days in a newspaper published in this state. Such notice shall state the amount of the bonds to be sold and the place, day and hour of sale. A copy of the publication of such notice shall be sent by the transportation board, as registered mail with return receipt, to the assistant director for the division of finance within five days after the first day the notice is published.

Sec. 5. Section 28-2005, Arizona Revised Statutes, is amended to read:

28-2005. Highway right-of-way acquisition fund; highway bond proceeds fund; deposits; investments; expenditures; replenishment

A. There is created the highway right-of-way acquisition fund which shall be a revolving fund. The proceeds ~~ALLOCATED TO OR~~ received from the sale and delivery of the bonds ~~ISSUED FOR ACQUISITION OF PROPERTY FOR FUTURE HIGHWAY NEEDS~~ shall, after deducting the necessary costs and expenses of the issuance and sale of the bonds, be forthwith deposited with the state treasurer to be placed in the highway right-of-way acquisition fund, which shall be separate and apart from all other funds, provided that the treasurer shall first apply those amounts of the bond proceeds set forth in the resolution ~~issuing~~ ~~AUTHORIZING THE ISSUANCE OF~~ the bonds to ~~the~~ ~~THE~~ reserve and sinking funds created in the bond resolution. The fund shall consist of the monies or securities received from the sale or disposition of bonds for the acquisition of real property for future highway needs, all monies heretofore budgeted and expended by the transportation board for real property for future highway rights-of-way, and all amounts of monies as the transportation board may from time to time determine that the public interest requires to be placed in such fund.

B. ~~THERE IS CREATED THE HIGHWAY BOND PROCEEDS FUND WHICH SHALL BE A REVOLVING FUND. THE PROCEEDS RECEIVED FROM THE SALE AND DELIVERY OF THE BONDS FOR ALL PURPOSES EXCEPT MONIES ALLOCATED TO OR RECEIVED FROM THE SALE OF BONDS FOR ACQUISITION OF PROPERTY FOR FUTURE HIGHWAY NEEDS, AFTER DEDUCTING THE NECESSARY COSTS AND EXPENSES OF THE ISSUANCE AND SALE OF THE BONDS, SHALL BE FORTHWITH DEPOSITED WITH THE STATE TREASURER TO BE PLACED IN THE HIGHWAY BOND~~

LAWS OF ARIZONA

PROCEEDS FUND, WHICH SHALL BE SEPARATE AND APART FROM ALL OTHER FUNDS, PROVIDED THAT THE TREASURERS SHALL FIRST APPLY THOSE AMOUNTS OF THE BOND PROCEEDS SET FORTH IN THE RESOLUTION ISSUING THE BONDS TO ALL RESERVE AND SINKING FUNDS CREATED IN THE BOND RESOLUTION. MONIES IN THE BOND PROCEEDS FUND MAY BE SPENT FOR ANY LAWFUL PURPOSE NOT INCONSISTENT WITH THE RESOLUTION OR RESOLUTIONS AUTHORIZING THE BONDS.

~~B-~~ C. All monies in the highway right-of-way acquisition fund AND BOND PROCEEDS FUND shall be upon order of the transportation board invested by the state treasurer in United States treasury obligations, interest bearing United States bonds, consolidated farm loan bonds, obligations issued by the federal intermediate credit banks, or in obligations issued by banks for cooperatives on the authority of the farm act of 1933, and any other obligations guaranteed by the United States government and any investments authorized by any other agencies of the United States government which are now authorized for use to secure public deposits or state, county or municipal bonds issued within the state of Arizona on which the payments of interest have not been deferred. The order directing the treasurer to invest the funds shall set forth the specified time when the proceeds from the sale of the bonds shall be used for the purposes directed in the bond resolution and the treasurer shall invest the proceeds from the sale of the bonds in the above mentioned securities in such a way as to mature at the specified date.

~~C-~~ D. The transportation board shall use the funds or securities in the highway right-of-way acquisition fund AND THE BOND PROCEEDS FUND solely for the purposes set forth in the bond resolution, provided that, if the revenues pledged to secure the bonds ever become insufficient to pay the annual principal and interest on the bonds, the transportation board shall by order direct the liquidation of the securities remaining in ~~the highway right-of-way acquisition fund~~ SUCH FUNDS and order the treasurer to apply all SUCH monies in the ~~highway right-of-way acquisition fund~~ FUNDS AS MAY BE necessary to make current all payments then due on the bonds.

~~D-~~ E. All monies or securities deposited in or transferred to the highway right-of-way acquisition fund under the provisions of this section may be expended by the transportation board only for the advance acquisition of properties to constitute rights-of-way for future state

LAWS OF ARIZONA

highway projects when the transportation board by resolution, as a part of its findings of public necessity, determines one or more of the following:

1. That substantial savings in right-of-way costs can be achieved.
2. That the intended acquisition is part of a plan of highway development.

~~E.~~ F. Before the department proceeds with the construction of a highway project which requires the use of any property acquired by any expenditure from the highway right-of-way acquisition fund, or by any expenditure from monies heretofore budgeted and expended by the transportation board for real property for future highway rights-of-way, the transportation board shall allocate and, upon presentation of a claim to the assistant director for the division of finance, the state treasurer shall transfer from the state highway fund to the state highway right-of-way acquisition fund the full amount or amounts paid for the acquisition of such property, provided that payment of the present year's principal and interest on the outstanding bonds will not be impaired.

~~F. Monies received from the sale or disposition of the bonds hereafter authorized by the legislature for highway purposes other than by the acquisition of property for future highway needs shall be expended in the manner prescribed by the legislature authorizing the issuance of bonds for other highway purposes.~~

Sec. 6. Section 28-2006, Arizona Revised Statutes, is amended to read:

28-2006. **Authority to issue parity bonds**

A. The transportation board shall issue bonds being on a parity with any outstanding bonds provided by this article only when:

1. All the payments due on the principal and interest on the outstanding bonds are current.
2. The monies subject to pledge for payment of the bonds for the preceding twelve-month period exceed by two times the highest annual principal and interest payments on all the outstanding bonds and the bonds to be issued for the highest one-year period during the life of both the outstanding bonds and the bonds to be issued.

LAWS OF ARIZONA

B. The bonds sought to be issued shall mature and the principal and interest shall be payable at the same time as the outstanding bonds.

~~C. If the legislature authorizes the transportation board to issue bonds in excess of the limited amount prescribed in section 28-2003, the transportation board may then issue such bonds only in compliance with provisions of this section.~~

~~D.~~ C. All bonds issued under the authority of this article shall be deemed to contain the restrictions against issuance of parity bonds contained in this section, whether or not the resolution issuing the bonds, or the bonds themselves, contain covenants to this effect.

~~E.~~ D. The pledge of revenues prescribed in section 28-2003, subsection C, paragraphs 1 and 2, shall not be subject to the provisions of sections 28-1822 through 28-1831, and the payment of the necessary costs and expenses of the issuance of the bonds, and the payment of the principal of and interest on the bonds, shall not be subject to the provisions of section 28-1832, but shall be paid in the manner prescribed in the resolution issuing the bonds.

Sec. 7. Section 28-2008, Arizona Revised Statutes, is amended to read:

28-2008. Exemption from taxation

The transportation board shall be regarded as performing a governmental function in ~~acquiring real property for future highway needs~~ CARRYING OUT THE PURPOSES OF THIS CHAPTER and shall be required to pay no taxes or assessments on any of the property acquired OR CONSTRUCTED therefor or upon the activities of the transportation board in maintaining and caring for such real property or in the revenues derived therefrom. The bonds, their transfer and the income therefrom shall at all times be free from taxation within the state.

Sec. 8. Section 28-2012, Arizona Revised Statutes, is amended to read:

28-2012. Exclusive law

The powers conferred by this article shall be in addition to and supplemental to the powers conferred by any other law, general or special.

LAWS OF ARIZONA

This article shall, without reference to any other provision of this title, or to any other law, general or special, be deemed full authority for the ~~acquisition of real property for future highway needs under this article,~~ COMPLETION OF THE PURPOSES DELINEATED IN THIS ARTICLE, for entering into ACQUISITION AND CONSTRUCTION contracts in connection therewith, and for the authorization, issuance and sale of the bonds pursuant to this article and without regard to the procedure required by any other such law. Except as otherwise provided in this article, the provisions of this title, insofar as they relate to the matters contained in this article, are superseded, it being the intent of the legislature that this article shall constitute the exclusive law on such matters.

Sec. 9. **Effective date**

The provisions of this act shall become effective July 1, 1974.

Approved by the Governor—May 17, 1974

Filed in the Office of the Secretary of State—May 17, 1974

CHAPTER 184

Senate Bill 1261

AN ACT

RELATING TO LABOR; PROVIDING THAT THE INDUSTRIAL COMMISSION REGULATE THE PROCESSING OF CLAIMS FOR WORKMEN'S COMPENSATION; PROVIDING THAT THE COMMISSION MAY ACCEPT GIFTS AND GRANTS; PROVIDING FOR THE ESTABLISHMENT AND OPERATION OF A MERCHANDISING BUSINESS PROGRAM FOR THE BLIND; GRANTING PREFERENCE TO THE BLIND; PROVIDING FOR THE GRANTING OF RENT-FREE SPACE IN STATE, COUNTY AND MUNICIPAL BUILDINGS; PRESCRIBING TIME IN WHICH HEARING MUST BE REQUESTED; PRESCRIBING DATE FOR PAYMENT OF TAX ON PREMIUMS; PRESCRIBING TIME IN WHICH EMPLOYER OR INSURANCE CARRIER MAY REQUEST

LAWS OF ARIZONA

AN EXAMINATION OF A CLAIM; PRESCRIBING METHOD OF COMPENSATION; PROVIDING THAT AN EMPLOYEE MAY NOT CHANGE DOCTORS WITHOUT AUTHORIZATION; REMOVING CERTAIN REFERENCES TO OCCUPATIONAL DISEASE COMPENSATION AND CHAPTER 7; AMENDING SECTIONS 23-105 AND 23-107, ARIZONA REVISED STATUTES; AMENDING TITLE 23, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 23-109; AMENDING TITLE 23, CHAPTER 3, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 23-504; AMENDING TITLE 23, CHAPTER 6, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 23-1070.01; AMENDING SECTION 23-907, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1973, CHAPTER 136, SECTION 3, AND AMENDING SECTIONS 23-941, 23-947, 23-961, 23-961.01, 23-962, 23-963, 23-966, 23-984, 23-1023, 23-1025, 23-1026, 23-1046, 23-1047, 23-1061, 23-1062 AND 23-1071, ARIZONA REVISED STATUTES.

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

Section 1. Section 23-105, Arizona Revised Statutes, is amended to read:

23-105. Sites of offices and sessions; business hours; sessions and records; voting

A. The commission shall maintain its principal offices at the state ~~capital~~ CAPITOL, but may maintain offices and hold meetings in any place within the state.

B. The commission offices shall be open for the transaction of business from eight o'clock A.M. until five o'clock P.M. each day from Monday through Friday, except on holidays. Sessions of the commission shall be public and all proceedings of the commission shall be shown on its records, which shall be a public record. The vote of each member shall be recorded.

Sec. 2. Section 23-107, Arizona Revised Statutes, is amended to read:

23-107. General powers

A. The commission has full power, jurisdiction and authority to:

LAWS OF ARIZONA

1. Formulate and adopt rules and regulations for effecting the purposes of this article.
2. Administer and enforce all laws for the protection of life, health, safety and welfare of employees in every case and under every law when such duty is not specifically delegated to any other board or officer, and, when such duty is specifically delegated, to counsel, advise and assist in the administration and enforcement of such laws and for such purposes may conduct investigations.
3. Promote the voluntary arbitration, mediation and conciliation of disputes between employers and employees.
4. License and supervise the work of private employment offices, bring together employers seeking employees and working people seeking employment, and make known the opportunities for employment in the state.
5. Collect, collate and publish all statistical and other information relating to employees, employers, employments and places of employment with other appropriate statistics.
6. ACT AS THE REGULATORY AGENCY INSURING THAT WORKMEN'S COMPENSATION CARRIERS ARE PROCESSING CLAIMS IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 6 OF THIS TITLE.
 - B. Upon petition by any person that any employment or place of employment is not safe or is injurious to the welfare of any employee, the commission has power and authority, with or without notice, to make investigations necessary to determine the matter complained of.
 - C. The members of the commission may confer and meet with officers of other states and officers of the United States on matters pertaining to their official duties.

Sec. 3. Title 23, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 23-109, to read:

23-109. **Gifts and grants**

LAWS OF ARIZONA

THE INDUSTRIAL COMMISSION MAY ACCEPT AND EXPEND PUBLIC AND PRIVATE GIFTS AND GRANTS FOR THE CONDUCT OF PROGRAMS WHICH ARE CONSISTENT WITH THE OVERALL PURPOSES AND OBJECTIVES OF THE COMMISSION.

Sec. 4. Title 23, chapter 3, article 1, Arizona Revised Statutes, is amended by adding section 23-504, to read:

23-504. Merchandising businesses for the blind

A. THE DEPARTMENT OF ECONOMIC SECURITY SHALL MAKE SURVEYS OF MERCHANDISING BUSINESS OPPORTUNITIES FOR AND LICENSE PERSONS WHO HAVE NO VISION OR ACUITY, OR HAVE A CENTRAL VISUAL ACUITY OF 20/200 OR LESS IN THE BETTER EYE, WITH THE BEST CORRECTION BY SINGLE MAGNIFICATION, OR WHO HAVE A FIELD DEFECT IN WHICH THE PERIPHERAL FIELD HAS BEEN CONTRACTED TO SUCH AN EXTENT THAT THE WIDEST DIAMETER OF VISUAL FIELD SUBTENDS AN ANGULAR DISTANCE NO GREATER THAN 20 DEGREES, TO OPERATE SUCH BUSINESSES ON STATE, COUNTY OR MUNICIPAL PROPERTY WHERE SUCH BUSINESSES MAY BE PROPERLY AND SATISFACTORILY OPERATED BY BLIND PERSONS ALL IN ACCORDANCE WITH THE PROVISIONS OF THE RANDOLPH-SHEPPARD ACT, AS AMENDED, TITLE 20, UNITED STATES CODE, SECTIONS 107 THROUGH 107f. FOR THE PURPOSES OF THIS SECTION "MERCHANDISING BUSINESS" SHALL INCLUDE BUT NOT BE LIMITED TO FOOD SERVICE OPERATIONS, INCLUDING CAFETERIAS, SNACK BARS AND VENDING MACHINES FOR FOOD AND BEVERAGES AND SOUVENIR AND GIFT SHOPS.

B. THE HEAD OR GOVERNING BODY OF EACH DEPARTMENT OR AGENCY AND OF EACH COUNTY OR MUNICIPALITY OR OTHER LOCAL GOVERNMENT ENTITY HAVING CONTROL OF STATE, COUNTY OR OTHER LOCAL GOVERNMENT PROPERTY SHALL COOPERATE WITH THE DEPARTMENT OF ECONOMIC SECURITY IN SURVEYS OF PROPERTY UNDER THEIR CONTROL TO FIND SUITABLE LOCATIONS FOR THE OPERATION OF MERCHANDISING BUSINESSES BY BLIND PERSONS, AND AFTER IT HAS BEEN DETERMINED THAT THERE IS NEED FOR A MERCHANDISING BUSINESS AND AFTER THE DEPARTMENT OF

LAWS OF ARIZONA

ECONOMIC SECURITY HAS DETERMINED THAT SUCH A BUSINESS MAY BE PROPERLY AND SATISFACTORILY OPERATED BY A BLIND PERSON GRANT SPACE TO THE DEPARTMENT OF ECONOMIC SECURITY FOR THE OPERATION OF A MERCHANDISING BUSINESS BY A LICENSED BLIND PERSON AND COOPERATE WITH THE DEPARTMENT OF ECONOMIC SECURITY IN THE INSTALLATION OF SUCH MERCHANDISING BUSINESS.

C. NOTWITHSTANDING THE PROVISIONS OF SECTION 41-800, THE HEAD OR GOVERNING BODY OF EACH DEPARTMENT OR AGENCY OF THE STATE AND OF EACH COUNTY OR CITY HAVING CONTROL OF PUBLIC PROPERTY SHALL NOT CHARGE ANY RENT OR OTHER ASSESSMENT FOR THE USE OR OCCUPANCY OF THE SPACE GRANTED FOR THE OPERATION OF MERCHANDISING BUSINESSES BY LICENSED BLIND PERSONS.

D. ANY PERSON LICENSED UNDER THIS SECTION TO OPERATE A MERCHANDISING BUSINESS HAS THE RIGHT OF APPEAL UNDER SECTION 23-507.

E. PREFERENCE TO THE BLIND IS NOT MANDATORY FOR THOSE MERCHANDISING BUSINESSES OPERATED BY PUBLIC EDUCATIONAL INSTITUTIONS WHERE MERCHANDISING FACILITIES ARE PROVIDED AS AN INTEGRAL PART OF SERVICE TO STUDENTS OR AS A TRAINING PROGRAM TO STUDENTS, NOR FOR MAJOR FOOD SERVICES PROVIDED BY HOSPITALS OR RESIDENTIAL INSTITUTIONS OF THE STATE AS A DIRECT SERVICE TO PATIENTS, INMATES, TRAINEES OR OTHERWISE INSTITUTIONALIZED PERSONS.

Sec. 5. Section 23-907, Arizona Revised Statutes, as amended by Laws 1973, chapter 136, section 3, is amended to read:

23-907. Liability of employer failing to secure compensation; defenses; presumption; right of employee to compensation under chapter

A. Employers subject to and who fail to comply with the provisions of section 23-961 shall not be entitled to the benefits of ~~chapters 6 and 7~~ THIS CHAPTER during the period of noncompliance, but shall be liable in an action under any other applicable law of the state. In such action the

LAWS OF ARIZONA

defendant shall not avail himself of the defenses of assumption of risk or contributory negligence. In all such actions proof of the injury shall constitute prima facie evidence of negligence on the part of the employer and the burden shall be upon the employer to show freedom from negligence resulting in the injury.

B. An employee of such an employer, or the employee's dependents in case death ensued, may, in lieu of proceeding against the employer by civil action in court, file his application with the commission for compensation in accordance with the provisions of ~~chapters 6 and 7~~ THIS CHAPTER, and the commission shall hear and determine the application for compensation in the manner other claims are heard and determined before the commission. The compensation so determined shall be paid by the employer to the person entitled thereto within ten days after receiving notice of the amount thereof as fixed and determined by the commission. An abstract of the award may be filed in the office of the clerk of the superior court in any county in the state and shall be entered in the civil order book and judgment docket, and when so filed and entered shall be a lien for eight years from the date of the award upon the property of the employer located in the county. Execution may issue thereon within eight years in the same manner and with like effect as if the award were a judgment of the superior court.

C. If the employer does not pay the compensation awarded pursuant to subsection B of this section within ten days, the commission shall order in a subsequent award that the applicant's award be paid out of the special fund created by section 23-1065. The award ordering payment from the special fund shall also specify that ten per cent of the amount expended will be added as a penalty. The award will act as a judgment against the employer for the amount expended by the special fund plus the ten per cent penalty. If the commission pays the award the commission may file that award in the office of the clerk of the superior court in any county in the state and such award shall be entered in the civil order book and judgment docket, and when so filed and entered shall be a lien for eight years from the date of the award upon the property of the employer located in the county. Execution may issue thereon within eight years in the same manner and with like effect as if the award were a judgment of the superior court. Any recovery pursuant to this section shall be deposited in the special fund account.

D. An employer with one or more employees who is required to

LAWS OF ARIZONA

comply with the provisions of ~~chapters 6 and 7~~ THIS CHAPTER but who fails to obtain coverage through an insurance carrier or as a self-insurer shall be subject to an action by the commission to apply to the court for an injunction which shall cause the employer to cease the operation of his business until such employer complies with the provisions of law pertaining thereto.

Sec. 6. Section 23-941, Arizona Revised Statutes, is amended to read:

23-941. Hearing rights and procedure

A. Subject to the provisions of section 23-947, any interested party may file a request for a hearing concerning a claim.

B. A request for a hearing shall be made in writing, signed by or on behalf of the interested party and including his address, stating that a hearing is desired, and filed with the commission.

C. The commission shall refer the request for the hearing to the hearing officer division for determination as expeditiously as possible. The presiding hearing officer may dismiss a request for hearing when it appears to his satisfaction that the disputed issue or issues have been resolved by the parties. Any interested party who objects to such dismissal may request a review pursuant to section 23-943.

D. At least twenty days' prior notice of the time and place of the hearing shall be given to all parties in interest by mail at their last known address. In the case of a hearing concerning suspension of benefits, pursuant to section 23-1026, 23-1027, 23-1047, subsection D, or 23-1071, only ten days' prior notice need be given. Hearings shall be held in the county where the workman resided at the time of the injury ~~or the occurrence of the occupational disease~~ or such other place selected by the hearing officer.

E. A stenographic record of all proceedings at the hearing shall be kept but need not be transcribed unless a party requests a review of the order of the hearing officer.

F. Except as otherwise provided in this section and rules or procedure established by the commission, the hearing officer is not bound by common law or statutory rules of evidence or by technical or formal rules of procedure and may conduct the hearing in any manner that will achieve substantial justice.

LAWS OF ARIZONA

G. Any party shall be entitled to issuance and service of subpoenas under the provisions of section 23-921. Any party or his representative may serve such subpoenas.

H. Any interested party or his authorized agent shall be entitled to inspect any claims file of the commission, provided that such authorization is filed in writing with the commission.

I. Within thirty days after the date of notice of hearing any interested party to a hearing before the commission may file an affidavit for change of hearing officer against any hearing officer of the commission hearing such matters or commencing to hear such matter, setting forth any of the grounds as provided in subsection J of this section, and the hearing officer shall immediately transfer the matter to another officer of the commission who shall preside therein. Not more than one change of hearing officer shall be granted to any one party.

J. Grounds which may be alleged as provided in subsection I of this section for change of hearing officer are:

1. That the hearing officer has been engaged as counsel in the hearing prior to appointment as hearing officer.
2. That the hearing officer is otherwise interested in the hearing.
3. That the hearing officer is of kin or otherwise related to a party to the hearing.
4. That the hearing officer is a material witness in the hearing.
5. That the party filing the affidavit has cause to believe and does believe that on account of the bias, prejudice, or interest of the hearing officer he cannot obtain a fair and impartial hearing.

Sec. 7. Section 23-947, Arizona Revised Statutes, is amended to read:

23-947. Time within which hearing must be requested

A hearing on any question relating to a claim shall not be granted unless the employee has previously filed an application for compensation within the time and in the manner prescribed by section 23-1061, and such request for a hearing is filed within sixty days after the notice sent ~~by certified mail~~ under the provisions of subsection F of section 23-1061 or

LAWS OF ARIZONA

within sixty days of notice of a determination by the commission, insurance carrier or self-insuring employer under section 23-1047 or section 23-1061 OR WITHIN TEN DAYS OF ALL OTHER AWARDS ISSUED BY THE COMMISSION.

Sec. 8. Section 23-961, Arizona Revised Statutes, is amended to read:

23-961. Methods of securing compensation by employers; deficit premium

A. Employers, but not including the state or its legal subdivisions until January 1, 1971, shall secure workmen's compensation ~~and occupational disease compensation~~ to their employees in one of the following ways:

1. By insuring and keeping insured the payment of such compensation with the state compensation fund or an insurance carrier authorized by the director of insurance to write workmen's compensation ~~and occupational disease compensation~~ insurance in this state.

2. By furnishing to the commission satisfactory proof of financial ability to pay direct the compensation in the amount and manner and when due as provided in ~~chapters 6 and 7~~ THIS CHAPTER. The commission may require a deposit or other security from the employer for the payment of compensation liabilities in an amount fixed by the commission, but not less than one hundred thousand dollars for workmen's compensation ~~and one hundred thousand dollars for occupational disease compensation~~ liabilities. If the employer does not fully comply with the provisions of ~~chapters 6 and 7~~ THIS CHAPTER relating to the payment of compensation, the commission may revoke the authority of the employer to pay compensation direct.

B. Corporations or associations transacting the business of workmen's compensation insurance ~~and occupational disease compensation insurance~~ in the state shall be subject to the rules and regulations of the director of insurance, including rates to be charged and policy forms to be used. Only corporations having a paid-up capital stock of five hundred thousand dollars and surplus of one hundred thousand dollars, or an aggregate capital and surplus of six hundred thousand dollars, or mutual associations having net assets over and above all liability of six hundred thousand dollars, shall be permitted to transact such business, and their liability shall include a reinsurance reserve which shall equal sixty-five per cent of the gross annual premiums or deposits received by the corporation

LAWS OF ARIZONA

or association on account of workmen's compensation ~~and occupational disease compensation~~ insurance, and fifty per cent of the gross annual premiums on all other lines of insurance and a pro rata amount of gross premiums collected for more than one year.

C. Before transacting such business, the corporation or association shall deposit with the state treasurer, through the director of insurance, cash or securities in an amount equal to seventy-six per cent of the sixty-five per cent of the gross annual premiums of deposits received by the corporation or association on account of workmen's compensation ~~and occupational disease compensation~~ insurance collected by it in the state, such securities to be at all times subject to approval of the director of insurance. In lieu of cash or securities the corporation or association may, with approval of the commission, furnish bond of a corporate surety company authorized to transact business in the state. The bond or securities shall be held by the director of insurance as security for fulfillment of the obligations of the corporation or association under ~~chapters 6 and 7~~ THIS CHAPTER.

D. Except in the event of nonpayment of premiums, each insurance carrier shall carry a risk to the conclusion of the policy period unless the policy is cancelled by the employer. The policy period shall be agreed upon by the insurance carrier and the employer.

E. At least thirty days' notice of any cancellation shall be given by the insurance carrier to the employer and to the commission. The employer shall, prior to the effective date of any cancellation, file a certificate with the commission designating his new insurance carrier or other satisfactory proof of compliance with the requirements of this section.

F. Commencing with the year ~~1972~~ 1975, every insurance carrier, including the state compensation fund, shall on or before March ~~31~~ 1 of each year pay to the state treasurer for the credit of the administrative fund, in lieu of all other taxes on workmen's compensation ~~and occupational disease compensation~~ insurance, a tax of three per cent on all premiums collected or contracted for during the year ending December 31 next preceding, less the following deductions from such total direct premiums: applicable cancellations, returned premiums, all policy dividends or refunds paid or credited to policyholders within this state and not reapplied as premiums for new, additional or extended insurance. Commencing with the year 1972, every self-insured employer shall on or

LAWS OF ARIZONA

before March 31 of each year, pay a tax of three per cent of the premiums which would have been paid by the employer if he had been fully insured under a plan available from the state compensation fund during the preceding calendar year. The commission shall adopt rules and regulations which shall specify those methods to be used for the calculation of rates and premiums which shall be the basis for the taxes assessed to self-insured employers. The tax shall be not less than two hundred fifty dollars per annum and shall be computed and collected by the commission and paid to the state treasurer for the credit of the administrative fund.

Sec. 9. Section 23-961.01, Arizona Revised Statutes, is amended to read:

23-961.01. Deposit to state general fund

Any provision to the contrary notwithstanding, all monies paid by insurance carriers and the state compensation fund as prescribed by section 23-961, subsection ~~G-F~~, shall be paid to the state treasurer and deposited in the state general fund.

Sec. 10. Section 23-962, Arizona Revised Statutes, is amended to read:

23-962. Insurance by governmental units in state compensation fund; payment of premiums

A. The state, each county, city, town, municipal corporation or school district which is liable to its employees for workmen's compensation ~~or occupational disease compensation~~ shall insure in the state compensation fund until January 1, 1971. Thereafter, any such county, city, town, municipal corporation or school district shall insure in any manner prescribed by the terms of section 23-961.

B. The commissioner of finance, the clerk of the board of supervisors of each county, the clerk of each such political subdivision and the school superintendent of each county shall furnish quarterly to the state compensation fund a true payroll showing the total amount paid to employees subject to the provisions of ~~chapters 6 and 7~~ **THIS CHAPTER** of this title during each month of the quarter, segregated in accordance with the requirements of the state compensation fund.

C. Each clerk and school superintendent shall thereupon prepare and submit to his respective governing body for approval, a claim for the

LAWS OF ARIZONA

amount of premiums due the state compensation fund. Such premiums shall be at once paid to the state compensation fund by the proper officer. The commissioner of finance shall draw his warrant for such premiums as are due from the state in favor of the treasurer for the benefit of the state compensation fund and the treasurer shall at once pay the warrant from the general fund and the appropriation made therefor in the general appropriation bill for the state compensation fund.

Sec. 11. Section 23-963, Arizona Revised Statutes, is amended to read:

23-963. Provisions of compensation insurance policy

Every policy of insurance covering the liability of the employer for workmen's compensation ~~or occupational disease compensation~~, whether issued by the state compensation fund or by another, shall cover the entire liability of the employer to his employees covered by the policy or contract, and be deemed to contain the following provisions:

1. That as between the employee and the insurance carrier the notice to or knowledge of the occurrence of the injury on the part of the employer shall be deemed notice or knowledge of the insurance carrier.
2. That jurisdiction of the employer shall be jurisdiction of the insurance carrier.
3. That the insurance carrier shall be bound by and subject to the orders, findings, decisions and awards rendered against the employer for payment of compensation.
4. That the insolvency or bankruptcy of the employer and his discharge therein shall not relieve the insurance carrier from payment of compensation for injuries or death sustained by an employee during the life of the policy or contract.

Sec. 12. Section 23-966, Arizona Revised Statutes, is amended to read:

23-966. Failure of employer or insurance carrier to pay claim or comply with commission order; reimbursement of compensation fund

A. If an insurance carrier or self-insured employer does not fully comply with the provisions of ~~chapters 6 and 7 of this title~~ THE

LAWS OF ARIZONA

WORKMEN'S COMPENSATION LAW relating to the payment of compensation, medical benefits or the final orders of the commission, the claims for compensation shall be assigned by the commission to the state compensation fund, and the manager of the state compensation fund shall pay such compensation, benefits or amounts due under the provisions of such chapters. The state compensation fund shall have a claim against the insurance carrier or self-insured employer for the amount so paid to be recovered, together with costs, necessary expenses and a reasonable attorney's fee fixed by the court, and such recovery shall be made upon the bond and other assets of the carrier or self-insured employer filed under section 23-961.

B. The commission shall provide by regulation for the special award fund created by section 23-1065 to reimburse, on a periodic basis, the state compensation fund for any net loss, including reasonable administrative costs, it incurs under this section. The commission may increase the assessment established in section 23-1065 by not to exceed one-half of one per cent of such assessment in any one year to reimburse the state compensation fund for its net loss incurred under this section.

Sec. 13. Section 23-984, Arizona Revised Statutes, is amended to read:

23-984. Misrepresentation of payroll affecting premium payment; penalty

An employer who wilfully misrepresents to an insurance carrier the amount of payroll upon which the premium for workmen's compensation ~~or occupational disease~~ insurance to be paid to the insurance carrier is based is liable to a penalty of ten times the amount of the difference in premium paid and the amount the employer should have paid. The penalty shall be collected in a civil action.

Sec. 14. Section 23-1023, Arizona Revised Statutes, is amended to read:

23-1023. Liability of third person to injured employee; election of remedies

A. If an employee entitled to compensation under ~~chapters 6 and 7~~ THIS CHAPTER is injured or killed by the negligence or wrong of another not in the same employ, such injured employee, or in event of death his dependents, may pursue his remedy against such other person.

LAWS OF ARIZONA

B. If the employee entitled to compensation under ~~chapters 6 and 7~~ THIS CHAPTER, or his dependents, does not pursue his or their remedy against such other person by instituting an action within one year after the cause of action accrues, the claim against such other person shall be deemed assigned to the insurance carrier, or to the person liable for the payment thereof. Such a claim so assigned may be prosecuted or compromised by the insurance carrier or the person liable for the payment thereof.

C. If he proceeds against such other person, compensation and medical, surgical and hospital benefits shall be paid as provided in ~~chapters 6 and 7~~ THIS CHAPTER and the insurance carrier or other person liable to pay the claim shall have a lien on the amount actually collectable from such other person to the extent of such compensation and medical, surgical and hospital benefits paid. This lien shall not be subject to a collection fee. The amount actually collectable shall be the total recovery less the reasonable and necessary expenses, including attorneys' fees, actually expended in securing such recovery. The insurance carrier or person shall contribute only the deficiency between the amount actually collected and the compensation and medical, surgical and hospital benefits provided or estimated by the provisions of ~~chapters 6 and 7~~ THIS CHAPTER for such case. Compromise of any claim by the employee or his dependents at an amount less than the compensation and medical, surgical and hospital benefits provided for shall be made only with written approval of the compensation fund, or of the person liable to pay the claim.

Sec. 15. Section 23-1025, Arizona Revised Statutes, is amended to read:

23-1025. Agreement by employee to waive compensation or to pay premium void; unlawful collection of premium

An agreement by an employee to waive his rights to compensation, except as provided in this chapter, or an agreement by an employee to pay any portion of the premium paid by his employer shall be void. It shall be unlawful for an employer to collect or receive any premiums from an employee for workmen's compensation insurance, except as provided in ~~chapters 6 and 7~~ THIS CHAPTER.

Sec. 16. Section 23-1026, Arizona Revised Statutes, is amended to read:

LAWS OF ARIZONA

23-1026. Periodical medical examination of employee; effect of refusal or obstruction of examination or treatment

A. An employee who may be entitled to compensation under THIS chapter ~~6 or 7~~ shall submit himself for medical examination from time to time at a place reasonably convenient for the employee, if and when requested by the commission, the state compensation fund, his employer or the insurance carrier.

B. The request for the medical examination shall fix a time and place having regard to the convenience of the employee, his physical condition and ability to attend. The employee may have a physician present at the examination if procured and paid for by himself.

C. If the employee refuses to submit to the medical examination or obstructs the examination, his right to compensation shall be suspended until the examination has been made, and no compensation shall be payable during or for such period.

D. A physician who makes or is present at the medical examination provided by this section may be required to testify as to the result thereof.

E. Upon appropriate application and hearing, the commission may reduce or suspend the compensation of an employee who persists in unsanitary or injurious practices tending to imperil or retard his recovery, or who refuses to submit to medical or surgical treatment reasonably necessary to promote his recovery.

Sec. 17. Section 23-1046, Arizona Revised Statutes, is amended to read:

23-1046. Death benefits

A. In case of an injury causing death, the compensation therefor shall be known as a death benefit, and shall be payable in the amount, for the period, and to and for the benefit of the persons following:

1. Burial expenses, not to exceed ~~eight hundred~~ ONE THOUSAND dollars, in addition to the compensation.

2. To the surviving spouse, if there is no child, thirty-five per cent of the average wage of the deceased, to be paid until such spouse's death or remarriage, with two years' compensation in one sum upon remarriage.

LAWS OF ARIZONA

3. To the widow or widower, if there is a child or children, the additional amount of fifteen per cent of such wage for each child until the age of eighteen years, the total not to exceed sixty-six and two-thirds per cent of the average wage.
4. To a single surviving child, in the case of the subsequent death of a surviving husband or wife, or if there is no surviving husband or wife, twenty-five per cent of such average wages, or if there is more than one surviving child, twenty-five per cent for one child, and fifteen per cent for each additional child, to be divided among such children share and share alike, but not exceeding a total of sixty-six and two-thirds per cent of the average wage. Compensation to any such child shall cease upon death, marriage or upon reaching the age of eighteen years, except, if over eighteen years and incapable of self-support, when it becomes capable of self-support.
5. To a parent, if there is no surviving husband, wife or child under the age of eighteen years, if wholly dependent for support upon the deceased employee at the time of his death, twenty-five per cent of the average monthly wage of the deceased during dependency, with an added allowance of fifteen per cent if two dependent parents survive, and, if neither parent is wholly dependent, but one or both partly dependent, fifteen per cent divided between them share and share alike.
6. To brothers or sisters under the age of eighteen years, if there is no surviving husband or wife, dependent children under the age of eighteen years or dependent parent, the following shall govern:
 - (a) If one of the brothers or sisters is wholly dependent upon the deceased employee for support at the time of injury causing death, twenty-five per cent of the average monthly wage until the age of eighteen years.
 - (b) If more than one brother or sister is wholly dependent, thirty-five per cent of the average monthly wage at the time of injury causing death, divided among such dependents share and share alike.
 - (c) If none of the brothers or sisters is wholly dependent, but one or more partly dependent, fifteen per cent divided among such dependents share and share alike.

LAWS OF ARIZONA

~~7. If there are no dependents in the foregoing schedule, dependency shall be determined according to the facts as of the time of the injury in accordance with the provisions of section 23-1047.~~

B. If the deceased employee leaves dependents only partially dependent upon his earnings for support at the time of the injury, the monthly compensation shall be equal to such proportion of the monthly payments for the benefit of persons totally dependent as the amount contributed by the employee to such partial dependents bears to the average wage of the deceased at the time of the injury resulting in his death. The duration of compensation to partial dependents shall be fixed by the commission in accordance with the facts shown, and in accordance with the provisions of section 23-1047, but shall in no case exceed compensation for one hundred months.

C. A death benefit paid to an alien not residing in the United States shall be only sixty per cent of the amount specified in this section.

D. In event of death of a dependent before expiration of the time named in the award, the funeral expenses of such person, not to exceed eight hundred dollars, shall be paid.

Sec. 18. Section 23-1047, Arizona Revised Statutes, is amended to read:

23-1047. Procedure for determining compensation for partial disability and permanent total disability in cases not enumerated; procedure for determining nonscheduled dependency and duration of compensation to partial dependents in death cases

A. In cases of permanent partial disability under the provisions of paragraph 22 of subsection B and subsections C, and F of section 23-1044, when the physical condition of the injured employee becomes stationary, or in the case of permanent total disability not enumerated in section 23-1045, and under the provisions of subsection D thereof, or in death cases under the provisions of paragraph 8, subsection A, section 23-1046 and subsection B of section 23-1046, the employer or insurance carrier **WITHIN THIRTY DAYS** shall so notify the commission and request that the claim be examined and further compensation, if any, be determined. A copy of all medical reports necessary to make such determination also shall be furnished to the commission. The employer or insurance carrier may commence payment of a permanent disability award without waiting for a determination under subsection B of this section.

LAWS OF ARIZONA

B. Within thirty days after the commission receives the medical reports, the claims shall be examined and further compensation, including permanent disability award, if any, determined under the commission's supervision. If necessary, the commission may require additional medical or other information with respect to the claim and may postpone the determination for not more than sixty additional days. Any determination under this subsection may include necessary adjustments in any compensation paid or payable.

C. The commission shall mail a copy of the determination to all interested parties. Any such party may request a hearing under section 23-941 on the determination made under subsection B of this section within sixty days after copies of the determination are mailed.

D. Any person receiving permanent compensation benefits shall report annually on the anniversary date of the award to the commission all of his earnings for the prior twelve month period, which information shall be immediately forwarded to the employer or insurance carrier responsible for paying such compensation benefits. In the event the person fails to make such report to the commission within thirty days following the anniversary date, the commission shall notify the employer or insurance carrier and the employee that such reports have not been received, and the employer or insurance carrier may then suspend any further payments until such report of earnings is filed with the commission.

Sec. 19. Section 23-1061, Arizona Revised Statutes, is amended to read:

23-1061. Notice of accident; form of notice; claim for compensation; reopening; payment of compensation

A. Notwithstanding the provisions of subsection D of section 23-908, no claim for compensation shall be valid or enforceable unless the claim is filed with the commission by the employee, or if resulting in death by the parties entitled to compensation, or someone on their behalf, in writing within one year after the injury occurred or the right thereto accrued. The commission upon receiving a claim shall give notice to the carrier.

B. Failure of an employee to file a claim with the commission within one year or to comply with the provisions of section 23-908 shall not bar a claim if the insurance carrier or employer has commenced payments under the provisions of sections 23-1044, 23-1045 or 23-1046.

LAWS OF ARIZONA

C. If the commission receives a notification of the injury, the commission shall send a claim form to the employee.

D. The issue of failure to file a claim must be raised at the first hearing on a claim for compensation in respect to the injury or death.

E. Within ten days after receiving notice of an accident, the employer shall inform his insurance carrier and the commission on such forms as may be prescribed by the commission.

F. Each insurance carrier and self-insuring employer shall report to the commission a notice of the first payment of compensation and shall promptly report to the commission and to the employee by mail at his last known address any denial of a claim, any change in the amount of compensation and the termination thereof, except that claims for medical, surgical and hospital benefits which are not denied shall be reported to the commission in the form and manner determined by the commission. In all cases where compensation is payable, the carrier or self-insuring employer shall promptly determine the average monthly wage pursuant to section 23-1041. Within thirty days of the payment of the first installment of compensation, the carrier or self-insuring employer shall notify the employee and commission of the average monthly wage of the claimant as calculated, and the basis for such determination. The commission shall thereupon make its own independent determination of the average monthly wage pursuant to section 23-1041. The commission shall within thirty days after receipt of such notice notify the employee, employer and carrier of such determination. The amount determined by the commission shall be payable retroactive to the first date of entitlement. The first payment of compensation shall be accompanied by a notice on a form prescribed by the commission stating the manner in which the amount of compensation was determined.

G. Except as otherwise provided by law, the insurance carrier or self-insuring employer shall process and pay compensation and provide medical, surgical and hospital benefits, without the necessity for the making of an award or determination by the commission.

H. An employee may reopen his claim to secure an increase or rearrangement of compensation or additional benefits by filing with the commission a petition requesting the reopening of his claim upon the basis of new, additional or previously undiscovered temporary or permanent condition, which petition shall be accompanied by a statement from a

LAWS OF ARIZONA

physician setting forth the physical condition of the employee relating to the claim. The payment for such reasonable and necessary medical, hospital and laboratory work expense shall be paid for by the employer or the employer's insurance carrier if the claim is reopened as provided by law and if such expenses are incurred within fifteen days of the filing of the petition to reopen. No surgical benefits or monetary compensation shall be payable for any period prior to the date of filing of the petition to reopen.

I. Upon the filing of a petition to reopen a claim the commission shall in writing notify the employer's insurance carrier or the self-insuring employer, which shall in writing notify the commission and the employee within twenty-one days after the date of such notice of its acceptance or denial of the petition. The reopened claim shall be processed thereafter in like manner as a new claim.

J. The commission shall investigate and review any claim in which it appears to the commission that the claimant has not been granted the benefits to which such claimant is entitled. If the commission determines that payment or denial of compensation is improper in any way, it shall hold a hearing pursuant to section 23-941 within sixty days after receiving notice of such impropriety.

K. When there is a dispute as to which employer, or insurance carrier, is liable for the payment of a compensable claim, the commission may, by order, designate the employer or insurance carrier which shall pay the claim. Payment shall begin within fourteen days after the employer or insurance carrier has been ordered by the commission to commence payment. When a final determination has been made as to which employer or insurance carrier is actually liable, the commission shall direct any necessary monetary adjustment or reimbursement between the parties or carriers involved.

L. Upon application to the commission, and for good cause shown, the commission may direct that a document filed as a claim for compensation benefits be designated as a petition to reopen, effective as of the original date of filing. In like manner upon application and good cause shown the commission may direct that a document filed as a petition to reopen be designated a claim for compensation benefits, effective as of the original date of filing.

LAWS OF ARIZONA

M. If the insurance carrier or self-insurer does not issue a notice of claim status denying the claim within twenty-one days from the date the carrier is notified by the commission of a claim or of a petition to reopen, the carrier shall pay immediately, compensation **AS IF THE CLAIM WERE ACCEPTED**, from the date the carrier is notified by the commission of a claim or petition to reopen until the date upon which the carrier issues a notice of claim status denying such claim. As used in this subsection, "compensation payable" includes medical, surgical and hospital benefits. This section shall not apply to cases involving seven days or less of time lost from work.

Sec. 20. Section 23-1062, Arizona Revised Statutes, is amended to read:

23-1062. Medical, surgical, hospital benefits; commencement of compensation; method of compensation

A. Promptly, upon notice to the employer, every injured employee shall receive medical, surgical and hospital benefits or other treatment, nursing, medicine, surgical supplies, crutches and other apparatus, including artificial members, reasonably required at the time of the injury, and during the period of disability. Such benefits shall be termed "medical, surgical and hospital benefits."

B. The first installment of compensation is to be paid no later than the twenty-first day after written notification by the commission to the carrier of the filing of a claim except where the right to compensation is denied. Thereafter, compensation shall be paid at least once each two weeks during the period of temporary total disability and at least monthly thereafter. Compensation shall not be paid for the first seven days after the injury. If the incapacity extends beyond the period of seven days, compensation shall begin on the eighth day after the injury, but if the disability continues for one week beyond such seven days, compensation shall be computed from the date of the injury.

C. COMPENSATION SHALL BE MADE BY A NEGOTIABLE INSTRUMENT, PAYABLE IMMEDIATELY UPON DEMAND.

Sec. 21. Title 23, chapter 6, article 3, Arizona Revised Statutes, is amended by adding section 23-1070.01, to read:

23-1070.01. Request for early hearing; stipulation; action of commission

LAWS OF ARIZONA

A. IF A REQUEST FOR HEARING FILED IN CONNECTION WITH A CHANGE OF PHYSICIAN UNDER SECTION 23-1070 ALLEGES, BY AFFIDAVIT, THAT IMMEDIATE AND IRREPARABLE INJURY, LOSS OR DAMAGE WILL RESULT IF SUCH HEARING IS NOT HELD PRIOR TO THE TIMES OTHERWISE PRESCRIBED BY THIS ARTICLE OR IF ALL INTERESTED PARTIES, IN PERSON OR BY COUNSEL, STIPULATE IN SUCH REQUEST FOR HEARING THAT SUCH HEARING SHOULD BE HELD PRIOR TO THE TIMES OTHERWISE PRESCRIBED BY THIS ARTICLE, THE COMMISSION SHALL:

1. IMMEDIATELY ISSUE A NOTICE TO ALL PARTIES SETTING A HEARING DATE NOT MORE THAN FIFTEEN DAYS LATER.
2. REQUIRE THAT THE HEARING OFFICER, WHO SHALL NOT BE SUBJECT TO THE AFFIDAVIT FOR CHANGE PRESCRIBED BY SECTION 23-941, SUBSECTION I, DETERMINE THE MATTER AND MAKE AN AWARD, IF ANY, WITHIN FIVE DAYS AFTER COMPLETION OF THE HEARING.

B. ALL OTHER PROCEDURES PRESCRIBED FOR SUBSEQUENT ACTIONS WITH REGARD TO SUCH HEARING OR AWARD SHALL BE AS OTHERWISE PRESCRIBED BY LAW.

Sec. 22. Section 23-1071, Arizona Revised Statutes, is amended to read:

23-1071. Notice by disabled employee of absence from locality or state; failure to give notice

A. ~~No employee may leave the state of Arizona or the locality in which he is receiving treatment~~ FOR A PERIOD EXCEEDING TWO WEEKS while the necessity of having medical treatment continues, without the written approval of the commission. Any employee leaving the state of Arizona ~~or the locality in which he is receiving medical treatment~~ FOR A PERIOD EXCEEDING TWO WEEKS without such approval will forfeit his right to compensation during such time, as well as his right to reimbursement for his medical expenses, and any aggravation of his disability, by reason of the violation of this section, will not be compensated.

B. NO EMPLOYEE MAY CHANGE DOCTORS WITHOUT THE WRITTEN AUTHORIZATION OF THE INSURANCE CARRIER, THE COMMISSION OR THE ATTENDING PHYSICIAN.

LAWS OF ARIZONA

Sec. 23. **Emergency**

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor—May 17, 1974

Filed in the Office of the Secretary of State—May 17, 1974

CHAPTER 185

Senate Bill 1035

AN ACT

RELATING TO PUBLIC HEALTH; PROVIDING FOR MENTAL HEALTH EVALUATION, COMMITMENT AND TREATMENT OF PERSONS SUFFERING MENTAL DISORDERS; PROVIDING PROCEDURES, RIGHTS, DUTIES AFFECTING SUCH PERSONS; PROVIDING FOR CERTAIN GUARDIANSHIPS AND CONSERVATORSHIPS; PROVIDING THAT A STATE HOSPITAL SHALL BE MAINTAINED FOR CARE AND TREATMENT OF PERSONS WITH MENTAL DISORDERS AND PERSONALITY DISORDERS OR EMOTIONAL CONDITIONS; REQUIRING CONSENT OF PARENTS FOR SURGICAL PROCEDURES UPON MINORS; REPEALING TITLE 36, CHAPTER 5, ARIZONA REVISED STATUTES; AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING A NEW CHAPTER 5; AMENDING SECTIONS 14-5101 AND 31-224, ARIZONA REVISED STATUTES; AMENDING SECTION 36-202, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1973, CHAPTER 158, SECTION 34; AMENDING SECTION 36-206, ARIZONA REVISED STATUTES, AND AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 22.

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

LAWS OF ARIZONA

Section 1. **Repeal**

Title 36, chapter 5, Arizona Revised Statutes, is repealed.

Sec. 2. Title 36, Arizona Revised Statutes, is amended by adding a new chapter 5, articles 1 through 9, to read:

CHAPTER 5
MENTAL HEALTH SERVICES
ARTICLE 1. GENERAL PROVISIONS

36-501. **Definitions**

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "ADMITTING OFFICER" MEANS A PSYCHIATRIST OR OTHER PHYSICIAN WITH EXPERIENCE IN PERFORMING PSYCHIATRIC EXAMINATIONS WHO HAS BEEN DESIGNATED AS AN ADMITTING OFFICER OF THE EVALUATION AGENCY BY THE PERSON IN CHARGE OF THE EVALUATION AGENCY.

2. "COURT" MEANS THE SUPERIOR COURT OF THE COUNTY IN THIS STATE IN WHICH THE PATIENT RESIDES.

3. "DANGER TO OTHERS" MEANS BEHAVIOR WHICH CONSTITUTES A DANGER OF INFLECTING SUBSTANTIAL BODILY HARM UPON ANOTHER PERSON BASED UPON A HISTORY OF HAVING INFLECTED OR HAVING ATTEMPTED TO INFLECT SUBSTANTIAL BODILY HARM UPON ANOTHER PERSON WITHIN TWELVE MONTHS PRECEDING THE HEARING ON COURT ORDERED TREATMENT, EXCEPT THAT:

(a) IF THE PROPOSED PATIENT HAS EXISTED UNDER CONDITIONS OF BEING RESTRAINED BY PHYSICAL OR PHARMACOLOGICAL MEANS, OR OF BEING CONFINED, OR OF BEING SUPERVISED, WHICH HAVE DETERRED OR TENDED TO DETER HIM FROM CARRYING OUT ACTS OF INFLECTING OR ATTEMPTING TO INFLECT BODILY HARM UPON ANOTHER PERSON, THE TIME LIMIT OF WITHIN TWELVE MONTHS PRECEDING THE HEARING MAY BE EXTENDED TO A TIME LONGER THAN TWELVE MONTHS AS CONSIDERATION OF THE

LAWS OF ARIZONA

EVIDENCE INDICATES; OR,

(b) IF THE BODILY HARM INFLICTED UPON OR ATTEMPTED TO BE INFLICTED UPON ANOTHER PERSON WAS GRIEVOUS OR HORRENDOUS, THE TIME LIMIT OF WITHIN TWELVE MONTHS PRECEDING THE HEARING MAY BE EXTENDED TO A TIME LONGER THAN TWELVE MONTHS AS CONSIDERATION OF THE EVIDENCE INDICATES.

4. "DANGER TO SELF" MEANS BEHAVIOR WHICH CONSTITUTES A DANGER OF INFLICTING SUBSTANTIAL BODILY HARM UPON ONESELF, INCLUDING ATTEMPTED SUICIDE. DANGER TO SELF IS NOT PRESENT IF THE HAZARDS TO SELF ARE RESTRICTED TO THOSE WHICH MAY ARISE FROM CONDITIONS DEFINED UNDER GRAVE DISABILITY.

5. "DEPARTMENT" MEANS THE STATE DEPARTMENT OF HEALTH SERVICES.

6. "DETENTION" MEANS THE TAKING INTO CUSTODY OF A PATIENT OR PROPOSED PATIENT.

7. "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT.

8. "EVALUATION" MEANS A PROFESSIONAL MULTIDISCIPLINARY ANALYSIS OF A PERSON'S MEDICAL, PSYCHOLOGICAL AND SOCIAL CONDITIONS CARRIED OUT BY A GROUP OF PERSONS CONSISTING OF NOT LESS THAN THE FOLLOWING: TWO PHYSICIANS, ONE OF WHOM MAY BE SELECTED BY THE PERSON AGAINST WHOM A PETITION HAS BEEN FILED, A PSYCHIATRIC SOCIAL WORKER AND A CERTIFIED PSYCHOLOGIST, UNLESS A CERTIFIED PSYCHOLOGIST IS NOT AVAILABLE. AN EVALUATION SHALL INCLUDE TWO PSYCHIATRIC EXAMINATIONS PERFORMED BY QUALIFIED PSYCHIATRISTS IF POSSIBLE AND PERFORMED IN ALL CASES BY LICENSED PHYSICIANS WHO SHALL BE EXPERIENCED IN SUCH MATTERS. AN EVALUATION MAY BE CONDUCTED ON AN INPATIENT BASIS, AN OUTPATIENT BASIS OR A COMBINATION OF THESE.

9. "EVALUATION AGENCY" MEANS A HEALTH CARE AGENCY LICENSED BY THE DEPARTMENT WHICH HAS BEEN APPROVED

LAWS OF ARIZONA

PURSUANT TO TITLE 36, FOR A MODIFICATION OF SERVICE TO INCLUDE THOSE SERVICES REQUIRED OF SUCH AGENCY BY THIS CHAPTER.

10. "EXAMINATION" MEANS AN EXPLORATION OF THE PERSON'S PAST PSYCHIATRIC HISTORY, OF THE CIRCUMSTANCES LEADING UP TO THE PERSON'S PRESENTATION, A PSYCHIATRIC EXPLORATION OF THE PERSON'S PRESENT MENTAL CONDITION AND A COMPLETE PHYSICAL EXAMINATION.

11. "GRAVELY DISABLED" MEANS A CONDITION IN WHICH A PERSON IS UNABLE TO PROVIDE FOR HIS BASIC PERSONAL NEEDS FOR FOOD, CLOTHING AND SHELTER AS A RESULT OF A MENTAL DISORDER OF A TYPE WHICH HAS:

(a) DEVELOPED OVER A LONG PERIOD OF TIME AND HAS BEEN OF LONG DURATION; OR,

(b) DEVELOPED AS A MANIFESTATION OF DEGENERATIVE BRAIN DISEASE DURING OLD AGE; OR,

(c) DEVELOPED AS A MANIFESTATION OF SOME OTHER DEGENERATIVE PHYSICAL ILLNESS OF LONG DURATION.

12. "INDEPENDENT EVALUATOR" MEANS A LICENSED PHYSICIAN OR CERTIFIED PSYCHOLOGIST SELECTED BY A PROPOSED PATIENT, PROPOSED WARD, BY A PERSON SEEKING REVIEW OF AN ORDER FOR HIS INVOLUNTARY TREATMENT OR OF HIS STATUS AS A WARD OR BY THE ATTORNEY OF ONE OF SUCH PERSONS.

13. "INFORMED CONSENT" MEANS A DECISION FOLLOWING PRESENTATION OF ALL FACTS NECESSARY TO FORM THE BASIS OF AN INTELLIGENT CONSENT BY THE PATIENT OR GUARDIAN WITH NO MINIMIZING OF KNOWN DANGERS OF ANY PROCEDURES.

14. "LICENSED PHYSICIAN" MEANS ANY PHYSICIAN OR SURGEON LICENSED BY THIS STATE TO PRACTICE MEDICINE PURSUANT TO TITLE 32, CHAPTER 13 OR 17.

LAWS OF ARIZONA

15. "MAINTENANCE" MEANS AND INCLUDES, BUT IS NOT LIMITED TO, COSTS INCURRED IN THE EXAMINATION, EVALUATION TREATMENT AND MAINTENANCE OF PATIENTS IN THE STATE HOSPITAL.

16. "MEDICAL DIRECTOR OF AN EVALUATION AGENCY" MEANS A PSYCHIATRIST, OR OTHER PHYSICIAN EXPERIENCED IN PSYCHIATRIC MATTERS, WHO IS DESIGNATED IN WRITING BY THE GOVERNING BODY OF THE AGENCY AS THE PERSON IN CHARGE OF THE MEDICAL SERVICES OF THE AGENCY FOR THE PURPOSES OF THIS CHAPTER AND MAY INCLUDE THE SUPERINTENDENT OF THE STATE HOSPITAL.

17. "MEDICAL DIRECTOR OF A MENTAL HEALTH TREATMENT AGENCY" MEANS A PSYCHIATRIST, OR OTHER PHYSICIAN EXPERIENCED IN PSYCHIATRIC MATTERS, WHO IS DESIGNATED IN WRITING BY THE GOVERNING BODY OF THE AGENCY AS THE PERSON IN CHARGE OF THE MEDICAL SERVICES OF THE AGENCY FOR THE PURPOSES OF THIS CHAPTER AND INCLUDES THE SUPERINTENDENT OF THE STATE HOSPITAL.

18. "MENTAL DISORDER" MEANS, FOR PURPOSES OF THIS CHAPTER, A SUBSTANTIAL DISORDER OF THE PERSON'S EMOTIONAL PROCESSES, THOUGHT, COGNITION OR MEMORY. "MENTAL DISORDER" IS DISTINGUISHED FROM:

(a) CONDITIONS WHICH ARE PRIMARILY THOSE OF DRUG ABUSE, ALCOHOLISM OR MENTAL RETARDATION.

(b) THE DECLINING MENTAL ABILITIES THAT DIRECTLY ACCOMPANY IMPENDING DEATH.

(c) CHARACTER AND PERSONALITY DISORDERS CHARACTERIZED BY LIFELONG AND DEEPLY INGRAINED ANTI-SOCIAL BEHAVIOR PATTERNS, INCLUDING SEXUAL BEHAVIORS WHICH ARE ABNORMAL AND PROHIBITED BY STATUTE UNLESS THE BEHAVIOR RESULTS FROM A MENTAL DISORDER.

19. "MENTAL HEALTH TREATMENT AGENCY" MEANS A HEALTH CARE AGENCY LICENSED BY THE DEPARTMENT WHICH HAS BEEN APPROVED, PURSUANT TO TITLE 36, FOR A

LAWS OF ARIZONA

MODIFICATION OF SERVICE TO INCLUDE THOSE SERVICES WHICH ARE REQUIRED OF THE AGENCY BY THIS CHAPTER OR THE STATE HOSPITAL.

20. "PATIENT" MEANS ANY PERSON VOLUNTARILY HOSPITALIZED OR ORDERED BY A COURT TO UNDERGO TREATMENT, AS PROVIDED IN THIS CHAPTER, IN THE STATE HOSPITAL OR OTHER DESIGNATED MENTAL HEALTH TREATMENT FACILITY.

21. "PREPETITION SCREENING" MEANS THE REVIEW OF EACH PETITION REQUESTING COURT-ORDERED EVALUATION, INCLUDING AN INVESTIGATION OF FACTS ALLEGED IN SUCH PETITION, AN INTERVIEW WITH EACH PETITIONER AND AN INTERVIEW, IF POSSIBLE, WITH THE PROPOSED PATIENT OR PROPOSED WARD. THE PURPOSE OF THE INTERVIEW WITH THE PROPOSED PATIENT OR PROPOSED WARD IS TO ASSESS THE PROBLEM, EXPLAIN THE PETITION AND, WHEN INDICATED, ATTEMPT TO PERSUADE THE PROPOSED PATIENT OR PROPOSED WARD TO RECEIVE, ON A VOLUNTARY BASIS, EVALUATION OR OTHER SERVICES.

22. "PRESCRIBED FORM" MEANS A FORM ESTABLISHED BY A COURT OR THE RULES OF THE DEPARTMENT OR IN ACCORDANCE WITH THE LAWS OF THIS STATE.

23. "PROPOSED PATIENT" MEANS A PERSON FOR WHOM A REQUEST FOR EVALUATION HAS BEEN MADE PURSUANT TO ARTICLE 2 OR FOR WHOM A PETITION HAS BEEN FILED PURSUANT TO ARTICLE 3.

24. "PROPOSED WARD" MEANS A PERSON FOR WHOM A PETITION FOR GUARDIANSHIP HAS BEEN FILED UNDER TITLE 14 AND PURSUANT TO THE PROVISIONS OF THIS CHAPTER.

25. "PSYCHIATRIST" MEANS A LICENSED PHYSICIAN WHO HAS COMPLETED THREE YEARS OF GRADUATE TRAINING IN PSYCHIATRY IN A PROGRAM APPROVED BY THE AMERICAN MEDICAL ASSOCIATION OR THE AMERICAN OSTEOPATHIC ASSOCIATION.

26. "SCREENING AGENCY" MEANS A HEALTH CARE AGENCY

LAWS OF ARIZONA

LICENSED BY THE DEPARTMENT WHICH HAS BEEN APPROVED PURSUANT TO TITLE 36 FOR A MODIFICATION OF SERVICE TO INCLUDE THOSE SERVICES REQUIRED OF SUCH AGENCY BY THIS CHAPTER.

27. "STATE HOSPITAL" MEANS THE ARIZONA STATE HOSPITAL.

28. "SUPERINTENDENT" MEANS THE SUPERINTENDENT OF THE STATE HOSPITAL.

36-502. **Powers and duties of the director; rules and regulations for standards, forms and administration; rules and regulations for admission and transfer**

A. THE DIRECTOR SHALL MAKE RULES AND REGULATIONS INCLUDING STANDARDS FOR AGENCIES PROVIDING SERVICES, AND PRESCRIBING FORMS AS MAY BE NECESSARY, FOR THE PROPER ADMINISTRATION AND ENFORCEMENT OF THIS CHAPTER. THE RULES AND REGULATIONS SHALL BE APPLICABLE TO PATIENTS ADMITTED TO OR TREATED IN AGENCIES AS SET FORTH IN THIS CHAPTER.

B. THE DIRECTOR SHALL MAKE RULES AND REGULATIONS CONCERNING ADMISSION OF PATIENTS AND THE TRANSFER OF PATIENTS BETWEEN AGENCIES. A PATIENT UNDERGOING COURT-ORDERED TREATMENT MAY BE TRANSFERRED FROM ONE AGENCY TO ANOTHER IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE DIRECTOR, SUBJECT TO THE APPROVAL OF THE COURT.

C. THE DIRECTOR MAY MAKE RULES AND REGULATIONS CONCERNING LEAVES, VISITS AND ABSENCES OF PATIENTS FROM EVALUATION AGENCIES AND MENTAL HEALTH TREATMENT AGENCIES.

36-503. **Medical director of evaluation agency or mental health treatment agency; deputy**

THE MEDICAL DIRECTOR OF AN EVALUATION AGENCY OR THE MEDICAL DIRECTOR OF A MENTAL HEALTH TREATMENT AGENCY MAY DEPUTIZE, IN WRITING, SUBJECT TO THE APPROVAL OF THE GOVERNING BODY OF THE AGENCY, ANY

LAWS OF ARIZONA

QUALIFIED PSYCHIATRIST OR PHYSICIAN ON THE STAFF OF THE AGENCY TO DO OR PERFORM IN HIS STEAD ANY ACT THE MEDICAL DIRECTOR IS EMPOWERED TO DO OR CHARGED WITH RESPONSIBILITY OF DOING PURSUANT TO THIS CHAPTER.

ARTICLE 2. PATIENT'S
CIVIL AND LEGAL RIGHTS

36-511. Notice of patient's rights; notification to family

A. EVERY PERSON UNDERGOING TREATMENT OR EVALUATION PURSUANT TO THIS CHAPTER SHALL BE ENTITLED TO THE RIGHTS SET FORTH IN THIS CHAPTER AND TO RIGHTS THAT THE DEPARTMENT SPECIFIES BY RULES. A LIST OF PATIENT'S RIGHTS AS REQUIRED BY THIS CHAPTER AND BY THE DEPARTMENT SHALL BE COMPILED AND PUBLISHED BY THE DIRECTOR BY RULE. SUCH LIST SHALL BE PROMINENTLY POSTED IN ENGLISH AND SPANISH IN ALL FACILITIES PROVIDING EVALUATION OR TREATMENT. PATIENT'S RIGHTS SHALL OTHERWISE BE BROUGHT TO THE ATTENTION OF THE PATIENT AS THIS CHAPTER REQUIRES OR THE DEPARTMENT MAY DIRECT BY RULE.

B. AN AGENCY WHICH IS EVALUATING, EXAMINING OR TREATING A PATIENT SHALL IMMEDIATELY NOTIFY A MEMBER OF THE PATIENT'S FAMILY THAT THE PATIENT IS BEING TREATED IN THE AGENCY OR THAT THE PATIENT IS SERIOUSLY ILL OR DEAD.

36-512. Patient's rights at hearing

AT ALL HEARINGS CONDUCTED PURSUANT TO THIS CHAPTER, A PERSON SHALL HAVE THE RIGHT TO AN ANALYSIS OF HIS PSYCHOLOGICAL CONDITION BY AN INDEPENDENT EVALUATOR WHO IS EITHER A LICENSED PHYSICIAN OR CERTIFIED PSYCHOLOGIST SELECTED BY THE PATIENT OR HIS ATTORNEY.

36-513. Civil rights not impaired; discrimination prohibited

A. EVERY PERSON UNDERGOING EVALUATION OR TREATMENT PURSUANT TO THIS CHAPTER SHALL NOT BE DENIED ANY CIVIL RIGHT, INCLUDING BUT NOT LIMITED TO,

LAWS OF ARIZONA

THE RIGHT TO DISPOSE OF PROPERTY, SUE AND BE SUED, ENTER INTO CONTRACTUAL RELATIONSHIPS AND VOTE. COURT-ORDERED TREATMENT OR EVALUATION PURSUANT TO THIS CHAPTER IS NOT A DETERMINATION OF LEGAL INCOMPETENCY, EXCEPT TO THE EXTENT PROVIDED IN SECTION 36-519.

B. A PERSON WHO IS OR HAS BEEN EVALUATED OR TREATED IN AN AGENCY FOR A MENTAL DISORDER SHALL NOT BE DISCRIMINATED AGAINST IN ANY MANNER, INCLUDING BUT NOT LIMITED TO:

1. SEEKING EMPLOYMENT.
2. RESUMING OR CONTINUING PROFESSIONAL PRACTICE OR PREVIOUS OCCUPATION.
3. OBTAINING OR RETAINING HOUSING.
4. OBTAINING OR RETAINING LICENSES OR PERMITS, INCLUDING BUT NOT LIMITED TO, MOTOR VEHICLE LICENSES, MOTOR VEHICLE OPERATORS AND CHAUFFEURS LICENSES AND PROFESSIONAL OR OCCUPATIONAL LICENSES.

C. DISCRIMINATION FOR PURPOSES OF THIS SECTION MEANS ANY DENIAL OF CIVIL RIGHTS ON THE GROUNDS OF HOSPITALIZATION OR OUTPATIENT CARE AND TREATMENT UNRELATED TO A PERSON'S PRESENT CAPACITY TO MEET THE STANDARDS APPLICABLE TO ALL PERSONS. APPLICATIONS FOR POSITIONS, LICENSES AND HOUSING SHALL CONTAIN NO REQUESTS FOR INFORMATION WHICH ENCOURAGE SUCH DISCRIMINATION.

36-514. Patient's rights to privacy and to personal possessions

EVERY PERSON UNDERGOING EVALUATION OR TREATMENT PURSUANT TO THIS CHAPTER SHALL:

1. NOT BE FINGERPRINTED EXCEPT AS REGULATIONS OF THE DEPARTMENT MAY PERMIT.
2. NOT BE PHOTOGRAPHED WITHOUT CONSENT OF THE PERSON AND HIS ATTORNEY OR GUARDIAN, EXCEPT THAT HE

LAWS OF ARIZONA

MAY BE PHOTOGRAPHED UPON ADMISSION TO AN AGENCY FOR IDENTIFICATION AND ADMINISTRATIVE PURPOSES OF THE AGENCY. ALL PHOTOGRAPHS SHALL BE CONFIDENTIAL AND SHALL NOT BE RELEASED BY THE AGENCY EXCEPT PURSUANT TO COURT ORDER.

3. HAVE ACCESS TO INDIVIDUAL STORAGE SPACE FOR HIS PRIVATE USE WHILE UNDERGOING EVALUATION OR TREATMENT.

4. BE PERMITTED TO WEAR HIS OWN CLOTHING, TO KEEP AND USE HIS OWN PERSONAL POSSESSIONS INCLUDING HIS TOILET ARTICLES AND TO KEEP AND BE ALLOWED TO SPEND A REASONABLE SUM OF HIS OWN MONEY FOR HIS OWN NEEDS AND COMFORT.

36-515. Disposition of patient's personal property

A. WHEN A PATIENT IS ADMITTED TO THE STATE HOSPITAL, THE ARTICLES OF PERSONAL PROPERTY WHICH CANNOT BE USED BY THE PATIENT AT THE INSTITUTION SHALL BE PLACED UNDER THE CONTROL AND MANAGEMENT OF THE PATIENT'S SPOUSE, NEXT OF KIN, GUARDIAN OR CONSERVATOR.

B. IN THE EVENT THE PATIENT IS WITHOUT A SPOUSE, NEXT OF KIN, GUARDIAN OR CONSERVATOR, OR THE SPOUSE OR NEXT OF KIN REFUSE TO TAKE POSSESSION OF THE PATIENT'S PERSONAL PROPERTY THE STATE HOSPITAL SHALL PROVIDE FACILITIES AT A REASONABLE RATE FOR THE STORAGE OF THE PATIENT'S PERSONAL PROPERTY.

C. IF THE PATIENT OR HIS ESTATE CANNOT PAY THE EXPENSES OF STORAGE, THE STATE HOSPITAL MAY SEEK JUDICIAL SALE OF THE PERSON'S PERSONAL PROPERTY.

D. THE PROCEEDS DERIVED FROM A SALE OF THE PATIENT'S PERSONAL PROPERTY SHALL BE FIRST APPLIED TO THE COSTS INCURRED IN STORAGE OF THE PROPERTY AND ANY BALANCE REMAINING SHALL BE THEN DEPOSITED TO THE PATIENT'S CREDIT IN THE PATIENT'S PERSONAL DEPOSIT FUND.

LAWS OF ARIZONA

36-516. Confidential records

ALL INFORMATION AND RECORDS OBTAINED IN THE COURSE OF EVALUATION, EXAMINATION OR TREATMENT SHALL BE KEPT CONFIDENTIAL AND NOT AS PUBLIC RECORDS, EXCEPT AS THE REQUIREMENTS OF A HEARING PURSUANT TO THIS CHAPTER MAY NECESSITATE A DIFFERENT PROCEDURE. INFORMATION AND RECORDS MAY ONLY BE DISCLOSED, PURSUANT TO RULES ESTABLISHED BY THE DEPARTMENT, TO:

1. PHYSICIANS AND PROVIDERS OF HEALTH, MENTAL HEALTH OR SOCIAL AND WELFARE SERVICES INVOLVED IN CARING, TREATING OR REHABILITATING THE PATIENT.
2. INDIVIDUALS TO WHOM THE PATIENT HAS GIVEN CONSENT TO HAVE INFORMATION DISCLOSED.
3. PERSONS LEGALLY REPRESENTING THE PATIENT, AND IN SUCH CASE, THE DEPARTMENT'S RULES SHALL NOT DELAY COMPLETE DISCLOSURE.
4. PERSONS AUTHORIZED BY A COURT ORDER.
5. PERSONS DOING RESEARCH OR MAINTAINING HEALTH STATISTICS, PROVIDED THAT THE DEPARTMENT ESTABLISHES RULES FOR THE CONDUCT OF SUCH RESEARCH, AS WILL INSURE THE ANONYMITY OF THE PATIENT.
6. THE DEPARTMENT OF CORRECTIONS IN CASES WHERE PRISONERS CONFINED TO THE STATE PRISON ARE PATIENTS IN THE STATE HOSPITAL ON AUTHORIZED TRANSFERS EITHER BY VOLUNTARY ADMISSION OR BY ORDER OF THE COURT.
7. GOVERNMENTAL OR LAW ENFORCEMENT AGENCIES WHEN NECESSARY TO SECURE THE RETURN OF A PATIENT WHO IS ON UNAUTHORIZED ABSENCE FROM ANY AGENCY WHERE THE PATIENT WAS UNDERGOING EVALUATION AND TREATMENT.

36-517. Patient's compensation for work

IF A PATIENT OF THE STATE HOSPITAL WORKS, THIS WORK SHALL BE IN THE PATIENT'S INTEREST. IF THE PRIMARY

LAWS OF ARIZONA

PURPOSE OF THIS WORK IS TO BENEFIT THE STATE HOSPITAL OR ANY AGENCY OF THE STATE, THE PATIENT SHALL BE EMPLOYED AND PAID IN ACCORDANCE WITH LAW. IF THE PURPOSE OF THE WORK IS THERAPEUTIC, THE PATIENT MAY OR MAY NOT BE PAID AS CIRCUMSTANCES INDICATE. THIS THERAPEUTIC WORK SHALL BE PART OF A PLANNED PROGRAM OF TREATMENT DESCRIBED IN THE PATIENT'S RECORD WITH THE RATIONALE FOR THE WORK-TREATMENT INCLUDED. IT SHALL BE PERIODICALLY REVIEWED BY THE APPROPRIATE HOSPITAL REVIEW PROCEDURES. THE TERM "WORK" DOES NOT MEAN MATTERS OF PERSONAL HOUSEKEEPING OR PERSONAL MAINTENANCE.

36-518. Quality of treatment

A. EVERY PERSON UNDERGOING EVALUATION OR TREATMENT PURSUANT TO THIS CHAPTER SHALL RECEIVE PHYSICAL AND PSYCHIATRIC CARE AND TREATMENT FOR THE FULL PERIOD HE IS DETAINED. THE AGENCY PROVIDING CARE AND TREATMENT SHALL KEEP A CLINICAL RECORD FOR EACH PERSON WHICH DETAILS ALL MEDICAL AND PSYCHIATRIC EVALUATIONS AND ALL CARE AND TREATMENT RECEIVED BY THE PERSON.

B. AN AGENCY ADMINISTERING THE CARE AND TREATMENT SHALL PROVIDE:

1. A TREATMENT PROGRAM BASED ON THE INDIVIDUAL NEEDS OF THE PERSON.

2. CAREFUL AND PERIODIC REEXAMINATIONS OF EACH PERSON BY APPROPRIATE PROFESSIONAL PERSONS, INCLUDING A PHYSICIAN. REEXAMINATIONS SHALL BE MADE ONCE EACH NINETY DAYS AND THE RESULTS SHALL BE A PART OF THE PERSON'S MEDICAL RECORD.

3. A FULL PHYSICAL EXAMINATION ONCE A YEAR.

4. ADEQUATE MEDICAL TREATMENT IN THE LIGHT OF PRESENT MEDICAL KNOWLEDGE IN ACCORDANCE WITH THE RESULTS OF THESE EXAMINATIONS.

LAWS OF ARIZONA

36-519. Emergency medical care at the state hospital

WHEN, IN THE WRITTEN OPINION OF THE ATTENDING PHYSICIAN OF A PATIENT AT THE STATE HOSPITAL, A TRUE MEDICAL EMERGENCY EXISTS AND A SURGICAL OPERATION IS NECESSARY TO SAVE THE LIFE, PHYSICAL HEALTH, EYESIGHT, HEARING OR MEMBER OF THE PATIENT, THE SUPERINTENDENT MAY GIVE CONSENT TO SUCH SURGICAL OPERATION IF THE CONSENT OF THE PROPER RELATIVES OR GUARDIAN CANNOT BE HAD IN TIME TO EFFECT SUCH SAVING AND TIME WILL NOT PERMIT THE OBTAINING OF APPROPRIATE JUDICIAL AUTHORITY.

36-520. Seclusion; restraint

A PERSON UNDERGOING EVALUATION OR TREATMENT SHALL NOT BE SUBJECT TO SECLUSION OR MECHANICAL OR PHARMACOLOGICAL RESTRAINTS EXCEPT IN CASE OF EMERGENCY FOR THE SAFETY OF THE PERSON OR OTHERS OR AS A PART OF A WRITTEN PLAN FOR THE TREATMENT OF THE PATIENT, PREPARED BY STAFF MEMBERS RESPONSIBLE FOR HIS CARE. ALL INSTANCES OF SECLUSION OR RESTRAINT SHALL BE PROPERLY RECORDED IN THE PATIENT'S MEDICAL RECORD AND THE USE SHALL BE GOVERNED BY WRITTEN PROCEDURES OF THE AGENCY CARING FOR THE PATIENT AND ARE SUBJECT TO THE RULES AND REGULATIONS OF THE DEPARTMENT.

36-521. Visitation; telephone; correspondence; religious freedom

EVERY PERSON DETAINED FOR EVALUATION OR TREATMENT PURSUANT TO THIS CHAPTER SHALL HAVE THE FOLLOWING ADDITIONAL RIGHTS:

1. TO BE VISITED BY HIS PERSONAL PHYSICIAN, ATTORNEY AND CLERGYMAN OR ANY OTHER PERSON, SUBJECT TO LIMITATIONS AS THE INDIVIDUAL IN CHARGE OF THE AGENCY MAY DIRECT.

2. TO HAVE REASONABLE ACCESS TO TELEPHONES BETWEEN THE HOURS OF NINE A.M. AND NINE P.M. TO MAKE AND RECEIVE CONFIDENTIAL CALLS. LONG DISTANCE CALLS SHALL BE ALLOWED IF THE PATIENT CAN PAY THE AGENCY FOR THEM OR

LAW OF ARIZONA

CAN PROPERLY CHARGE THEM TO ANOTHER NUMBER. THE AGENCY MAY RESTRICT THE PHONE PRIVILEGES OF A PATIENT WHEN NOTIFIED BY THE PERSON RECEIVING THE CALLS THAT HE IS BEING HARASSED BY THE CALLS AND WISHES THEM CURTAILED OR HALTED.

3. TO BE FURNISHED WITH REASONABLE AMOUNTS OF STATIONERY AND POSTAGE AND TO BE PERMITTED TO CORRESPOND BY MAIL WITHOUT CENSORSHIP WITH ANY PERSON, UNLESS THE PERSON RECEIVING THE CORRESPONDENCE STATES THAT HE IS BEING HARASSED BY THE CORRESPONDENCE OR OBJECTS TO IT AND WISHES IT CURTAILED OR HALTED, IN WHICH CASE THE AGENCY MAY RESTRICT OR HALT THE CORRESPONDENCE.

4. TO ENJOY RELIGIOUS FREEDOM AND THE RIGHT TO CONTINUE THE PRACTICE OF HIS RELIGION IN ACCORDANCE WITH ITS TENETS DURING THE DETAINMENT, EXCEPT THAT THIS RIGHT MAY NOT INTERFERE WITH THE OPERATION OF THE AGENCY.

36-522. Limitation of liability; false application; penalty

A. ANY PERSON ACTING IN GOOD FAITH UPON EITHER ACTUAL KNOWLEDGE OR RELIABLE INFORMATION WHO MAKES APPLICATION FOR EVALUATION OR TREATMENT OF ANOTHER PERSON PURSUANT TO THIS CHAPTER IS NOT SUBJECT TO CIVIL OR CRIMINAL LIABILITY FOR SUCH ACT.

B. ANY PERSON WHO WITHOUT PROBABLE CAUSE MAKES APPLICATION FOR A PETITION ALLEGING THAT ANOTHER PERSON IS MENTALLY DISORDERED OR GRAVELY DISABLED AND REQUESTING EVALUATION IS GUILTY OF A MISDEMEANOR PUNISHABLE BY IMPRISONMENT NOT TO EXCEED ONE YEAR, A FINE NOT TO EXCEED ONE THOUSAND DOLLARS, OR BOTH.

36-523. Denial of person's rights

A. A PERSON'S RIGHTS UNDER ARTICLE 2, SECTIONS 36-514, 36-515, 36-516, 36-520 AND 36-521 OF THIS CHAPTER MAY BE DENIED FOR GOOD CAUSE BY THE INDIVIDUAL IN CHARGE OF THE AGENCY. DENIAL OF A RIGHT AND THE EXPLANATION

LAWS OF ARIZONA

THEREOF SHALL BE ENTERED INTO THE PERSON'S CLINICAL RECORD AND THE INFORMATION CONTAINED IN THE CLINICAL RECORD SHALL BE MADE AVAILABLE ON REQUEST TO THE PERSON, HIS ATTORNEY OR GUARDIAN.

B. ANY VIOLATION OF A PERSON'S RIGHTS UNDER THIS ARTICLE SHALL GIVE HIM A CAUSE OF ACTION FOR THE GREATER OF EITHER ONE THOUSAND DOLLARS OR THREE TIMES THE ACTUAL AMOUNT OF DAMAGES. IT IS NOT A PREREQUISITE TO THIS ACTION THAT THE PLAINTIFF SUFFER OR BE THREATENED WITH ACTUAL DAMAGES.

36-524. Cruelty to mentally disordered person; penalty; punishment

A. A PERSON GUILTY OF ANY HARSH OR CRUEL TREATMENT OF, OR ANY NEGLECT OF DUTY TOWARD A MENTALLY DISORDERED PERSON IS GUILTY OF A MISDEMEANOR.

B. IN ADDITION TO THE PENALTIES PROVIDED IN SUBSECTION A, ANY PERSON GUILTY OF AN OFFENSE WHICH CONSTITUTES A FELONY UNDER TITLE 13, WHILE TREATING OR NEGLECTING TO TREAT A MENTALLY DISORDERED PERSON, SHALL BE SUBJECT TO PUNISHMENT AS PROVIDED FOR IN TITLE 13.

ARTICLE 3. VOLUNTARY ADMISSIONS

36-531. Application for voluntary admission; admission to agency; minors and persons under guardianship; transportation

A. PURSUANT TO RULES AND REGULATIONS OF THE DEPARTMENT, ANY PERSON MAY BE HOSPITALIZED FOR EVALUATION, CARE AND TREATMENT WHO VOLUNTARILY MAKES WRITTEN APPLICATION ON A PRESCRIBED FORM. THE AGENCY TO WHICH THE PERSON APPLIES MAY ACCEPT AND ADMIT THE PERSON IF THE MEDICAL DIRECTOR OF THE AGENCY OR THE ADMITTING OFFICER BELIEVES THAT THE PERSON NEEDS EVALUATION OR WILL BENEFIT FROM CARE AND TREATMENT OF A MENTAL DISORDER OR OTHER PERSONALITY DISORDER OR EMOTIONAL CONDITION IN THE AGENCY.

LAWS OF ARIZONA

B. IF THE PERSON MAKING VOLUNTARY APPLICATION IS UNDER GUARDIANSHIP, THE APPLICATION SHALL BE SIGNED BY THE GUARDIAN. IF THE PERSON IS LESS THAN EIGHTEEN YEARS OF AGE, THE APPLICATION SHALL BE SIGNED BY THE PARENT, GUARDIAN OR ADULT NEXT OF KIN. IF THE MINOR IS FOURTEEN YEARS OF AGE OR OLDER AND NOT UNDER GUARDIANSHIP, THE WRITTEN APPLICATION SHALL ALSO BE SIGNED BY THE MINOR. IN ANY OTHER WRITTEN APPLICATION FOR A VOLUNTARY ADMISSION OF A MINOR BY A PARENT, GUARDIAN OR ADULT NEXT OF KIN, THE PERSON SHALL BE ADMITTED ONLY UPON THE WRITTEN APPROVAL OF THE MEDICAL DIRECTOR OF THE AGENCY.

C. THE BOARD OF SUPERVISORS OF THE COUNTY OF RESIDENCE OF A PERSON WHO HAS SUBMITTED AN APPLICATION FOR ADMISSION TO THE STATE HOSPITAL PURSUANT TO SUBSECTION A SHALL PROVIDE TRANSPORTATION TO THE STATE HOSPITAL FOR THE PERSON IF IT APPEARS THAT THE PERSON IS ELIGIBLE FOR VOLUNTARY ADMISSION TO THE STATE HOSPITAL AFTER CONSULTATION BETWEEN THE STATE HOSPITAL AND AN EXAMINER OF THE PERSON DESIGNATED BY THE COUNTY TO PROVIDE SUCH SERVICES.

36-532. Discharge of voluntary patients

A. THE MEDICAL DIRECTOR OF THE AGENCY SHALL DISCHARGE ANY PATIENT ADMITTED VOLUNTARILY WHO HAS RECOVERED OR WHO IS NO LONGER A DANGER TO SELF OR OTHERS, OR WHO IS NO LONGER GRAVELY DISABLED, IF HE IS NO LONGER BENEFITING FROM THE EVALUATION, CARE OR TREATMENT AVAILABLE.

B. A PATIENT ADMITTED VOLUNTARILY SHALL BE GIVEN A DISCHARGE WITHIN TWENTY-FOUR HOURS EXCEPT ON WEEKENDS OR ON A HOLIDAY AFTER HE REQUESTS A DISCHARGE IN WRITING OR, IF UNDER THE AGE OF EIGHTEEN, WITHIN TWENTY-FOUR HOURS EXCEPT ON WEEKENDS OR ON A HOLIDAY AFTER A REQUEST FOR DISCHARGE HAS BEEN MADE IN WRITING BY HIS PARENT, GUARDIAN OR ADULT NEXT OF KIN, EXCEPT THAT, IF THE MEDICAL DIRECTOR OF THE AGENCY BELIEVES THAT THE VOLUNTARILY ADMITTED PATIENT IS A

LAWS OF ARIZONA

DANGER TO SELF OR OTHERS OR GRAVELY DISABLED, THE MEDICAL DIRECTOR OF THE AGENCY MAY PROCEED PURSUANT TO THIS CHAPTER, WITHIN TWENTY-FOUR HOURS EXCEPT ON WEEKENDS OR ON A HOLIDAY AFTER THE REQUEST, AND SHALL POSTPONE THE DISCHARGE. FURTHER PROCEEDINGS SHALL BE CONDUCTED PURSUANT TO ARTICLE 5.

ARTICLE 4. COURT-ORDERED EVALUATION

36-541. **Application for evaluation**

A. ANY RESPONSIBLE INDIVIDUAL MAY APPLY FOR A COURT-ORDERED EVALUATION OF A PERSON WHO IS ALLEGED TO BE, AS A RESULT OF A MENTAL DISORDER, A DANGER TO SELF OR TO OTHERS OR GRAVELY DISABLED AND WHO IS UNWILLING TO UNDERGO A VOLUNTARY EVALUATION. THE APPLICATION SHALL BE MADE IN THE PRESCRIBED FORM AND MANNER AS PROMULGATED BY THE DIRECTOR.

B. IF THE INDIVIDUAL REQUESTING THE COURT-ORDERED EVALUATION PRESENTS THE PERSON TO BE EVALUATED AT THE SCREENING AGENCY, THE AGENCY SHALL CONDUCT A PREPETITION SCREENING EXAMINATION. EXCEPT IN THE CASE OF AN EMERGENCY EVALUATION, THE PERSON TO BE EVALUATED SHALL NOT BE DETAINED OR FORCED TO UNDERGO PREPETITION SCREENING AGAINST HIS WILL.

C. IF THE PERSON REQUESTING THE COURT-ORDERED EVALUATION DOES NOT PRESENT THE PERSON TO BE EVALUATED AT THE SCREENING AGENCY, THE AGENCY SHALL CONDUCT THE PREPETITION SCREENING AT THE HOME OF THE PERSON TO BE EVALUATED OR ANY OTHER PLACE THE PERSON TO BE EVALUATED IS FOUND. IF PREPETITION SCREENING IS NOT POSSIBLE, THE SCREENING AGENCY SHALL PROCEED AS IN SECTION 36-542, SUBSECTION C.

D. IF A PERSON IS BEING TREATED BY PRAYER OR SPIRITUAL MEANS ALONE IN ACCORDANCE WITH THE TENETS AND PRACTICES OF A RECOGNIZED CHURCH OR RELIGIOUS DENOMINATION BY A DULY ACCREDITED PRACTITIONER THEREOF, SUCH PERSON MAY NOT BE ORDERED EVALUATED, DETAINED OR INVOLUNTARILY TREATED UNLESS THE COURT HAS DETERMINED THAT HE IS, AS A RESULT OF MENTAL DISORDER, A DANGER TO OTHERS OR TO HIMSELF.

LAWS OF ARIZONA

36-542. Preparation of petition for court-ordered evaluation; procedures for prepetition screening

A. THE SCREENING AGENCY SHALL PREPARE THE PETITION AND OTHER FORMS REQUIRED FOR A COURT-ORDERED EVALUATION. THE PETITION SHALL BE SIGNED BY THE PERSON REQUESTING THE COURT-ORDERED EVALUATION.

B. THE SCREENING AGENCY SHALL, PRIOR TO FILING THE PETITION, PROVIDE PREPETITION SCREENING WHEN POSSIBLE TO DETERMINE WHETHER THERE IS REASONABLE CAUSE TO BELIEVE THE ALLEGATIONS OF THE PERSON REQUESTING THE COURT-ORDERED EVALUATION, WHETHER THE PERSON WILL VOLUNTARILY RECEIVE EVALUATION AT A SCHEDULED TIME AND PLACE AND WHETHER HE IS LIKELY TO PRESENT A DANGER TO SELF OR OTHERS UNTIL THE VOLUNTARY EVALUATION.

C. AFTER PREPETITION SCREENING HAS BEEN COMPLETED, THE SCREENING AGENCY SHALL PREPARE A REPORT OF OPINIONS AND CONCLUSIONS. IF PREPETITION SCREENING IS NOT POSSIBLE, THE SCREENING AGENCY SHALL PREPARE A REPORT GIVING REASONS WHY THE SCREENING WAS NOT POSSIBLE AND INCLUDING OPINIONS AND CONCLUSIONS OF STAFF MEMBERS WHO ATTEMPTED TO CONDUCT PREPETITION SCREENING OR OTHERWISE INVESTIGATED THE MATTER.

D. THE SCREENING AGENCY SHALL FILE THE PETITION IF, BASED UPON THE ALLEGATIONS OF THE PERSON REQUESTING THE COURT-ORDERED EVALUATION AND THE PREPETITION SCREENING REPORT OR OTHER INFORMATION OBTAINED WHILE ATTEMPTING TO CONDUCT A PREPETITION SCREENING, THE AGENCY DETERMINES THAT THERE IS REASONABLE CAUSE TO BELIEVE THAT THE PATIENT IS, AS A RESULT OF MENTAL DISORDER, A DANGER TO SELF OR TO OTHERS OR GRAVELY DISABLED AND THAT THE PATIENT WILL NOT VOLUNTARILY RECEIVE EVALUATION OR IS LIKELY TO PRESENT A DANGER TO SELF OR OTHERS BEFORE RECEIVING A VOLUNTARY EVALUATION.

36-543. Voluntary evaluation

LAWS OF ARIZONA

IF THE PETITION FOR COURT-ORDERED EVALUATION IS NOT FILED BECAUSE IT HAS BEEN DETERMINED THAT THE PROPOSED PATIENT OR PROPOSED WARD WILL VOLUNTARILY RECEIVE AN EVALUATION AND IS UNLIKELY TO PRESENT A DANGER TO SELF OR OTHERS UNTIL THE VOLUNTARY EVALUATION, THE EVALUATION AGENCY PROVIDED FOR BY THE COUNTY, OR SELECTED BY THE PATIENT, SHALL BE IMMEDIATELY NOTIFIED AND SHALL PROVIDE EVALUATION OF THE PROPOSED PATIENT OR PROPOSED WARD AT A SCHEDULED TIME AND PLACE WITHIN FIVE DAYS OF THE NOTICE.

36-544. Petition for evaluation

A. A PETITION, WHEN FILED, MAY BE ACCOMPANIED BY A PREPETITION SCREENING REPORT CONTAINING THE FINDINGS OF THE SCREENING AGENCY. THE PETITION FOR EVALUATION SHALL ALSO CONTAIN THE FOLLOWING INFORMATION:

1. THE NAME AND ADDRESS OF THE INDIVIDUAL WHO APPLIED FOR THE PETITION AND HIS INTEREST IN THE CASE.
2. THE FACTS WHICH CALLED THE PERSON TO BE EVALUATED TO THE SCREENING AGENCY'S ATTENTION.
3. THE NAME OF THE PERSON TO BE EVALUATED AND, IF KNOWN OR READILY DISCOVERABLE, THE ADDRESS, AGE, MARITAL STATUS AND OCCUPATION OF THE PERSON AND THE NAME AND ADDRESS OF THE PERSON'S NEAREST RELATIVES.
4. THE FACTS UPON WHICH THE ALLEGATIONS ARE BASED, INCLUDING STATEMENTS BY THE INDIVIDUAL APPLYING FOR THE PETITION OF THE SPECIFIC NATURE OF THE DANGER OR GRAVE DISABILITY.
5. OTHER INFORMATION THAT THE DEPARTMENT BY RULE OR REGULATION OR THE COURT BY RULE OR ORDER MAY REQUIRE.

B. A PETITION AND OTHER FORMS REQUIRED IN A COURT MAY BE FILED ONLY BY THE SCREENING AGENCY WHICH HAS PREPARED THE PETITION.

LAWS OF ARIZONA

C. IF THE PETITION IS NOT FILED BECAUSE IT HAS BEEN DETERMINED THAT THE PERSON DOES NOT NEED AN EVALUATION, THE AGENCY SHALL DESTROY THE PETITION.

36-545. **Application for emergency admission for evaluation; requirements**

A. A WRITTEN APPLICATION FOR EMERGENCY ADMISSION SHALL BE MADE TO AN EVALUATION AGENCY BEFORE A PERSON MAY BE HOSPITALIZED IN THE AGENCY.

B. AN APPLICATION FOR EMERGENCY ADMISSION SHALL BE MADE BY A PERSON, WITH KNOWLEDGE OF THE FACTS REQUIRING EMERGENCY ADMISSION.

C. THE APPLICATION SHALL BE UPON A PRESCRIBED FORM AND SHALL INCLUDE THE FOLLOWING:

1. A STATEMENT BY THE APPLICANT THAT HE BELIEVES ON THE BASIS OF PERSONAL OBSERVATION THAT THE PERSON IS, AS A RESULT OF A MENTAL DISORDER, A DANGER TO SELF OR OTHERS.

2. THE SPECIFIC NATURE OF THE DANGER.

3. A SUMMARY OF THE OBSERVATIONS UPON WHICH THE STATEMENT OF DANGER IS BASED.

4. A STATEMENT OF FACTS WHICH CALLED THE PERSON TO BE ADMITTED TO THE APPLICANT'S ATTENTION.

36-546. **Apprehension and transportation by peace officers**

A. A PEACE OFFICER MAY APPREHEND A PERSON WHO HE HAS PROBABLE CAUSE TO BELIEVE REQUIRES EMERGENCY ADMISSION UNDER THE CRITERIA SET FORTH IN SECTION 36-545, SUBSECTION C, PARAGRAPH 1, IF AN APPLICATION FOR EMERGENCY ADMISSION FOR EVALUATION HAS BEEN FILED.

B. A PEACE OFFICER SHALL TRANSPORT THE PERSON TO AN EVALUATION AGENCY.

LAWS OF ARIZONA

36-547. Emergency admission; examination; petition for court ordered evaluation

A. UPON PRESENTATION OF THE PERSON FOR EMERGENCY ADMISSION, AN ADMITTING OFFICER OF AN EVALUATION AGENCY SHALL PERFORM AN EXAMINATION OF THE PERSON AND MAY ADMIT THE PERSON TO THE AGENCY AS AN EMERGENCY PATIENT IF THE ADMITTING OFFICER FINDS, AS A RESULT OF HIS EXAMINATION AND INVESTIGATION OF THE APPLICATION FOR EMERGENCY ADMISSION, THAT THE PERSON MEETS THE CRITERIA SET FORTH IN SECTION 36-545. AN ADMITTING OFFICER OF THE EVALUATION AGENCY SHALL BE PRESENT OR ON CALL AT ALL TIMES TO RECEIVE AND EVALUATE PROPOSED PATIENTS.

B. ON THE SAME OR SUCCEEDING COURT DAY, THE MEDICAL DIRECTOR IN CHARGE OF THE AGENCY SHALL FILE A PETITION FOR A COURT-ORDERED EVALUATION. THE PETITION NEED NOT COMPLY WITH THE PROVISIONS OF THIS CHAPTER REQUIRING PREPARATION AND FILING OF A PREPETITION SCREENING REPORT BUT SHALL MEET ALL OTHER REQUIREMENTS AND SHALL SEEK AN ORDER THAT THE PERSON BE RETAINED IN CUSTODY AND EVALUATED.

36-548. Discharge or release of emergency patients

A. A PERSON TAKEN INTO CUSTODY FOR EMERGENCY ADMISSION MAY NOT BE DETAINED LONGER THAN TWENTY-FOUR HOURS FOLLOWING SUCH DETENTION UNLESS A PETITION FOR COURT-ORDERED EVALUATION IS FILED OR APPROVAL IS GIVEN BY THE SUPERIOR COURT.

B. A PERSON ADMITTED FOR EMERGENCY EVALUATION MAY BE RELEASED AT ANY TIME IF, IN THE OPINION OF THE MEDICAL DIRECTOR IN CHARGE OF THE EVALUATION AGENCY, THE PERSON NO LONGER MEETS THE CRITERIA SET FORTH IN SECTION 36-545. THE PATIENT MAY CONTINUE CARE AND TREATMENT IN THE AGENCY IF HE SIGNS A VOLUNTARY APPLICATION.

36-549. Emergency patients; duties of agency; notification of family member; right to counsel

LAWS OF ARIZONA

A. AT THE TIME A PERSON IS TAKEN INTO CUSTODY FOR EMERGENCY EVALUATION, THE MEDICAL DIRECTOR IN CHARGE OF THE EVALUATION AGENCY SHALL NOTIFY, WITH CONSENT OF THE PERSON BEING DETAINED, A MEMBER OF THE FAMILY OTHER THAN A PERSON WHO HAS MADE APPLICATION FOR EMERGENCY EVALUATION, IF KNOWN, OF THE PERSON'S PRESENCE AT THE AGENCY.

B. THE PERSON DETAINED SHALL BE INFORMED OF HIS RIGHTS AS STATED UNDER ARTICLE 2 OF THIS CHAPTER, INCLUDING THE RIGHT TO CONSULT AN ATTORNEY. HE SHALL BE ADVISED THAT IF HE CANNOT EMPLOY AN ATTORNEY, THE COURT WILL APPOINT ONE FOR HIM.

36-550. Order for evaluation; order for detention; hearing

A. IF, FROM THE REVIEW OF THE PETITION FOR EVALUATION, THE COURT DOES NOT DETERMINE THAT THE PROPOSED PATIENT IS LIKELY TO PRESENT A DANGER TO SELF OR OTHERS PRIOR TO HIS HEARING ON COURT-ORDERED TREATMENT, BUT DETERMINES THAT THERE IS REASONABLE CAUSE TO BELIEVE THAT THE PROPOSED PATIENT IS, AS A RESULT OF A MENTAL DISORDER, A DANGER TO SELF OR OTHERS OR GRAVELY DISABLED, THE COURT SHALL ISSUE AN ORDER DIRECTING THE PROPOSED PATIENT TO SUBMIT TO AN EVALUATION AT A DESIGNATED TIME AND PLACE. THE COURT MAY ALSO ORDER THAT IF THE PERSON DOES NOT SO SUBMIT, THAT HE BE TAKEN INTO CUSTODY BY A POLICE OFFICER AND DELIVERED TO AN EVALUATION AGENCY. THE EVALUATION MAY BE CONDUCTED ON AN OUTPATIENT BASIS. IF CONDUCTED ON AN INPATIENT BASIS, THE PATIENT SHALL BE OFFERED THE OPPORTUNITY TO MAKE VOLUNTARY APPLICATION FOR ADMISSION TO THE EVALUATION AGENCY.

B. IF, FROM REVIEW OF THE PETITION FOR EVALUATION, THERE IS REASONABLE CAUSE TO BELIEVE THAT THE PROPOSED PATIENT IS, AS A RESULT OF A MENTAL DISORDER, A DANGER TO SELF OR OTHERS AND THAT THE PERSON IS LIKELY TO PRESENT A DANGER TO SELF OR OTHERS PRIOR TO HIS HEARING ON COURT-ORDERED TREATMENT, THE COURT SHALL ORDER THE PROPOSED PATIENT TAKEN INTO CUSTODY AND EVALUATED AT AN EVALUATION AGENCY.

LAWS OF ARIZONA

C. IF THE PERSON IS DETAINED OR DOES NOT MAKE VOLUNTARY APPLICATION FOR ADMISSION, THE PERSON SHALL BE INFORMED OF HIS RIGHTS TO A HEARING TO DETERMINE WHETHER HE SHOULD BE HOSPITALIZED FOR EVALUATION AND BE REQUIRED TO BE REPRESENTED AT THE HEARING BY AN ATTORNEY. HE SHALL BE ADVISED THAT IF HE CANNOT EMPLOY AN ATTORNEY, THE COURT WILL APPOINT AN ATTORNEY FOR HIM. IF THE PROPOSED PATIENT REQUESTS A HEARING TO DETERMINE WHETHER HE SHOULD UNDERGO HOSPITALIZATION DURING EVALUATION, THE COURT SHALL SCHEDULE A HEARING AT ITS FIRST OPPORTUNITY.

36-551. Evaluation and treatment

A PERSON ADMITTED TO AN EVALUATION AGENCY SHALL RECEIVE AN EVALUATION AS SOON AS POSSIBLE AFTER THE COURT'S ORDER FOR EVALUATION AND RECEIVE CARE AND TREATMENT AS REQUIRED BY HIS CONDITION FOR THE FULL PERIOD THAT HE IS BEING EVALUATED.

36-552. Evaluation; possible dispositions; release

A. A PERSON BEING EVALUATED ON AN INPATIENT BASIS IN AN EVALUATION AGENCY SHALL BE RELEASED WITHIN SEVENTY-TWO HOURS FROM THE TIME THAT HE IS HOSPITALIZED PURSUANT TO A COURT ORDER FOR EVALUATION IF, IN THE OPINION OF THE MEDICAL DIRECTOR OF THE AGENCY, THE PERSON IS NO LONGER, AS A RESULT OF MENTAL DISORDER, A DANGER TO SELF OR OTHERS NOR GRAVELY DISABLED, UNLESS THE PERSON MAKES APPLICATION FOR FURTHER CARE AND TREATMENT ON A VOLUNTARY BASIS.

B. IF IT IS DETERMINED UPON AN EVALUATION OF THE PATIENT'S CONDITION THAT HE IS, AS A RESULT OF A MENTAL DISORDER, A DANGER TO SELF OR TO OTHERS, THE MEDICAL DIRECTOR IN CHARGE OF THE AGENCY WHICH PROVIDED THE EVALUATION SHALL FILE IN THE COURT A PETITION FOR COURT-ORDERED TREATMENT, UNLESS THE PERSON MAKES APPLICATION FOR FURTHER CARE AND TREATMENT ON A VOLUNTARY BASIS.

LAWS OF ARIZONA

C. IF IT IS DETERMINED UPON AN EVALUATION OF THE PATIENT'S CONDITION THAT HE IS, AS A RESULT OF A MENTAL DISORDER, GRAVELY DISABLED THE MEDICAL DIRECTOR IN CHARGE OF THE AGENCY WHICH PROVIDED THE EVALUATION SHALL FILE IN THE COURT A SIGNED PETITION REQUESTING GUARDIANSHIP PURSUANT TO ARTICLE 8 OF THIS CHAPTER UNLESS UPON THE PERSON'S APPLICATION FOR FURTHER CARE AND TREATMENT ON A VOLUNTARY BASIS, THE MEDICAL DIRECTOR DETERMINES THAT TREATMENT ON A VOLUNTARY BASIS IS PREFERABLE.

ARTICLE 5. COURT-ORDERED TREATMENT

36-554. **Court-ordered treatment**

A PERSON WHO HAS RECEIVED AN EVALUATION MAY BE ORDERED CONFINED FOR TREATMENT FOR A PERIOD NOT TO EXCEED ONE HUNDRED EIGHTY DAYS IF THE COURT FINDS BY CLEAR AND CONVINCING EVIDENCE THAT THE PERSON IS, AS A RESULT OF A MENTAL DISORDER, A DANGER TO SELF OR TO OTHERS.

36-555. **Petition for treatment**

A. AFTER EVALUATION OF A PATIENT'S CONDITION THE MEDICAL DIRECTOR IN CHARGE OF THE AGENCY WHICH PROVIDED THE EVALUATION MAY FILE IN THE COURT A SIGNED PETITION ON THE PRESCRIBED FORM REQUESTING COURT-ORDERED TREATMENT. THE PETITION SHALL ALLEGE:

1. THE PATIENT IS IN NEED OF A PERIOD OF TREATMENT BECAUSE HE IS, AS A RESULT OF MENTAL DISORDER, A DANGER TO SELF OR TO OTHERS; AND
2. THE PATIENT IS UNWILLING TO ACCEPT OR INCAPABLE OF ACCEPTING TREATMENT VOLUNTARILY; AND
3. A SUMMARY OF THE FACTS WHICH SUPPORT THE ALLEGATIONS OF PARAGRAPHS 1 AND 2.

THE PETITION SHALL REQUEST THE COURT TO ISSUE AN ORDER REQUIRING THE PERSON TO UNDERGO A PERIOD OF TREATMENT.

LAWS OF ARIZONA

B. THE PETITION SHALL BE SUPPORTED BY THE AFFIDAVITS OF THE INDIVIDUAL WHO REQUESTED THE PATIENT'S EVALUATION AND AFFIDAVITS OF THE TWO PHYSICIANS WHO CONDUCTED THE EXAMINATIONS DURING THE EVALUATION PERIOD. THE AFFIDAVITS SHALL DESCRIBE IN DETAIL THE BEHAVIOR WHICH INDICATES THAT THE PERSON IS, AS A RESULT OF MENTAL DISORDER, A DANGER TO SELF OR TO OTHERS AND SHALL BE BASED UPON FACTS WITHIN THE AFFIANT'S PERSONAL KNOWLEDGE.

36-556. Change to voluntary status; discharge

IF, AFTER A PETITION FOR COURT-ORDERED TREATMENT HAS BEEN FILED AND PRIOR TO THE HEARING, THE MEDICAL DIRECTOR OF THE AGENCY FINDS THAT THE PATIENT IS NO LONGER, AS A RESULT OF MENTAL DISORDER, A DANGER TO SELF OR OTHERS, THE MEDICAL DIRECTOR SHALL, AFTER RECEIVING APPROVAL FROM THE COURT, EITHER DISCHARGE THE PATIENT OR ADMIT THE PATIENT FOR FURTHER TREATMENT ON A VOLUNTARY BASIS.

36-557. Detention of proposed patient

A. IF, UPON THE FILING OF A PETITION FOR COURT-ORDERED TREATMENT, THE PATIENT IS NOT THEN DETAINED IN AN AGENCY, THE COURT SHALL ORDER THE DETENTION OF THE PATIENT IN THE AGENCY WHICH CONDUCTED THE EVALUATION IF THE COURT DETERMINES THAT THE PATIENT IS LIKELY TO PRESENT A DANGER TO SELF OR OTHERS BEFORE THE CONCLUSION OF THE HEARING OR IS NOT LIKELY TO APPEAR AT THE HEARING ON THE PETITION IF NOT DETAINED. THE COURT SHALL ISSUE SUCH ORDERS AS ARE NECESSARY TO PROVIDE FOR THE APPREHENSION, TRANSPORTATION AND DETENTION OF THE PATIENT.

B. THE COURT SHALL EITHER RELEASE THE PATIENT OR ORDER THE HEARING TO BE HELD WITHIN SIX DAYS AFTER THE PETITION IS FILED, UNLESS THE PATIENT, UPON CONSULTATION WITH HIS ATTORNEY, DETERMINES THAT IT WOULD BE IN HIS BEST INTEREST TO REQUEST A CONTINUANCE WHICH MAY BE FOR A MAXIMUM OF THIRTY DAYS.

LAWS OF ARIZONA

C. IF THE COURT FINDS THAT THE PATIENT IS NOT, AS A RESULT OF MENTAL DISORDER, A DANGER TO SELF OR OTHERS, HE SHALL BE RELEASED.

36-558. Service of petition; counsel for proposed patient

A. AT LEAST SEVENTY-TWO HOURS BEFORE THE COURT CONDUCTS THE HEARING ON THE PETITION FOR COURT-ORDERED TREATMENT, A COPY OF THE PETITION AND AFFIDAVITS IN SUPPORT THEREOF AND THE NOTICE OF THE HEARING SHALL BE SERVED UPON THE PATIENT, WHO SHALL BE INFORMED OF THE PURPOSE OF THE HEARING AND SHALL BE ADVISED OF HIS RIGHT TO CONSULT COUNSEL. IF THE PATIENT CANNOT EMPLOY HIS OWN COUNSEL, COUNSEL SHALL BE APPOINTED BY THE COURT AT LEAST THREE DAYS BEFORE THE HEARING. IF AT THE TIME OF THE PETITION FOR EVALUATION, THE PATIENT HAD COUNSEL, THE SAME ATTORNEY SHOULD, IF POSSIBLE, BE APPOINTED TO REPRESENT THE PATIENT AT THE HEARING FOR COURT-ORDERED TREATMENT.

B. THE NOTICE OF THE HEARING SHALL FIX THE TIME AND PLACE FOR THE HEARING, WHICH SHALL BE HELD IN THE COURTROOM OR OTHER PLACE WITHIN THE COUNTY WHICH THE COURT MAY DESIGNATE TO INSURE HUMANE TREATMENT WITH DUE REGARD TO THE COMFORT AND SAFETY OF THE PATIENT AND OTHERS.

36-559. Duties of counsel

A. THE MEDICAL DIRECTOR OF THE AGENCY WHICH CONDUCTED THE EVALUATION SHALL, AT LEAST SEVENTY-TWO HOURS PRIOR TO THE HEARING, MAKE AVAILABLE TO THE PATIENT'S ATTORNEY COPIES OF THE PETITION FOR EVALUATION, PREPETITION SCREENING REPORT, EVALUATION REPORT AND THE PATIENT'S MEDICAL RECORDS.

B. THE PATIENT'S ATTORNEY SHALL, FOR ALL HEARINGS WHETHER FOR EVALUATION OR TREATMENT, FULFILL THE FOLLOWING MINIMAL DUTIES:

1. WITHIN TWENTY-FOUR HOURS OF APPOINTMENT, CONDUCT AN INTERVIEW OF THE PATIENT.

LAWS OF ARIZONA

2. AT LEAST TWENTY-FOUR HOURS PRIOR TO THE HEARING, REVIEW THE PETITION FOR EVALUATION, PREPETITION SCREENING REPORT, EVALUATION REPORT, PETITION FOR TREATMENT AND THE PATIENT'S MEDICAL RECORDS.
3. AT LEAST TWENTY-FOUR HOURS PRIOR TO THE HEARING, INTERVIEW THE PETITIONER, IF AVAILABLE, AND HIS SUPPORTING WITNESSES, IF KNOWN AND AVAILABLE.
4. AT LEAST TWENTY-FOUR HOURS PRIOR TO THE HEARING, INTERVIEW THE PHYSICIANS WHO WILL TESTIFY AT THE HEARING, IF AVAILABLE.
5. AT THE TIME OF THE HEARING, SUBMIT TO THE COURT A WRITTEN REPORT ON ALL PLACEMENT ALTERNATIVES FOR THE CARE AND TREATMENT OF THE PATIENT, STATING WHETHER THEY ARE FEASIBLE AND THE REASONS WHY OR WHY NOT. FAILURE OF THE ATTORNEY TO FULFILL AT LEAST THE DUTIES PRESCRIBED BY PARAGRAPHS 1 THROUGH 5 OF THIS SUBSECTION MAY BE PUNISHED AS CONTEMPT OF COURT.

36-560. Independent evaluator

A PERSON ALLEGED TO BE, AS A RESULT OF MENTAL DISORDER, A DANGER TO SELF OR TO OTHERS HAS THE RIGHT TO HAVE AN ANALYSIS OF HIS PSYCHOLOGICAL CONDITION BY AN INDEPENDENT EVALUATOR, EITHER A PHYSICIAN OR CERTIFIED PSYCHOLOGIST WHO IS SELECTED BY THE PATIENT OR HIS ATTORNEY. IF THE PERSON IS UNABLE TO AFFORD SUCH EVALUATION, THE COURT SHALL APPOINT A PHYSICIAN OR PSYCHOLOGIST ACCEPTABLE TO THE PATIENT FROM A LIST OF PHYSICIANS AND PSYCHOLOGISTS WHO ARE WILLING TO ACCEPT COURT APPOINTED EVALUATIONS.

36-561. Conduct of hearing

A. THE MEDICAL DIRECTOR OF THE AGENCY SHALL ISSUE INSTRUCTIONS TO THE PHYSICIANS TREATING THE PATIENT TO TAKE ALL REASONABLE PRECAUTIONS TO INSURE THAT AT THE TIME OF THE HEARING THE PERSON ALLEGED TO BE, AS A RESULT OF MENTAL DISORDER, A DANGER TO SELF OR

LAWS OF ARIZONA

OTHERS, SHALL NOT BE SO UNDER THE INFLUENCE OF OR SO SUFFER THE EFFECTS OF DRUGS, MEDICATION OR OTHER TREATMENT AS TO BE HAMPERED IN PREPARING FOR OR PARTICIPATING IN THE HEARING. THE COURT AT THE TIME OF THE HEARING SHALL BE PRESENTED A RECORD OF ALL DRUGS, MEDICATION OR OTHER TREATMENT WHICH THE PERSON HAS RECEIVED DURING THE SEVENTY-TWO HOURS IMMEDIATELY PRIOR TO THE HEARING.

B. THE PATIENT AND HIS ATTORNEY SHALL BE PRESENT AT ALL HEARINGS AND THE PATIENT'S ATTORNEY MAY SUBPOENA AND CROSS-EXAMINE WITNESSES AND PRESENT EVIDENCE. THE EVIDENCE PRESENTED BY THE PETITIONER OR THE PATIENT SHALL INCLUDE THE CLINICAL RECORD OF THE PATIENT, TESTIMONY OF TWO OR MORE WITNESSES ACQUAINTED WITH THE PATIENT AT THE TIME OF THE ALLEGED MENTAL DISORDER AND TESTIMONY OF THE TWO PHYSICIANS WHO PERFORMED EXAMINATIONS IN THE EVALUATION OF THE PATIENT. THE PHYSICIANS SHALL TESTIFY AS TO THEIR PERSONAL EXAMINATION OF THE PATIENT. THEY SHALL ALSO TESTIFY AS TO THEIR OPINIONS CONCERNING WHETHER THE PATIENT IS, AS A RESULT OF MENTAL DISORDER, A DANGER TO SELF OR TO OTHERS AND AS TO WHETHER THE PATIENT REQUIRES TREATMENT. SUCH TESTIMONY SHALL STATE SPECIFICALLY THE NATURE AND EXTENT OF THE DANGER TO SELF OR TO OTHERS. OTHER PERSONS WHO HAVE PARTICIPATED IN THE EVALUATION OF THE PATIENT, OR, IF FURTHER TREATMENT WAS REQUESTED BY A MENTAL HEALTH TREATMENT AGENCY, PERSONS OF THAT AGENCY WHO ARE DIRECTLY INVOLVED IN THE CARE OF THE PATIENT SHALL TESTIFY AT THE REQUEST OF THE COURT OR OF THE PATIENT'S ATTORNEY. WITNESSES SHALL TESTIFY AS TO POSSIBLE TREATMENT ALTERNATIVES.

C. IF THE PATIENT, FOR MEDICAL REASONS, IS UNABLE TO BE PRESENT AT THE HEARING AND THE HEARING CANNOT BE CONDUCTED WHERE THE PATIENT IS BEING TREATED OR CONFINED, THE COURT SHALL REQUIRE CLEAR AND CONVINCING EVIDENCE THAT THE PATIENT IS UNABLE TO BE PRESENT AT THE HEARING AND UPON SUCH A FINDING MAY PROCEED WITH THE HEARING IN THE PATIENT'S ABSENCE.

LAWS OF ARIZONA

D. THE REQUIREMENTS OF SUBSECTION B ARE IN ADDITION TO ALL RULES OF EVIDENCE AND THE ARIZONA RULES OF CIVIL PROCEDURE, NOT INCONSISTENT THEREWITH.

E. A COURT REPORTER SHALL ATTEND THE HEARING AND SHALL MAKE A STENOGRAPHIC RECORD OF ALL PROCEEDINGS.

F. A PATIENT WHO HAS BEEN ORDERED TO UNDERGO TREATMENT MAY REQUEST A CERTIFIED TRANSCRIPT OF THE HEARING. TO OBTAIN A COPY, THE PATIENT SHALL PAY FOR A TRANSCRIPT OR SHALL FILE AN AFFIDAVIT THAT HE IS WITHOUT MEANS TO PAY FOR A TRANSCRIPT. IF THE AFFIDAVIT IS FOUND TRUE BY THE COURT, THE EXPENSE OF THE TRANSCRIPT IS TO BE A CHARGE UPON THE COUNTY IN WHICH THE PROCEEDINGS WERE HELD.

36-562. Court options

A. IF THE COURT FINDS BY CLEAR AND CONVINCING EVIDENCE THAT THE PROPOSED PATIENT IS, AS A RESULT OF MENTAL DISORDER, A DANGER TO HIMSELF AND IN NEED OF TREATMENT, THE COURT SHALL ORDER HIM TO UNDERGO TREATMENT FOR UP TO ONE HUNDRED EIGHTY DAYS IN A MENTAL HEALTH TREATMENT AGENCY, IN A VETERANS ADMINISTRATION HOSPITAL PURSUANT TO ARTICLE 9 OF THIS CHAPTER, OR IN THE STATE HOSPITAL, SUBJECT TO THE LIMITATIONS OF SECTION 36-563, UNLESS THE COURT FINDS SUITABLE ALTERNATIVE TREATMENT.

B. IF THE COURT FINDS BY CLEAR AND CONVINCING EVIDENCE THAT THE PROPOSED PATIENT IS, AS A RESULT OF MENTAL DISORDER, A DANGER TO OTHERS AND IN NEED OF TREATMENT, THE COURT SHALL ORDER HIM TO UNDERGO TREATMENT FOR UP TO ONE HUNDRED EIGHTY DAYS IN A MENTAL HEALTH TREATMENT AGENCY, IN A VETERANS ADMINISTRATION HOSPITAL PURSUANT TO ARTICLE 9 OF THIS CHAPTER, OR IN THE STATE HOSPITAL, SUBJECT TO THE LIMITATIONS OF SECTION 36-563, UNLESS THE COURT FINDS SUITABLE ALTERNATIVE TREATMENT.

LAWS OF ARIZONA

C. IF THE COURT FINDS THAT THE PROPOSED PATIENT IS, AS A RESULT OF MENTAL DISORDER, GRAVELY DISABLED THE COURT SHALL IN LIEU OF MAKING ORDERS AS IN SUBSECTION A OF THIS SECTION, OR THE COURT MAY IN ADDITION TO OR IN LIEU OF MAKING ORDERS AS IN SUBSECTION B OF THIS SECTION ESTABLISH GUARDIANSHIP FOR THE PERSON OR CONSERVATORSHIP FOR THE ESTATE OF THE PERSON OR BOTH PURSUANT TO ARTICLE 8 OF THIS CHAPTER AND PURSUANT TO TITLE 14.

D. THE COURT SHALL FILE A REPORT AS PART OF THE COURT RECORD ON ITS FINDINGS OF ALTERNATIVE TREATMENT.

E. IN NO EVENT SHALL TREATMENT INCLUDE PSYCHOSURGERY, LOBOTOMY OR ANY OTHER BRAIN SURGERY WITHOUT SPECIFIC INFORMED CONSENT OF THE PATIENT OR HIS LEGAL GUARDIAN AND AN ORDER OF THE SUPERIOR COURT IN THE COUNTY IN WHICH THE TREATMENT IS PROPOSED, APPROVING WITH SPECIFICITY THE USE OF SUCH TREATMENT.

36-563. Mandatory local treatment

A PATIENT WHO IS ORDERED BY A COURT TO UNDERGO TREATMENT, IF NOT HOSPITALIZED IN THE STATE HOSPITAL AT THE TIME OF THE ORDER AND IF NOT ORDERED TO UNDERGO TREATMENT IN A VETERANS ADMINISTRATION HOSPITAL, SHALL UNDERGO TREATMENT FOR AT LEAST TWENTY-FIVE DAYS IN A LOCAL MENTAL HEALTH TREATMENT AGENCY GEOGRAPHICALLY CONVENIENT FOR THE PATIENT BEFORE BEING HOSPITALIZED IN THE STATE HOSPITAL. THIS SECTION SHALL NOT APPLY IF THE SUPERINTENDENT, IN CONSULTATION WITH THE MEDICAL DIRECTOR OF A LOCAL MENTAL HEALTH TREATMENT AGENCY AND SUBJECT TO THE APPROVAL OF THE DIRECTOR, SEEKS COURT DETERMINATION THAT THE PATIENT'S PRESENT CONDITION AND HISTORY DEMONSTRATES THAT THE PATIENT WILL NOT BENEFIT FROM THE REQUIRED PERIOD OF TREATMENT IN A LOCAL MENTAL HEALTH TREATMENT AGENCY OR THAT THE STATE HOSPITAL PROVIDES A PROGRAM WHICH IS SPECIFIC TO THE NEEDS OF THE PATIENT AND IS UNAVAILABLE IN THE LOCAL MENTAL HEALTH TREATMENT AGENCY, OR WHEN THERE IS NO LOCAL MENTAL

LAWS OF ARIZONA

HEALTH TREATMENT AGENCY READILY AVAILABLE TO THE PATIENT. THE PATIENT MAY BE IMMEDIATELY HOSPITALIZED AT THE STATE HOSPITAL WHENEVER THE COURT DETERMINES THAT THIS SECTION DOES NOT APPLY.

36-564. Release from treatment

A PATIENT ORDERED BY A COURT TO UNDERGO TREATMENT UNDER THE PROVISIONS OF SECTION 36-562 SHALL BE RELEASED FROM TREATMENT AT THE EXPIRATION OF THE PERIOD OF TREATMENT ORDERED UNLESS ONE OF THE FOLLOWING OCCURS:

1. THE MEDICAL DIRECTOR OF THE AGENCY IN WHICH THE PATIENT IS DETAINED RECOMMENDS GUARDIANSHIP PURSUANT TO ARTICLE 8 OF THIS CHAPTER AT LEAST TEN DAYS PRIOR TO THE RELEASE DATE, IN WHICH CASE THE INDIVIDUAL MAY BE RETAINED FOR THE ADDITIONAL TIME AS REQUIRED FOR THE HEARING ON GUARDIANSHIP AS REQUIRED IN SECTION 36-584.
2. THE PERSON ACCEPTS VOLUNTARY TREATMENT AT THE AGENCY.
3. THE MEDICAL DIRECTOR OF THE AGENCY IN WHICH THE PERSON IS HOSPITALIZED, AT LEAST TEN DAYS PRIOR TO HIS RELEASE DATE, FILES A NEW PETITION FOR COURT-ORDERED TREATMENT ON THE GROUNDS THAT THE PERSON IS, AS A RESULT OF MENTAL DISORDER, A DANGER TO SELF OR OTHERS. THE NEW PETITION SHALL BE FILED IN THE SUPERIOR COURT IN THE COUNTY IN WHICH THE PATIENT IS BEING TREATED.

36-565. Release of patient prior to expiration of period ordered by court; change to voluntary status

A. A PATIENT ORDERED HOSPITALIZED FOR TREATMENT WHO WAS FOUND IN THE COURT'S ORDER FOR TREATMENT TO BE A DANGER TO SELF OR A DANGER TO OTHERS, MAY BE RELEASED FROM TREATMENT PRIOR TO THE EXPIRATION OF THE PERIOD ORDERED BY THE COURT WHEN, IN THE OPINION OF THE MEDICAL DIRECTOR OF THE AGENCY, THE PATIENT NO LONGER IS, AS A RESULT OF MENTAL DISORDER, A DANGER TO SELF OR A DANGER TO OTHERS. THE PATIENT MAY AGREE TO CONTINUE TREATMENT VOLUNTARILY.

LAWS OF ARIZONA

B. IF A PATIENT, HAVING BEEN ORDERED TO UNDERGO TREATMENT AS A DANGER TO SELF, IS RELEASED PURSUANT TO SUBSECTION A OF THIS SECTION, THE MEDICAL DIRECTOR OF THE AGENCY SHALL SEND TO THE COURT WHICH ENTERED THE ORDER FOR TREATMENT A CERTIFICATE THAT THE PATIENT IS, IN THE OPINION OF THE MEDICAL DIRECTOR, NO LONGER A DANGER TO SELF AND IS, OR SHALL BE, DISCHARGED. THE COURT SHALL ENTER AN ORDER TERMINATING THE PATIENT'S COURT-ORDERED TREATMENT.

C. IF A PATIENT, HAVING BEEN ORDERED TO UNDERGO TREATMENT AS A DANGER TO OTHERS, IS RELEASED PURSUANT TO SUBSECTION A OF THIS SECTION, THE MEDICAL DIRECTOR OF THE AGENCY SHALL SEND TO THE COURT WHICH ENTERED THE ORDER FOR TREATMENT A CERTIFICATE THAT THE PATIENT IS, IN THE OPINION OF THE MEDICAL DIRECTOR, NO LONGER A DANGER TO OTHERS AND IS, OR SHALL BE, DISCHARGED. THE COURT SHALL ENTER AN ORDER TERMINATING THE PATIENT'S COURT-ORDERED TREATMENT.

D. THE MEDICAL DIRECTOR OF THE AGENCY SHALL NOT BE HELD CIVILLY LIABLE FOR ANY ACTS COMMITTED BY THE RELEASED PATIENT.

36-566. Unauthorized absences

A. WHEN ANY PATIENT WHO IS BEING EVALUATED OR TREATED IS ABSENT WITHOUT PROPER AUTHORIZATION FROM AN AGENCY, ANY PEACE OFFICER, UPON VERBAL OR WRITTEN REQUEST OF THE MEDICAL DIRECTOR OF THE AGENCY AND WITHOUT THE NECESSITY OF A WARRANT OR COURT ORDER, SHALL, OR ANY OFFICER OR EMPLOYEE OF THE AGENCY WHO HAS BEEN PREVIOUSLY DESIGNATED IN WRITING BY THE MEDICAL DIRECTOR OF THE AGENCY TO PERFORM SUCH DUTIES, MAY TAKE INTO CUSTODY AND DELIVER SUCH PATIENT TO THE AGENCY. SUCH OFFICERS AND EMPLOYEES OF THE AGENCY HAVE THE POWERS AND DUTIES OF PEACE OFFICERS SO FAR AS IS NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION.

B. ANY PERSON WHO INTENTIONALLY ASSISTS ANY PATIENT BEING EVALUATED OR TREATED IN AN AGENCY TO BE ABSENT

LAWS OF ARIZONA

OR TO ATTEMPT TO BE ABSENT FROM SUCH AGENCY WITHOUT PROPER AUTHORIZATION OR TO RESIST BEING RETURNED TO SUCH FACILITY AFTER SUCH ABSENCE IS GUILTY OF A MISDEMEANOR.

ARTICLE 6. COSTS AND SERVICES

36-568. Voluntary admissions to the state hospital; reimbursements; indigents

THE DIRECTOR SHALL ESTABLISH THE AMOUNT WHICH WILL FULLY REIMBURSE THE STATE FOR THE EXPENSE OF EXAMINING, EVALUATING, TREATING AND MAINTAINING THE PATIENT. THE STATE HOSPITAL SHALL CHARGE THE PATIENT ALL OR SUCH PORTION OF THE ESTABLISHED AMOUNT AS THE PATIENT CAN AFFORD. IF THE PATIENT IS INDIGENT, NO CHARGE SHALL BE MADE. THE STATE HOSPITAL SHALL REQUIRE PROMPT PAYMENT OF THE CHARGE.

36-569. Payment of costs and expenses by person hospitalized other than voluntarily in the state hospital; ascertainment of ability to pay; power and duty of court; acceptance of other benefits; per capita cost limitation; appointment of guardian; parental liability; lien; duty of county attorney

A. WHEN A PATIENT IS ADMITTED TO THE STATE HOSPITAL FOR COURT-ORDERED TREATMENT PURSUANT TO ARTICLE 5 OF THIS CHAPTER, THE BUSINESS MANAGER OF THE STATE HOSPITAL SHALL INQUIRE INTO THE ABILITY OF THE PATIENT TO PAY THE COSTS OF EXAMINATION, MAINTENANCE AND TREATMENT. THE BUSINESS MANAGER SHALL FILE WITH THE CLERK OF THE COURT A WRITTEN REPORT OF HIS FINDINGS AND THE BASIS THEREFOR.

B. IF THE PATIENT IS ABLE TO PAY ALL OR ANY PORTION OF THE CHARGES, THE COURT SHALL ORDER THE PAYMENT OF SUCH AMOUNT AS THE PATIENT CAN AFFORD OF THE PER CAPITA COST FOR EXAMINATION, TREATMENT AND MAINTENANCE AS ESTIMATED BY THE DIRECTOR. THE COURT MAY, UPON PETITION OF AN INTERESTED PERSON, AND AT A HEARING OF WHICH ALL CONCERNED PARTIES HAVE RECEIVED NOTICE, INCREASE OR DECREASE THE MAINTENANCE CHARGE PAYABLE BY THE PATIENT OR HIS ESTATE.

LAWS OF ARIZONA

C. NOTWITHSTANDING ANY PROVISION OF SUBSECTION B, ANY FEDERAL, STATE, PUBLIC OR PRIVATE MEDICAL BENEFITS WHICH ARE PAYABLE TO THE STATE HOSPITAL WHERE THE PATIENT IS RECEIVING CARE AND TREATMENT OR PAYABLE TO THE PATIENT MAY BE ACCEPTED BY THE STATE HOSPITAL WITHOUT A COURT ORDER, EXCEPT THAT THE STATE HOSPITAL SHALL NOT ACCEPT ANY SUCH BENEFITS WHICH ALONE OR IN ADDITION TO ANY AMOUNTS PAYABLE PURSUANT TO SUBSECTION B EXCEED THE PER CAPITA COST FOR THE PATIENT.

D. THE COURT MAY, IF NECESSARY, APPOINT A CONSERVATOR OF THE PATIENT TO CARRY OUT THE PROVISIONS OF THIS SECTION. IF A CONSERVATOR IS APPOINTED, THE CLERK OF THE COURT SHALL FILE A CERTIFICATE SO STATING. ALL PROCEEDINGS RELATING TO SUCH CONSERVATORSHIP SHALL BE HAD AS PROVIDED BY LAW FOR CONSERVATORS OF ESTATES. THE CONSERVATOR SHALL PAY THE AMOUNT ORDERED BY THE COURT AS IN SUBSECTION B.

E. IF THE PATIENT IS A MINOR, THE BUSINESS MANAGER OF THE STATE HOSPITAL SHALL INQUIRE INTO THE ABILITY OF THE PARENTS OF SUCH MINOR TO BEAR CHARGES PURSUANT TO THIS SECTION. ALL OBLIGATIONS, CHARGES AND LIENS THAT MAY BE IMPOSED ON A PATIENT PURSUANT TO THIS SECTION SHALL BE IMPOSED ON THE PARENTS OF SUCH MINOR PATIENT IF IT IS DETERMINED THAT THE PARENTS HAVE THE ABILITY TO PAY.

F. THE CHARGES FIXED BY THE COURT AS PROVIDED BY THIS SECTION AND ORDERED PAID BY THE PATIENT OR HIS ESTATE SHALL, UPON FILING WITH THE COUNTY RECORDER, BECOME A LIEN UPON PROPERTY OF THE PATIENT OR HIS ESTATE.

G. THE COUNTY ATTORNEY OF EACH COUNTY SHALL, UPON ORDER OF A JUDGE OF THE SUPERIOR COURT, ENFORCE THE LIEN AND COLLECT THE CHARGES FROM THE PERSON ORDERED TO PAY IF THE CHARGES BECOME DELINQUENT.

H. NO COSTS OF EXAMINATION, TREATMENT AND

LAWS OF ARIZONA

MAINTENANCE SHALL BE CHARGED TO ANY PATIENT FOUND BY A COMPETENT COURT OF JURISDICTION TO BE UNLAWFULLY DETAINED.

36-570. State hospital reimbursements; disposition of funds; state tax purposes

A. ALL MONIES COLLECTED PURSUANT TO SECTIONS 36-568 AND 36-569 FOR EXAMINATION, EVALUATION, TREATMENT AND MAINTENANCE OF PATIENTS SHALL BE PAID TO THE STATE TREASURER AND DEPOSITED IN THE STATE GENERAL FUND.

B. ALL MONIES DEPOSITED IN THE STATE GENERAL FUND AS A RESULT OF THE PROVISIONS OF THIS SECTION SHALL BE CONSIDERED IN FIXING THE RATE OF TAXATION FOR STATE PURPOSES.

36-571. Payment of costs and expenses by person hospitalized in private or voluntary nonprofit facility

ALL COSTS IN CONNECTION WITH A PATIENT HOSPITALIZED IN A PRIVATE OR VOLUNTARY NONPROFIT FACILITY, INCLUDING COSTS FOR EVALUATION, SHALL BE BORNE BY THE PATIENT, HIS PARENTS, SPOUSE, GUARDIAN OR ESTATE AND SHALL NOT BE A CHARGE AGAINST THE STATE OR COUNTY EXCEPT AS PROVIDED IN SECTION 36-573.

36-572. Costs of court proceedings; compensation for evaluation and testimony

A. EXCEPT AS PROVIDED IN THIS CHAPTER, COSTS OF COURT PROCEEDINGS AND COST OF SERVICES PROVIDED BY A COUNTY PURSUANT TO ARTICLE 4 ARE A CHARGE AGAINST THE COUNTY IN WHICH THE PATIENT RESIDED OR WAS FOUND PRIOR TO HOSPITALIZATION. THE CLERK OF THE SUPERIOR COURT IN THE COUNTY WHERE THE PROCEEDINGS ARE HELD SHALL CERTIFY TO THE BOARD OF SUPERVISORS OF THE COUNTY WHERE THE PATIENT RESIDED OR WAS FOUND PRIOR TO HOSPITALIZATION THAT SUCH PROCEEDINGS WERE HELD AND THE AMOUNT OF THE BALANCE OF THE INCURRED COSTS.

LAWS OF ARIZONA

B. IF A PHYSICIAN, PSYCHOLOGIST OR SOCIAL WORKER IS NOT OTHERWISE COMPENSATED FOR EVALUATING A PERSON OR FOR TESTIFYING AT A HEARING, OR BOTH, THE PHYSICIAN, PSYCHOLOGIST OR SOCIAL WORKER SHALL BE PAID BY THE COUNTY, AN AMOUNT DETERMINED REASONABLE BY THE COURT, SUBJECT TO THE SAME LIMITATIONS AS IMPOSED UPON COMPENSATION FOR ATTORNEYS IN HEARINGS, AS PROVIDED BY SECTION 13-1673. THESE PAYMENTS SHALL BE MADE AS A PART OF THE COSTS OF COURT PROCEEDINGS AS IN SUBSECTION A OF THIS SECTION.

36-573. Charges for treatment given by agencies under department contract; charges for prepetition screening and court-ordered evaluation prohibited

A. WHEN A PERSON IS GIVEN A PREPETITION SCREENING, OR A COURT-ORDERED EVALUATION BY A SCREENING AGENCY OR EVALUATION AGENCY PURSUANT TO THE PROVISIONS OF ARTICLE 4 OF THIS CHAPTER, THE PERSON SHALL NOT BE CHARGED.

B. WHEN A PATIENT IS GIVEN VOLUNTARY TREATMENT PURSUANT TO THE PROVISIONS OF ARTICLE 3 OF THIS CHAPTER OR COURT-ORDERED TREATMENT PURSUANT TO THE PROVISIONS OF ARTICLE 5 OF THIS CHAPTER, THE PATIENT OR PROPOSED PATIENT WILL PAY ALL OR SUCH PORTION OF THE ESTABLISHED CHARGES AS THE PATIENT CAN AFFORD. IF THE PATIENT IS INDIGENT NO CHARGES SHALL BE MADE AGAINST HIM.

36-574. County services

A. EACH COUNTY, OR ANY COMBINATION OF COUNTIES, SHALL PROVIDE DIRECTLY OR BY CONTRACT THE SERVICES OF A SCREENING AGENCY AND AN EVALUATION AGENCY FOR THE PURPOSES OF THIS CHAPTER.

B. UPON A REQUEST MADE BY A RESIDENT OF THE COUNTY PURSUANT TO THIS CHAPTER, A COUNTY SHALL BE REQUIRED TO PROVIDE SCREENING OR EVALUATION.

36-575. Contracts between the department and screening agencies, evaluation agencies and mental health treatment agencies;

LAWS OF ARIZONA

services provided under contract; plan for services; development of plan; development of local plan; specification of services required; participation of others; schedule of charges and reduced charges

A. THE DEPARTMENT MAY ENTER INTO CONTRACTS WITH SCREENING AGENCIES, EVALUATION AGENCIES AND MENTAL HEALTH TREATMENT AGENCIES TO PROVIDE PREPETITION SCREENINGS, COURT-ORDERED EVALUATIONS, VOLUNTARY EVALUATIONS, TREATMENT OF VOLUNTARY PATIENTS AND TREATMENT OF PATIENTS UNDER THE PROVISIONS OF SECTION 36-545 REGARDLESS OF THE ABILITY OF THE PATIENT OR PROPOSED PATIENT TO PAY. A COUNTY MAY BE A PARTY TO A CONTRACT AS A PROVIDER OF SERVICES OR AS A PARTY MAKING PAYMENTS TO AN AGENCY TO PROVIDE SERVICES ON THE PART OF THE COUNTY. THE STATE HOSPITAL MAY BE INCLUDED IN THE CONTRACT AS A PROVIDER OF SERVICES AND MAY RECEIVE CONSIDERATION NOT INCONSISTENT WITH LAW.

B. CONTRACTS TO PROVIDE SERVICES AS IN SUBSECTION A OF THIS SECTION WILL BE ENTERED INTO IN ACCORDANCE WITH A PLAN OF THE DEPARTMENT. THIS PLAN WILL BE DEVELOPED IN ACCORDANCE WITH THE STATE COMPREHENSIVE HEALTH PLAN AND IN ACCORDANCE WITH A PLAN OF THE LOCAL HEALTH PLANNING AGENCY SUBMITTED TO AND APPROVED BY THE DIRECTOR, EXCEPT AS PROVIDED IN SUBSECTION C OF THIS SECTION.

C. IF THERE IS NO RECOGNIZED LOCAL HEALTH PLANNING AGENCY OR IF THE LOCAL HEALTH PLANNING AGENCY DOES NOT SUBMIT A PLAN WHICH WILL, IN THE JUDGMENT OF THE DIRECTOR, FULFILL THE REQUIREMENTS FOR SERVICES OF SUBSECTION A OF THIS SECTION, THE DIRECTOR MAY DEVELOP A PLAN AND REQUIRE THAT IT BE FOLLOWED IN LIEU OF A PLAN OF THE LOCAL HEALTH PLANNING AGENCY. THE PLAN OF THE DIRECTOR SHALL BE ADOPTED AFTER HOLDING A HEARING AND FULFILLING THE REQUIREMENTS OF TITLE 41, CHAPTER 6, ARTICLE 1.

D. IF FUNDS AT THE DISPOSAL OF THE DEPARTMENT ARE USED FOR SERVICES AS IN SUBSECTION A OF THIS SECTION, THE CONTRACT MUST CONFORM TO THE REQUIREMENTS OF SECTION 36-189, SUBSECTION B.

LAWS OF ARIZONA

E. A CONTRACT TO PROVIDE SERVICES AS IN SUBSECTION A OF THIS SECTION MUST SPECIFY THE SERVICES TO BE PROVIDED AS TO THEIR NATURE, QUALITY, PURPOSE, NUMBER, EXTENT AND LIMITATIONS IF ANY, OR ANY OTHER REQUIREMENTS THE DIRECTOR DEEMS NECESSARY FOR THE PROPER ADMINISTRATION OF SERVICES UNDER THE PLAN OF THE DEPARTMENT.

F. A CONTRACT MAY SPECIFY THAT THE COUNTY'S PARTICIPATION FULFILLS IN FULL OR IN PART THE REQUIREMENTS OF THE COUNTY TO PROVIDE SERVICES UNDER SECTION 36-574 AND THE REQUIREMENTS OF THE COUNTY TO PAY THE COST OF SERVICES UNDER SECTION 36-572.

ARTICLE 7. JUDICIAL REVIEW

36-576. Judicial review; right to be informed, request; jurisdiction

A. IN ADDITION TO THE PROCEDURE FOR APPLYING FOR A WRIT OF HABEAS CORPUS, AS PROVIDED IN TITLE 13, CHAPTER 8, A PATIENT RECEIVING COURT-ORDERED TREATMENT OR ANY PERSON ACTING ON HIS BEHALF, MAY REQUEST THE PATIENT'S RELEASE PURSUANT TO THE FOLLOWING:

1. A REQUEST IN WRITING MAY BE PRESENTED TO ANY MEMBER OF THE TREATMENT STAFF OF THE AGENCY PROVIDING THE PATIENT'S TREATMENT. THE REQUEST MAY BE MADE ON A PRESCRIBED FORM WHICH SHALL BE PREPARED BY THE FACILITY AND MADE AVAILABLE FOR USE BY ANY PERSON. THE COMPLETED FORM SHALL IDENTIFY:

(a) THE PATIENT BEING TREATED AND THE AGENCY AT WHICH HE IS BEING TREATED.

(b) THE PERSON TO WHOM THE REQUEST FOR RELEASE WAS MADE.

(c) THE PERSON MAKING THE REQUEST FOR RELEASE, INDICATING WHETHER THE PERSON IS THE PATIENT BEING TREATED OR SOMEONE ACTING ON HIS BEHALF.

LAWS OF ARIZONA

2. THE REQUEST, WHEN SIGNED AND DATED BY THE PERSON MAKING THE REQUEST FOR RELEASE, SHALL BE DELIVERED TO THE MEDICAL DIRECTOR OF THE AGENCY AND HE SHALL IMMEDIATELY DELIVER THE FORM TO THE CLERK OF THE COURT. IF THE PERSON PRESENTING THE REQUEST REFUSES TO SIGN THE FORM, THE MEDICAL DIRECTOR OF THE AGENCY SHALL PROCEED AS IF THE FORM HAD BEEN SIGNED AND SHALL NOTE ON THE FORM THE CIRCUMSTANCES AS TO WHY THE FORM WAS NOT SIGNED.

B. THE PATIENT SHALL BE INFORMED OF HIS RIGHT TO JUDICIAL REVIEW BY THE MEDICAL DIRECTOR OF THE AGENCY AND HIS RIGHT TO CONSULT WITH COUNSEL AT LEAST ONCE EACH SIXTY DAYS WHILE HE IS UNDERGOING COURT-ORDERED TREATMENT. THE NOTIFICATION REQUIRED BY THIS SUBSECTION SHALL BE RECORDED IN THE CLINICAL RECORD OF THE PATIENT BY THE INDIVIDUAL WHO GAVE THE NOTICE.

C. THE REQUEST PROVIDED FOR IN SUBSECTION A MAY NOT BE MADE SOONER THAN SIXTY DAYS AFTER THE ISSUANCE OF THE ORDER FOR TREATMENT OR A HEARING ON A PREVIOUS PETITION FOR HABEAS CORPUS.

D. JUDICIAL REVIEW SHALL BE IN THE SUPERIOR COURT IN THE COUNTY IN WHICH THE PATIENT IS BEING TREATED. THAT COURT MAY REVIEW THE ADDITIONAL MATERIAL PRESENTED AND ENTER ITS ORDER WITHOUT NECESSITY OF FURTHER HEARING.

E. THE REVIEWING COURT MAY ORDER A FURTHER HEARING UPON AFFIDAVIT OF THE ATTORNEY FOR THE PATIENT SETTING FORTH THE NEED FOR FURTHER EVIDENTIARY HEARING AND THE REASONS WHY THE HEARING IS NECESSARY PRIOR TO TIME SET FOR THE RELEASE OF THE PATIENT.

F. THE PATIENT SHALL BE INFORMED OF HIS RIGHT TO CONSULT AN ATTORNEY BY THE PERSON OR COURT TO WHOM HE MAKES HIS REQUEST FOR RELEASE AT THE TIME HE MAKES SUCH REQUEST AND, IN THE CASE OF CONFINEMENT IN AN AGENCY, BY THE REVIEWING COURT WITHIN ONE DAY OF ITS RECEIPT OF NOTICE FROM THE MEDICAL DIRECTOR OF THE AGENCY WHEREIN THE PATIENT IS BEING TREATED. THE

LAWS OF ARIZONA

PATIENT SHALL BE PERMITTED TO CONSULT AN ATTORNEY TO ASSIST HIM IN PREPARATION OF A PETITION FOR THE WRIT OF HABEAS CORPUS AND TO REPRESENT HIM IN THE HEARING. IF HE IS NOT REPRESENTED BY AN ATTORNEY, THE REVIEWING COURT SHALL, WITHIN TWO DAYS OF ITS NOTICE TO THE PATIENT OF HIS RIGHT TO COUNSEL, APPOINT AN ATTORNEY TO ASSIST HIM IN THE PREPARATION OF A PETITION AND TO REPRESENT HIM IN THE HEARING.

G. THE MEDICAL DIRECTOR OF THE MENTAL HEALTH TREATMENT AGENCY, AT LEAST TWENTY-FOUR HOURS PRIOR TO THE HEARING, SHALL PROVIDE THE PATIENT'S ATTORNEY WITH A COPY OF THE PATIENT'S MEDICAL RECORDS.

H. THE PATIENT'S ATTORNEY SHALL FULFILL ALL OF THE FOLLOWING MINIMAL DUTIES:

1. WITHIN TWENTY-FOUR HOURS OF APPOINTMENT CONDUCT AN INTERVIEW WITH THE PATIENT.
2. AT LEAST TWENTY-FOUR HOURS PRIOR TO SUCH HEARING INTERVIEW THE PATIENT'S TREATMENT PHYSICIAN IF AVAILABLE.
3. PRIOR TO THE HEARING EXAMINE THE CLINICAL RECORD OF THE PATIENT.
4. PRIOR TO THE HEARING EXAMINE THE PATIENT'S COURT RECORDS AS TO HIS INVOLUNTARY TREATMENT.

FAILURE OF SUCH ATTORNEY TO FULFILL AT LEAST THE DUTIES PRESCRIBED BY PARAGRAPHS 1 THROUGH 4 OF THIS SUBSECTION MAY BE PUNISHED AS CONTEMPT OF COURT.

36-577. Expedited appeal to the court of appeals

AN ORDER FOR COURT ORDERED TREATMENT MAY BE REVIEWED BY APPEAL TO THE COURT OF APPEALS AS PRESCRIBED IN THE ARIZONA RULES OF CIVIL PROCEDURE OR BY SPECIAL ACTION. SUCH APPEAL OR SPECIAL ACTION SHALL BE ENTITLED TO PREFERENCE.

LAWS OF ARIZONA

ARTICLE 8. GUARDIANSHIP FOR GRAVELY
DISABLED PERSONS

36-581. **Who may have a guardian**

A. A GUARDIAN OR A CONSERVATOR MAY BE APPOINTED PURSUANT TO TITLE 14 AND THE PROVISIONS OF THIS ARTICLE FOR ANY PERSON WHO IS GRAVELY DISABLED AS A RESULT OF MENTAL DISORDER.

B. PROCEDURE FOR ESTABLISHING, ADMINISTERING AND TERMINATING GUARDIANSHIP UNDER THIS ARTICLE SHALL BE THE SAME AS THAT PROVIDED IN TITLE 14, EXCEPT AS FOLLOWS:

1. THE GUARDIANSHIP OF A GRAVELY DISABLED PERSON SHALL BE LIMITED IN TIME PURSUANT TO AN ORDER UNDER SECTION 14-5307, SUBSECTION B, TO A PERIOD OF ONE YEAR FROM THE DATE OF THE APPOINTMENT OF THE GUARDIAN.

2. AT THE DETERMINATION OF AN INITIAL OR SUCCEEDING ONE-YEAR PERIOD OF GUARDIANSHIP, IF A GUARDIAN OF A GRAVELY DISABLED PERSON DETERMINES THAT GUARDIANSHIP IS STILL REQUIRED, HE MAY PETITION THE COURT FOR REAPPOINTMENT AS GUARDIAN FOR AN ADDITIONAL PERIOD NOT TO EXCEED ONE YEAR UNDER THE SAFEGUARDS PROVIDED IN SECTION 14-5303, SUBSECTION B, AND THIS ARTICLE.

3. WHEN A PERSON UNDER GUARDIANSHIP UNDER THE PROVISIONS OF TITLE 14 IS DETERMINED TO BE A GRAVELY DISABLED PERSON UNDER ARTICLE 4 OF THIS CHAPTER OR A DANGER TO HIMSELF IN CONNECTION WITH GRAVE DISABILITY UNDER ARTICLE 5, THE COURT MAY IMPOSE WITH NOTICE UPON THE EXISTING GUARDIAN OR ANOTHER PERSON APPOINTED AS GUARDIAN THE DUTIES OF THIS ARTICLE.

4. AS OTHERWISE PROVIDED IN THIS CHAPTER.

36-582. **Petition**

LAWS OF ARIZONA

WHEN A PETITION FOR GUARDIANSHIP IS INITIATED UNDER ANY APPLICABLE PROVISIONS OF THIS CHAPTER, IN ADDITION TO THE REQUIREMENTS OF TITLE 14, THE PETITION SHALL INCLUDE THE OPINION OF TWO PHYSICIANS THAT THE PERSON FOR WHOM GUARDIANSHIP IS REQUESTED IS GRAVELY DISABLED AS A RESULT OF MENTAL DISORDER.

36-583. Temporary guardianship

FOR PURPOSES OF THIS ARTICLE, TEMPORARY GUARDIANSHIP ORDERED UNDER SECTION 14-5310 WHEN AN EMERGENCY EXISTS SHALL NOT EXCEED THIRTY DAYS.

36-584. Hearing for the appointment of a guardian of a gravely disabled person

IN ADDITION TO THE REQUIREMENTS OF SECTION 14-5303, SUBSECTION B, AND THE NOTICE REQUIREMENTS OF SECTION 14-5309, THE FOLLOWING ARE REQUIRED AS CONDITIONS UPON THE HEARING FOR APPOINTMENT OF GUARDIAN UNDER THE PROVISIONS OF THIS ARTICLE:

1. THE HEARING SHALL TAKE PLACE NO LATER THAN THIRTY DAYS FROM THE FILING OF THE PETITION FOR GUARDIANSHIP.
2. THE NOTICE REQUIRED BY SECTION 14-5309 SHALL BE GIVEN NO LATER THAN FOURTEEN DAYS BEFORE THE TIME SET FOR HEARING.
3. THE PROVISIONS OF SECTION 14-5309, SUBSECTION B, WITH REGARD TO WAIVER DO NOT APPLY TO ANY HEARING OR PROCEEDING UNDER THE PROVISIONS OF THIS ARTICLE.
4. IF A PERSON FOR WHOM GUARDIANSHIP AS A GRAVELY DISABLED PERSON IS REQUESTED DOES NOT HAVE COUNSEL OF HIS OWN CHOICE, THE COURT SHALL APPOINT AN ATTORNEY TO REPRESENT HIM UNDER THE PROVISIONS OF SECTION 14-5303, SUBSECTION B, AND THE ATTORNEY SHALL BE APPOINTED NO LATER THAN FOUR DAYS BEFORE THE HEARING. THE ATTORNEY REPRESENTING THE PERSON FOR WHOM

LAWS OF ARIZONA

GUARDIANSHIP AS A GRAVELY DISABLED PERSON IS REQUESTED SHALL HAVE THE SAME MINIMAL DUTIES AS PROVIDED IN ARTICLES 5 AND 7 OF THIS CHAPTER.

5. THE ATTORNEY FOR THE PERSON FOR WHOM GUARDIANSHIP AS A GRAVELY DISABLED PERSON IS REQUESTED SHALL BE PROVIDED WITH COPIES OF THE REPORTS REQUIRED BY SECTION 14-5303 AND COPIES OF THE PETITION FOR EVALUATION, PREPETITION SCREENING REPORT, EVALUATION REPORT AND MEDICAL RECORDS OF THE PERSON FOR WHOM GUARDIANSHIP AS A GRAVELY DISABLED PERSON IS REQUESTED.

6. THE PERSON FOR WHOM GUARDIANSHIP AS A GRAVELY DISABLED PERSON IS REQUESTED SHALL BE ENTITLED TO AN INDEPENDENT EVALUATOR UNDER SECTION 36-560.

36-585. Additional duties of the guardian of a gravely disabled person

IN ADDITION TO THE DUTIES OF A GUARDIAN PROVIDED IN SECTION 14-5312, THE GUARDIAN OF A GRAVELY DISABLED PERSON SHALL BE REQUIRED IN THE PROVISION OF THE CARE, COMFORT AND MAINTENANCE OF HIS WARD TO COMPLY WITH THESE PREFERENCES:

1. FIRST PREFERENCE IS TO ALLOW THE WARD TO RETURN TO HIS HOME, FAMILY OR FRIENDS.

2. SECOND PREFERENCE IS FOR ARRANGEMENTS WHICH PROVIDE FOR PLACEMENT IN AN AGENCY, OTHER THAN A MENTAL HEALTH TREATMENT AGENCY, AS CLOSE TO HIS HOME OR THE HOME OF A RELATIVE AS POSSIBLE.

3. FINAL PREFERENCE IS FOR ARRANGEMENTS WHICH PROVIDE FOR PLACEMENT IN A MENTAL HEALTH TREATMENT AGENCY AFTER NOTICE AND HEARING IN THE COURT WHICH APPOINTED THE GUARDIAN AND A FINDING OF THE COURT THAT ALTERNATIVE PLACEMENT IS NOT AVAILABLE. THE HEARING REQUIRED IN THIS PARAGRAPH SHALL COMPLY WITH THE PROVISIONS OF ALL HEARINGS UNDER TITLE 14 AND THE PROVISIONS OF THIS ARTICLE.

36-586. Alternative placement for persons under guardianship as gravely disabled persons

LAWS OF ARIZONA

A. A GUARDIAN OF A GRAVELY DISABLED PERSON UNDER THIS ARTICLE SHALL FIND ALTERNATIVE PLACEMENT FOR HIS WARD WITHIN SEVEN DAYS AFTER THE GUARDIAN IS NOTIFIED BY THE MEDICAL DIRECTOR IN CHARGE OF A MENTAL HEALTH TREATMENT AGENCY SERVING THE WARD THAT THE WARD NO LONGER NEEDS THE CARE OR TREATMENT OFFERED BY THE TREATMENT AGENCY.

B. IF UNUSUAL CONDITIONS OR CIRCUMSTANCES PREVENT ALTERNATIVE PLACEMENT OF THE WARD WITHIN SEVEN DAYS, THE GUARDIAN SHALL FIND PLACEMENT WITHIN THIRTY DAYS FROM THE DATE HE IS NOTIFIED UNDER SUBSECTION A OF THIS SECTION.

C. IF ALTERNATIVE PLACEMENT CANNOT BE FOUND AT THE END OF THE THIRTY-DAY PERIOD, THE GUARDIAN OF THE GRAVELY DISABLED PERSON SHALL CONFER WITH THE MEDICAL DIRECTOR IN CHARGE OF THE MENTAL HEALTH TREATMENT AGENCY AND IN CONJUNCTION THEY SHALL THEN DETERMINE THE EARLIEST PRACTICABLE DATE WHEN ALTERNATIVE PLACEMENT MAY BE OBTAINED.

36-587. Termination of guardianship of a gravely disabled person

A. THE WARD OR ANY PERSON INTERESTED IN HIS WELFARE, INCLUDING THE GUARDIAN, MAY PETITION THE COURT FOR AN ORDER THAT THE WARD IS NO LONGER GRAVELY DISABLED AS A RESULT OF MENTAL DISORDER ANYTIME, BUT NOT TO EXCEED ONCE EACH SIX MONTHS, UNDER THE PROVISIONS OF THIS ARTICLE AND SECTION 14-5307, SUBSECTION B.

B. THE HEARING ON THE PETITION PROVIDED FOR IN SUBSECTION A OF THIS SECTION SHALL BE HELD WITHIN FOURTEEN DAYS OF THE FILING OF THE PETITION AND THE COURT SHALL FOLLOW THE SAME PROCEDURES TO SAFEGUARD THE RIGHTS OF THE WARD AS APPLY TO A PETITION FOR APPOINTMENT OF A GUARDIAN OF A GRAVELY DISABLED PERSON.

36-588. No presumption of incompetency

A PERSON WHO IS NO LONGER A WARD BY REASON OF BEING A GRAVELY DISABLED PERSON AS A RESULT OF MENTAL DISORDER SHALL NOT BE PRESUMED TO BE INCAPACITATED BY

LAWS OF ARIZONA

VIRTUE OF HIS HAVING BEEN A WARD UNDER THE PROVISIONS OF THIS ARTICLE AND TITLE 14.

36-589. Appointment supersedes previous orders and appointments

GUARDIANSHIP OF A GRAVELY DISABLED PERSON UNDER THIS ARTICLE AND TITLE 14, SHALL SUPERSEDE AND TERMINATE ANY PRIOR ORDERS FOR COURT-ORDERED EVALUATION OR TREATMENT, OR BOTH, ISSUED PURSUANT TO ARTICLES 4 AND 5 OF THIS CHAPTER. UPON APPOINTMENT OF A GUARDIAN UNDER THE PROVISIONS OF THIS ARTICLE, THE WARD MAY BE HOSPITALIZED IN THE AGENCY IN WHICH HE WAS HOSPITALIZED AT THE TIME OF THE FILING OF THE PETITION UNDER SECTION 36-544 OR SECTION 36-562, SUBSECTION D, UNTIL THE GUARDIAN HAS REASONABLE TIME TO SECURE ANY REQUIRED EVALUATION, CARE OR TREATMENT, BUT IN NO EVENT MAY THE WARD BE HOSPITALIZED IN THE AGENCY MORE THAN TEN DAYS AFTER APPOINTMENT OF THE GUARDIAN UNLESS THE GUARDIAN HAS ACTED UNDER THE PROVISIONS OF THIS ARTICLE AND CHAPTER TO PLACE HIS WARD IN A MENTAL HEALTH TREATMENT AGENCY.

ARTICLE 9. HOSPITALIZATION
IN A FEDERAL FACILITY

36-591. Court-ordered treatment by the veterans administration or other agency of the United States

A. WHENEVER, IN ANY PROCEEDING UNDER THE LAWS OF THIS STATE FOR THE COURT-ORDERED TREATMENT OF A PERSON ALLEGED TO BE, AS A RESULT OF A MENTAL DISORDER, A DANGER TO SELF OR TO OTHERS, IT IS DETERMINED AFTER SUCH ADJUDICATION OF THE STATUS OF SUCH PERSON AS MAY BE REQUIRED BY LAW THAT HOSPITALIZATION IN THE STATE HOSPITAL OR OTHER MENTAL HEALTH TREATMENT AGENCY IS NECESSARY FOR TREATMENT, AND IT APPEARS THAT THE PERSON IS ELIGIBLE FOR CARE OR TREATMENT BY THE VETERANS ADMINISTRATION OR OTHER AGENCY OF THE UNITED STATES, THE COURT, UPON RECEIPT OF A CERTIFICATE FROM THE VETERANS ADMINISTRATION OR OTHER AGENCY SHOWING THAT FACILITIES ARE AVAILABLE AND THAT THE PERSON IS ELIGIBLE FOR CARE OR TREATMENT,

LAWS OF ARIZONA

MAY ORDER THE PERSON TO UNDERGO TREATMENT BY THE VETERANS ADMINISTRATION OR OTHER AGENCY OF THE UNITED STATES. A PERSON HOSPITALIZED IN A VETERANS ADMINISTRATION FACILITY OR INSTITUTION OPERATED BY ANOTHER AGENCY OF THE UNITED STATES IN ACCORDANCE WITH THE COURT'S ORDER FOR TREATMENT SHALL BE SUBJECT TO THE RULES AND REGULATIONS OF THE VETERANS ADMINISTRATION OR OTHER AGENCY WHETHER THE FACILITY IS LOCATED WITHIN OR WITHOUT THE STATE. THE CHIEF OFFICER OF THE VETERANS ADMINISTRATION FACILITY OR OTHER INSTITUTION BY ANOTHER AGENCY OF THE UNITED STATES IN WHICH THE PERSON IS HOSPITALIZED SHALL WITH RESPECT TO THE PERSON BE VESTED WITH THE SAME POWERS AS THE MEDICAL DIRECTOR OF A MENTAL HEALTH TREATMENT AGENCY WITH RESPECT TO THE CONTINUATION OF HOSPITALIZATION OR RELEASE. JURISDICTION IS RETAINED BY THE COURT WHICH ORDERED THE TREATMENT OF THE PATIENT OR OTHER SUPERIOR COURT OF THE STATE AT ANY TIME TO INQUIRE INTO THE MENTAL CONDITION OF THE PERSON AND TO DETERMINE THE NECESSITY FOR CONTINUANCE OF HIS HOSPITALIZATION.

B. THE JUDGMENT OR ORDER OF COMMITMENT BY A COURT OF COMPETENT JURISDICTION OF ANOTHER STATE OR OF THE DISTRICT OF COLUMBIA, COMMITTING A PERSON TO THE VETERANS ADMINISTRATION OR OTHER AGENCY OF THE UNITED STATES FOR CARE OR TREATMENT SHALL HAVE THE SAME FORCE AND EFFECT AS TO THE COMMITTED PERSON WHILE IN THIS STATE AS IN THE JURISDICTION WHERE THE COURT WHICH ENTERED THE JUDGMENT OR MADE THE ORDER IS LOCATED, AND THE COURTS OF THE COMMITTING STATE, OR OF THE DISTRICT OF COLUMBIA, SHALL BE DEEMED TO HAVE RETAINED JURISDICTION OF THE PERSON SO COMMITTED FOR THE PURPOSE OF INQUIRING INTO THE MENTAL CONDITION OF THE PERSON, AND OF DETERMINING THE NECESSITY FOR CONTINUANCE OF HIS HOSPITALIZATION AS PROVIDED BY SUBSECTION A WITH RESPECT TO PERSONS ORDERED TO UNDERGO TREATMENT BY THE COURTS OF THIS STATE. CONSENT IS GIVEN TO THE APPLICATION OF THE LAW OF THE COMMITTING STATE OR DISTRICT OF COLUMBIA WITH RESPECT TO THE AUTHORITY OF THE CHIEF OFFICER OF ANY FACILITY OF THE VETERANS ADMINISTRATION OR ANY INSTITUTION

LAWS OF ARIZONA

OPERATED IN THIS STATE BY ANY OTHER AGENCY OF THE UNITED STATES TO RETAIN CUSTODY, OR TRANSFER, PAROLE, OR DISCHARGE THE COMMITTED PERSON.

C. UPON RECEIPT OF A CERTIFICATE OF THE VETERANS ADMINISTRATION OR OTHER AGENCY OF THE UNITED STATES THAT FACILITIES ARE AVAILABLE FOR THE CARE OR TREATMENT OF ANY PERSON HERETOFORE ORDERED TO UNDERGO TREATMENT IN THE STATE HOSPITAL OR OTHER MENTAL HEALTH TREATMENT AGENCY AND THAT THE PERSON IS ELIGIBLE FOR CARE OR TREATMENT, THE MEDICAL DIRECTOR OF THE MENTAL HEALTH TREATMENT AGENCY MAY CAUSE THE TRANSFER OF THE PERSON TO A VETERANS ADMINISTRATION FACILITY OR INSTITUTION OPERATED BY ANOTHER AGENCY OF THE UNITED STATES FOR CARE OR TREATMENT. UPON EFFECTING ANY SUCH TRANSFER, THE SUPERIOR COURT WHICH ORDERED TREATMENT FOR THE PATIENT SHALL BE NOTIFIED THEREOF BY THE TRANSFERRING AGENCY. NO PERSON SHALL BE TRANSFERRED TO A VETERANS ADMINISTRATION FACILITY OR INSTITUTION OPERATED BY ANOTHER AGENCY OF THE UNITED STATES IF HE IS CONFINED PURSUANT TO AN ORDER OF A SUPERIOR COURT UNDER RULES OF CRIMINAL PROCEDURE, UNLESS PRIOR TO TRANSFER THE SUPERIOR COURT ENTERS AN ORDER FOR THE TRANSFER.

D. A PERSON TRANSFERRED AS PROVIDED IN THIS SECTION IS DEEMED TO HAVE BEEN ORDERED TO UNDERGO TREATMENT BY THE VETERANS ADMINISTRATION OR OTHER AGENCY OF THE UNITED STATES PURSUANT TO THE ORIGINAL COURT ORDER FOR TREATMENT, PROVIDED THAT NO SUCH PERSON SHALL BE REMOVED FROM THE STATE FOR EVALUATION OR TREATMENT WITHOUT SPECIFIC INFORMED CONSENT OF THE PATIENT OR HIS LEGAL GUARDIAN OR, WHEN A COURT HAS ORDERED TREATMENT UNDER PROVISIONS OF SECTION 36-562, A FURTHER ORDER OF SUCH COURT APPROVING SUCH REMOVAL FROM THE STATE.

Sec. 3. Section 14-5101, Arizona Revised Statutes, is amended to read:

14-5101. **Definitions and use of terms**

In this title, unless the context otherwise requires:

LAWS OF ARIZONA

1. "Incapacitated person" means any person who is impaired by reason of mental illness, mental deficiency, MENTAL DISORDER, physical illness or disability, advanced age, chronic use of drugs, chronic intoxication or other cause, except minority, to the extent that he lacks sufficient understanding or capacity to make or communicate responsible decisions concerning his person.
2. "Protected person" is a minor or other person for whom a conservator has been appointed or other protective order has been made.
3. "Protective proceeding" is a proceeding under the provisions of section 14-5401 to determine that a person cannot effectively manage or apply his estate to necessary ends, either because he lacks the ability or is otherwise inconvenienced, or because he is a minor, and to secure administration of his estate by a conservator or other appropriate relief.
4. "Ward" is a person for whom a guardian has been appointed. A "minor ward" is a minor for whom a guardian has been appointed solely because of minority.

Sec. 4. Section 31-224, Arizona Revised Statutes, is amended to read:

31-224. Mentally disordered prisoner; procedure for involuntary hospitalization; costs; transfer; reports; computation of time; discharge; voluntary admission

A. When a prisoner confined in the state prison discloses symptoms of mental illness DISORDER, the ~~prisoner~~ prison physician shall examine him, and if he is determined to be so ~~afflicted~~ DISORDERED, the physician shall report the fact in writing to the superintendent of the prison, describing the condition found, together with any recommendations he has. Upon receipt of the report, the superintendent shall ~~file a petition as provided in section 36-509 and thereafter the proceeding shall conform to article 1 of chapter 5, title 36~~ PROCEED AS PROVIDED IN TITLE 36, CHAPTER 5, ARTICLE 4, UNLESS THE PRISONER IS ACCEPTED FOR VOLUNTARY ADMISSION TO THE STATE HOSPITAL AS PROVIDED IN SUBSECTION E OF THIS SECTION.

B. The county in which the court is located shall be reimbursed for costs of the proceedings incurred by the county from funds appropriated

LAWS OF ARIZONA

to the state prison, upon certification by the clerk and judge of the court of the costs and approval of the claim by the ~~superintendent of the prison~~. DEPARTMENT OF CORRECTIONS.

C. If the prisoner is determined to be ~~mentally ill~~, AS A RESULT OF MENTAL DISORDER, A DANGER TO SELF OR OTHERS, the court shall order and direct that he be confined in the Arizona state hospital in the legal custody of the ~~superintendent of the prison~~. DEPARTMENT OF CORRECTIONS. The transfer of the prisoner to the state hospital shall be made by the ~~superintendent of the prison~~. DEPARTMENT OF CORRECTIONS.

D. The superintendent of the state hospital shall render to the ~~superintendent of the prison~~ DEPARTMENT OF CORRECTIONS, a quarterly report of the condition of the prisoner, ~~and when it appears that the prisoner has sufficiently recovered that he may be returned to the prison without further risk, he shall be returned to serve the~~ AND WHEN IN THE OPINION OF THE SUPERINTENDENT OF THE STATE HOSPITAL, THE PRISONER IS NO LONGER AS A RESULT OF MENTAL DISORDER, A DANGER TO SELF OR OTHERS, THE PRISONER SHALL RETURN TO THE PRISON TO SERVE HIS unexpired term, and the period he was confined in the state hospital shall be counted as though served in prison. If the term of imprisonment expires during the time the mentally ~~ill~~ DISORDERED prisoner is confined in the state hospital, the ~~superintendent of the prison shall forward to the prisoner his legal discharge from prison~~. DIRECTOR OF THE DEPARTMENT OF CORRECTIONS SHALL ISSUE TO THE PRISONER AN ABSOLUTE DISCHARGE.

E. A PRISONER MAY APPLY FOR VOLUNTARY ADMISSION TO THE STATE HOSPITAL UNDER THE PROVISIONS OF SECTION 36-531. HIS APPLICATION, WHEN SUBMITTED TO THE PRISON PHYSICIAN, SHALL BE FORWARDED TO THE SUPERINTENDENT OF THE STATE HOSPITAL BY THE PRISON PHYSICIAN TOGETHER WITH THE REPORT OF THE PRISON PHYSICIAN AND SUCH MATERIAL, IF ANY, PROVIDED BY THE PRISONER IN SUPPORT OR IN EXPLANATION OF HIS APPLICATION. A PRISONER HOSPITALIZED IN THE STATE HOSPITAL AS A VOLUNTARY PATIENT SHALL BE IN THE LEGAL CUSTODY OF THE SUPERINTENDENT OF THE PRISON.

LAWS OF ARIZONA

F. ALL PRISONERS TRANSFERRED TO THE ARIZONA STATE HOSPITAL PURSUANT TO THIS SECTION SHALL REMAIN ELIGIBLE TO ACCRUE GOOD-TIME CREDITS PURSUANT TO SECTION 31-251. DOUBLE-TIME DEDUCTIONS PURSUANT TO SECTION 31-252 SHALL BE ALLOWED ANY PRISONER WHO WAS EARNING THE DEDUCTIONS IMMEDIATELY PRIOR TO TRANSFER TO THE STATE HOSPITAL, AND TO ANY PRISONER PERFORMING ANY ASSIGNMENT OF CONFIDENCE OR TRUST AT THE STATE HOSPITAL.

G. NO PRISONER OTHERWISE ELIGIBLE SHALL BE DENIED PAROLE SOLELY BECAUSE HE IS CONFINED AT THE STATE HOSPITAL PURSUANT TO THIS SECTION.

Sec. 5. Section 36-202, Arizona Revised Statutes, as amended by Laws 1973, chapter 158, section 34, is amended to read:

36-202. State hospital for the mentally disordered; official name; purpose; facilities and equipment

A. A state hospital ~~for the mentally ill~~ shall be maintained for THE care and treatment of persons ~~adjudged mentally ill and other mentally diseased persons who are admitted thereto in accordance with law~~ WITH MENTAL DISORDERS, AND PERSONS WITH OTHER PERSONALITY DISORDERS OR EMOTIONAL CONDITIONS WHO WILL BENEFIT FROM CARE AND TREATMENT. ADMISSIONS TO THE STATE HOSPITAL SHALL BE IN ACCORDANCE WITH LAW. The hospital shall be called the Arizona state hospital.

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

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

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

LAWS OF ARIZONA

2. Facilities for proper segregation and care of child patients.
 3. Facilities for recreation and physical training.
 4. An institutional library for the use of patients.
 5. A properly equipped dental department.
 6. A properly equipped laboratory and X-ray department.
- D. The state hospital shall be under the charge and control of the director of the department of health services, pursuant to the provisions of this article.

Sec. 6. Section 36-206, Arizona Revised Statutes, is amended to read:

36-206. Duties of superintendent; deputy; estimate of per capita maintenance charges

A. The director shall have charge of the state hospital and the superintendent shall supervise and direct its activities, subject to the provisions of law and the rules and regulations and approval of the director. He shall be **DIRECTLY** responsible to the director for carrying out the purposes for which the hospital is maintained. He may deputize, in writing, subject to the approval of the director, any qualified officer of the state hospital to do or perform in his stead any act the superintendent is empowered to do or charged with the responsibility of doing by law.

B. The director shall in December each year make an estimate of the probable ~~monthly~~ **DAILY** per capita cost of treatment and maintenance of each category of patients for the next ensuing year as determined in accordance with standard accounting practices. A statement of the estimate shall be sent to each superior court judge in the state in January the following year.

Sec. 7. Title 36, Arizona Revised Statutes, is amended by adding chapter 22, to read:

**CHAPTER 22. PROTECTION OF MINORS
ARTICLE 1. IN GENERAL**

36-2271. Consent of parents required for surgical procedures upon minor; exception; penalty

LAWS OF ARIZONA

A. EXCEPT AS OTHERWISE PROVIDED BY LAW, NO PERSON, CORPORATION, ASSOCIATION, ORGANIZATION, STATE-SUPPORTED INSTITUTION, OR INDIVIDUAL EMPLOYED BY ANY OF SAME MAY PROCURE, SOLICIT TO PERFORM, ARRANGE FOR THE PERFORMANCE OF, OR PERFORM SURGICAL PROCEDURES UPON A MINOR WITHOUT FIRST OBTAINING A WRITTEN CONSENT OF A PARENT OR LEGAL GUARDIAN OF THE MINOR.

B. NO HEALTH CARE INSTITUTION AS DEFINED IN SECTION 36-401 MAY PERMIT SURGICAL PROCEDURES TO BE PERFORMED UPON A MINOR IN ITS FACILITIES WITHOUT FIRST HAVING RECEIVED A WRITTEN CONSENT FROM A PARENT OR LEGAL GUARDIAN OF THE MINOR.

C. THE PROVISIONS OF THIS SECTION SHALL NOT APPLY WHEN IT HAS BEEN DETERMINED BY A PHYSICIAN THAT AN EMERGENCY EXISTS AND THAT IT IS NECESSARY TO PERFORM SUCH SURGICAL PROCEDURES FOR THE TREATMENT OF A SERIOUS DISEASE, INJURY OR DRUG ABUSE, OR TO SAVE THE LIFE OF THE PATIENT, OR WHEN SUCH PARENT OR LEGAL GUARDIAN CANNOT BE LOCATED OR CONTACTED AFTER REASONABLY DILIGENT EFFORT.

D. A PERSON WHO VIOLATES A PROVISION OF THIS SECTION IS GUILTY OF A MISDEMEANOR PUNISHABLE BY A FINE NOT EXCEEDING THE SUM OF TWO THOUSAND FIVE HUNDRED DOLLARS OR BY IMPRISONMENT IN THE COUNTY JAIL FOR NOT EXCEEDING ONE YEAR, OR BOTH.

Sec. 8. Effect of provisions upon pre-existing commitments; provisions governing new or pending proceedings; effective date

The provisions of this act do not apply retroactively to terminate court commitments of the mentally ill under pre-existing law or to otherwise affect persons committed under pre-existing law, except that:

1. A person who is on conditional discharge from the state hospital shall continue on such status no longer than one hundred eighty days after the effective date of this chapter and shall be released from conditional discharge at or before the end of such period.

LAWS OF ARIZONA

2. A person who is on conditional discharge on the effective date of this chapter and who is rehospitalized pursuant to prior law within one hundred eighty days from the effective date of this chapter shall be considered to have been ordered to undergo involuntary treatment from the effective date of this chapter and to have had mandatory local treatment. Such person shall not be detained in a mental health treatment facility or the state hospital after one hundred eighty days from the effective date of this chapter unless the professional person in charge of the facility or state hospital proceeds according to title 36, chapter 5.

3. Those persons confined at the state hospital or other designated facility, as the term was defined under prior law, at the effective date of this chapter shall be dealt with under the provisions of this chapter from the effective date of this chapter. For this purpose such persons shall be considered to have been ordered to undergo involuntary treatment from the effective date of this chapter and to have had their mandatory local treatment, and in order to be detained in a mental health treatment facility or the state hospital after one hundred eighty days from the effective date, the professional person in charge of the facility or state hospital must proceed according to title 36, chapter 5.

4. The effective date of this act shall be October 15, 1974.

Approved by the Governor—May 20, 1974

Filed in the Office of the Secretary of State—May 20, 1974

CHAPTER 186

Senate Bill 1090

AN ACT

RELATING TO STATE GOVERNMENT; PRESCRIBING DISTRIBUTION OF STATUTES; AMENDING SECTIONS 41-123 AND 41-742, ARIZONA REVISED STATUTES, AND AMENDING TITLE 41, CHAPTER 7, ARTICLE 5.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1177.

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

LAWS OF ARIZONA

Section 1. Section 41-123, Arizona Revised Statutes, is amended to read:

41-123. **Distribution of statutes and journals**

A. Immediately after publication of the statutes, and upon receipt of an official compilation or revision of the laws or an official supplement thereof, copies of which are supplied him by law for distribution, the secretary of state shall supply ~~copies~~ ONE COPY thereof ~~as follows~~ TO:

- ~~1. One to each official of the executive department of the state.~~
- ~~2. One to each commissioner and each department of the state government.~~
- ~~3. One to the state highway engineer.~~
- ~~4. One to each judge and the clerk of the supreme court.~~
- ~~5. One to the reporter of the decisions of the supreme court.~~
- ~~6. Such number to each judge of the superior court as the judge may certify as being required for the proper conduct of his office.~~
- ~~7. Each justice of the peace and each municipal court or police court, the copies for whom shall be distributed by the county recorders of the several counties.~~
- ~~8. Each county officer other than the members and clerk of the board of supervisors.~~
- ~~9. The board of supervisors.~~
- ~~10. Each member of the legislature.~~
- ~~11. The secretary of the senate.~~
- ~~12. The chief clerk of the house of representatives.~~
- ~~13. The general library, the law library and each professor of law of the university of Arizona.~~

LAWS OF ARIZONA

~~14. The general library of each state college.~~

~~15. The general library of each junior college supported wholly or in part by state aid.~~

16. 1. Each judge and the clerk of the United States district court for the district of Arizona, and the United States attorney and United States marshal for that district.

~~17.~~ 2. Each senator and representative in congress from this state.

~~18. Each public library in the state which applies therefor.~~

~~B. The clerk of the board of supervisors of each county shall, within one month after adjournment of the legislature, supply the secretary of state with the names and addresses of all officers of the county entitled to receive a copy of the statutes.~~

~~C. B. The secretary of state shall supply to the ASSISTANT director of FOR the department DIVISION of library and, archives AND PUBLIC RECORDS OF THE DEPARTMENT OF ADMINISTRATION for the purpose of exchange with other states, territories, the United States and foreign countries, such number of copies of the statutes and SESSION LAWS AND journals of the legislature as the ASSISTANT director REQUISITIONS, in accordance with section 41-706, 41-742. makes requisition for, and to the law library of the university of Arizona for the purpose of exchange with law school libraries of other states and territories, such number of copies of the statutes, not to exceed fifty, as the librarian thereof requests.~~

C. THE SECRETARY OF STATE SHALL SELL TO THE ASSISTANT DIRECTOR FOR THE DIVISION OF LIBRARY, ARCHIVES AND PUBLIC RECORDS OF THE DEPARTMENT OF ADMINISTRATION FOR THE PURPOSE OF EXCHANGE WITH OTHER STATES, TERRITORIES, THE UNITED STATES AND FOREIGN COUNTRIES, SUCH NUMBER OF COPIES OF THE STATUTES AND OFFICIAL SUPPLEMENTS OF THE STATUTES AS THE ASSISTANT DIRECTOR REQUISITIONS, IN ACCORDANCE WITH SECTION 41-742.

D. THE SECRETARY OF STATE SHALL SUPPLY TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE

LAWS OF ARIZONA

SUCH NUMBER OF COPIES OF THE STATUTES, OFFICIAL SUPPLEMENTS OF THE STATUTES, SESSION LAWS AND JOURNALS AS SUCH OFFICERS SHALL REQUEST FOR DISTRIBUTION AS PROVIDED BY SECTION 41-1177.

~~D. The secretary of state shall deliver a copy of the journals of the legislature to any officer specified in subsection A who applies therefor.~~

E. The secretary of state shall sell printed copies of the session laws and journals to the public at a price equal to the cost of publishing and distributing each copy.

Sec. 2. Section 41-742, Arizona Revised Statutes, is amended to read:

41-742. Powers and duties of assistant director for library, archives and public records

The assistant director for library, archives and public records shall:

1. Establish rules and regulations for the use of books or other materials in the custody of the division, and for the removal of books from the library, including assessment of reasonable penalties for failure to return books when due. The proceeds from the assessment of reasonable penalties shall be transmitted to the state treasurer for the credit of the department of administration and such monies shall be used only for the purchase of other books or materials.
2. Sell or exchange undesired duplicate copies of books, or books not of value for the purposes of the library, or photographic reproductions of divisional holdings, and remit the proceeds to the state treasurer for credit to the department of administration fund which shall be used for the purchase of other books or materials.
3. Bring actions for the recovery of books, or for three times the value thereof, against any person having them in his possession or who is responsible therefor, and who has failed or refused to return them upon demand. If a book is one of a set the value thereof may be deemed the value of the entire set.
4. Certify copies from books, documents or other archival or public records which have been deposited in the custody of the division. The fee

LAWS OF ARIZONA

for such certification shall be the same as prescribed for the certification of records by the secretary of state. Such certificates shall have the same force and effect as if made by the officer originally in charge of such record.

5. Arrange with the federal government, other states and foreign countries, for a system of exchange of official state reports and publications, SESSION laws, statutes, legislative journals and supreme court reports. ~~For such purpose~~ EXCEPT FOR STATUTES AND OFFICIAL SUPPLEMENTS OF THE STATUTES WHICH SHALL BE PURCHASED DIRECTLY BY THE DIVISION AND DISTRIBUTED, the division shall make requisition upon the secretary of state, the heads of departments and all officers and agents of the state for the number of copies of official publications he needs for such exchange, and it shall be the duty of the officers to supply them.

6. SUPPLY ONE COPY OF EACH OFFICIAL COMPILATION OR REVISION OF THE LAWS AND ANNUALLY ONE OFFICIAL SUPPLEMENT THEREOF TO EACH PUBLIC LIBRARY IN THIS STATE THAT APPLIES THEREFOR.

7. Make an annual report to the director of the department of administration for submission to the legislature on the condition of the library, archives and public records division its activities and the disposition of monies expended for its maintenance, and transmit a copy thereof to the governor.

Sec. 3. Title 41, chapter 7, article 5.1, Arizona Revised Statutes, is amended by adding section 41-1177, to read:

41-1177. Distribution of statutes to legislators

A. THE LEGISLATURE SHALL PROVIDE TO EACH MEMBER ONE COPY OF EACH JOURNAL AND SESSION LAWS, ONE SET OF THE STATUTES AND SHALL PROVIDE OFFICIAL SUPPLEMENTS OF THE STATUTES TO THE MEMBER DURING EACH YEAR HE REMAINS IN OFFICE.

B. THE LEGISLATURE MAY PROVIDE FOR USE BY ANY EMPLOYEE AUTHORIZED BY THE PRESIDENT OF THE SENATE OR SPEAKER OF THE HOUSE ONE COPY OF EACH JOURNAL AND

LAWS OF ARIZONA

SESSION LAWS AND ONE SET OF THE STATUTES AND OFFICIAL SUPPLEMENTS OF THE STATUTES.

Sec. 4. **Effective date**

This act shall become effective July 1, 1975.

Approved by the Governor—May 20, 1974

Filed in the Office of the Secretary of State—May 20, 1974

CHAPTER 187

Senate Bill 1165

AN ACT

RELATING TO PUBLIC HEALTH; PROVIDING FOR MEDICAL ASSISTANCE FOR THE CATEGORICALLY NEEDY, THE MEDICALLY NEEDY AND GENERAL ASSISTANCE RECIPIENTS; PROVIDING FOR CATASTROPHIC MEDICAL COSTS INSURANCE PROGRAM; PROVIDING FOR A PREMIUM TAX; PROVIDING CERTAIN STANDARDS FOR HEALTH AND MEDICAL BENEFITS AND MEDICAL ASSISTANCE; PROVIDING FOR REGULATION OF HEALTH CARE SERVICES ORGANIZATIONS BY THE DEPARTMENT OF HEALTH SERVICES; PRESCRIBING CERTAIN TAX DEDUCTIONS; AMENDING TITLE 11, CHAPTER 2, ARTICLE 7, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 11-291.01 AND 11-291.02; AMENDING SECTIONS 11-292 AND 20-224, ARIZONA REVISED STATUTES; REPEALING TITLE 20, CHAPTER 4, ARTICLE 7, ARIZONA REVISED STATUTES; AMENDING TITLE 20, CHAPTER 4, ARIZONA REVISED STATUTES, BY ADDING A NEW ARTICLE 7; AMENDING TITLE 20, CHAPTER 4, ARTICLE 7, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 20-1003 AND 20-1004; AMENDING SECTIONS 20-1051, 20-1053, 20-1054, 20-1058, 20-1059, 20-1064, 20-1065 AND 36-125.01, ARIZONA REVISED

LAWS OF ARIZONA

STATUTES; AMENDING TITLE 36, CHAPTER 1, ARTICLE 1.1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 36-125.04; AMENDING SECTION 36-185, ARIZONA REVISED STATUTES; AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 21; AMENDING SECTIONS 43-123.03 AND 43-123.26, ARIZONA REVISED STATUTES, AND MAKING AN APPROPRIATION.

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

Section 1. Title 11, chapter 2, article 7, Arizona Revised Statutes, is amended by adding section 11-291.01, to read:

11-291.01. **Medical assistance for the categorically needy, the medically needy and general assistance recipients; records and reports**

A. NOTWITHSTANDING THE PROVISIONS OF SECTION 11-291, THE CATEGORICALLY NEEDY, THE MEDICALLY NEEDY AND THE GENERAL ASSISTANCE RECIPIENTS PERSONS IN THE COUNTY SHALL RECEIVE MEDICAL ASSISTANCE PURSUANT TO THE PROVISIONS OF TITLE 36, CHAPTER 21, ARTICLE 1.

B. IN ADDITION TO THE RECORDS REQUIRED BY SECTION 11-296, THE BOARD OF SUPERVISORS SHALL MAINTAIN SEPARATE RECORDS RELATING TO COST, UTILIZATION AND REVENUES CONCERNING MEDICAL ASSISTANCE FOR THE CATEGORICALLY NEEDY, THE MEDICALLY NEEDY AND THE GENERAL ASSISTANCE RECIPIENTS. THE BOARD OF SUPERVISORS SHALL COOPERATE WITH AND FURNISH TO THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES SUCH INFORMATION ON COST AND UTILIZATION RELATING TO HOSPITALIZATION AND MEDICAL CARE OF THE INDIGENT SICK AS THE DIRECTOR MAY REQUEST.

Sec. 2. Title 11, chapter 2, article 7, Arizona Revised Statutes, is amended by adding a new section 11-291.02, to read:

11-291.02. **Catastrophic medical costs benefits; application; funds**

A. ANY RESIDENT OF THIS STATE MAY APPLY FOR AND RECEIVE CATASTROPHIC MEDICAL COSTS BENEFITS FROM THE

LAWS OF ARIZONA

COUNTY BOARD OF SUPERVISORS FOR THE COUNTY IN WHICH SUCH PERSON RESIDES, PROVIDING HE:

1. IS NOT ELIGIBLE FOR MEDICAL ASSISTANCE UNDER TITLE 36, CHAPTER 21, OR ANY OTHER FEDERAL OR STATE MEDICAL ASSISTANCE PROGRAM; AND
2. IS UNABLE TO PURCHASE HEALTH INSURANCE WITHOUT WAIVERS FROM TWO OR MORE INSURERS BECAUSE OF PREEXISTING CONDITIONS OR OTHER RESTRICTIONS; AND
3. HAS AN ANNUAL ADJUSTED GROSS INCOME AS DEFINED IN TITLE 43, OF LESS THAN NINE THOUSAND DOLLARS IF HE IS SINGLE OR IS A MARRIED PERSON LIVING ALONE, OR TEN THOUSAND DOLLARS IF HE IS A MARRIED PERSON LIVING WITH SPOUSE, PLUS FOUR HUNDRED SIXTY-SIX DOLLARS FOR EACH ADDITIONAL DEPENDENT MEMBER OF HIS HOUSEHOLD.

B. EACH BOARD OF SUPERVISORS SHALL PROVIDE FOR THE PAYMENT OF SUCH PORTION OF AN APPLICANT'S CATASTROPHIC MEDICAL COSTS, AS DEFINED IN SECTION 20-1001, AS ARE PRESCRIBED BY REGULATIONS ISSUED BY THE DIRECTOR OF THE STATE DEPARTMENT OF HEALTH SERVICES. SUCH REGULATIONS SHALL PROVIDE REASONABLE REQUIREMENTS FOR COPAYMENT AND COINSURANCE, AS SUCH TERMS ARE DEFINED IN SECTION 20-1002, BASED ON THE FINANCIAL ABILITY TO PAY OF THE APPLICANT.

Sec. 3. Section 11-292, Arizona Revised Statutes, is amended to read:

11-292. Tax levy for medical care; medical assistance fund

A. The board of supervisors shall, subject to the applicable provisions of title 42, chapter 2, article 4, include in its annual budget and tax levy for county purposes, such amount as it deems necessary and adequate for:

1. The hospitalization, medical care and outpatient relief of the indigent sick in the county NOT PROVIDED FOR BY TITLE 36, CHAPTER 21, ARTICLE 1,
2. AN AMOUNT EQUAL TO THE AMOUNT EXPENDED BY SUCH COUNTY IN FISCAL YEAR 1974-75 FOR HOSPITALIZATION AND

LAWS OF ARIZONA

MEDICAL CARE OF THOSE PERSONS CLASSIFIED PURSUANT TO TITLE 36, CHAPTER 21, ARTICLE 1, AS THE CATEGORICALLY NEEDY, THE MEDICALLY NEEDY AND THE GENERAL ASSISTANCE RECIPIENTS, AND

3. THE CATASTROPHIC ILLNESS BENEFITS FOR THOSE PERSONS AND FAMILIES COVERED BY SECTION 11-291.02.

B. THE AMOUNTS COLLECTED UNDER THE TAX LEVIES PROVIDED FOR IN SUBSECTION A, PARAGRAPH 2, SHALL BE PAID INTO THE STATE MEDICAL ASSISTANCE FUND ESTABLISHED UNDER SECTION 36-2172. SUCH AMOUNTS SHALL BE PAID BY THE COUNTY TREASURER, IN QUARTERLY INSTALLMENTS ON JULY 1, OCTOBER 1, JANUARY 1, AND APRIL 1, TO THE FUND.

C. IN THE EVENT ANY FUNDS, OTHER THAN STATE OR FEDERAL FUNDS, REMAIN UNEXPENDED AND UNCOMMITTED IN THE STATE MEDICAL ASSISTANCE FUND AT THE END OF ANY FISCAL YEAR, EACH COUNTY SHALL BE PAID A PERCENTAGE OF SUCH REMAINDER EQUAL TO THE PERCENTAGE ITS CONTRIBUTION TO THE FUND WAS OF TOTAL COUNTY CONTRIBUTIONS FOR SUCH YEAR, EXCEPT THAT THE COUNTY SHALL REPAY TO SUCH FUND AFTER THE CLOSE OF SUCH FISCAL YEAR ANY SUM DETERMINED TO BE APPLICABLE TO AND BASED UPON A CLAIM WHICH AROSE IN SUCH FISCAL YEAR.

D. IN THE EVENT THE BOARD OF SUPERVISORS AND THE DEPARTMENT OF HEALTH SERVICES DO NOT AGREE ON THE AMOUNT OF MONIES EXPENDED FOR CARE OF SUCH PERSONS OR TO BE REMITTED, THE AUDITOR GENERAL SHALL EXAMINE ALL RECORDS AND MAKE A DETERMINATION OF THE CORRECT AMOUNT, WHICH SHALL THEN BE REMITTED BY THE COUNTY TREASURER IN THE PRESCRIBED MANNER.

Sec. 4. Section 20-224, Arizona Revised Statutes, is amended to read:

20-224. **Premium tax**

A. Each authorized insurer, and each formerly authorized insurer referred to in subsection B of section 20-206, shall file with the director,

LAWS OF ARIZONA

on or before March 1 each year, a report in form as prescribed by the director showing total direct premium income including policy membership and other fees and all other considerations for insurance from all classes of business whether designated as a premium or otherwise received by it during the preceding calendar year on account of policies and contracts covering property, subjects or risks located, resident or to be performed in this state, after deducting from such total direct premium income applicable cancellations, returned premiums, the amount of reduction in or refund of premiums allowed to industrial life policyholders for payment of premiums direct to an office of the insurer, all policy dividends, refunds, savings coupons and other similar returns paid or credited to policyholders within this state and not reapplied as premiums for new, additional or extended insurance. No deduction shall be made of the cash surrender values of policies or contracts. Considerations received on annuity contracts, as well as the unabsorbed portion of any premium deposit, shall not be included in total direct premium income, and neither shall be subject to tax.

B. Coincident with the filing of such tax report each foreign or alien insurer and each domestic insurer who fails to maintain in this state a home office as defined by rules and regulations adopted by the director shall pay to the state treasurer, through the director, a tax of two per cent of such net premiums. Each domestic insurer maintaining in this state a home office as defined by rules and regulations adopted by the director AND EACH HEALTH INSURANCE ASSOCIATION ESTABLISHED UNDER SECTION 20-1003 shall so pay a tax of one per cent of such net premiums.

C. That portion of the tax paid hereunder by an insurer on account of premiums received for fire insurance shall be separately specified in the report and shall be apportioned in the manner provided by sections 9-951, 9-952, and 9-972, except that all of the tax allocated to a fund of a municipality which has no volunteer firemen or pension obligations to volunteer firemen shall be appropriated to the account of the municipality in the public safety personnel retirement system and all of the tax allocated to a fund of a municipality which has both full time paid firemen and volunteer firemen or pension obligations to full time paid firemen or volunteer firemen shall be appropriated to the account of the municipality in the public safety personnel retirement system where it shall be reallocated by actuarial procedures proportionately to the municipality for the account of the full time paid firemen and to the municipality for the account of the volunteer firemen. A full accounting of such reallocation shall be forwarded to the municipality and both local boards.

LAWS OF ARIZONA

D. This section shall not apply to title insurance, and such insurers shall be taxed as provided in section 20-1566.

E. Notwithstanding the provisions of subsection B of this section a domestic insurer formed under the laws of this state prior to January 1, 1973, which does not maintain in this state a home office as defined by rules and regulations adopted by the director shall, until January 1, 1975, pay the tax provided for a domestic insurer which maintains a home office in this state. Thereafter such domestic insurer shall have either established a home office or shall pay the tax prescribed for a foreign or alien insurer and for each domestic insurer not maintaining a home office in this state.

Sec. 5. **Repeal**

Title 20, chapter 4, article 7, Arizona Revised Statutes, is repealed.

Sec. 6. Title 20, chapter 4, Arizona Revised Statutes, is amended by adding a new article 7, sections 20-1001 and 20-1002, to read:

ARTICLE 7. CATASTROPHIC MEDICAL COSTS
INSURANCE PROGRAM

20-1001. **Definitions**

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "CATASTROPHIC MEDICAL COSTS" MEANS THOSE MEDICAL COSTS BEYOND FIVE THOUSAND DOLLARS INCURRED BY AN INDIVIDUAL IN ANY TWO-YEAR PERIOD FOR ANY INJURY, SICKNESS OR IMPAIRMENT TO THE EXTENT SUCH COSTS ARE NOT ELIGIBLE FOR BENEFITS THROUGH INSURANCE OR GOVERNMENTAL PROGRAM OF ANY DESCRIPTION.

2. "HEALTH INSURANCE" MEANS COVERAGE OF ANY DESCRIPTION PROVIDED BY HEALTH INSURERS FOR EXPENSE OF INJURY, SICKNESS OR IMPAIRMENT.

3. "HEALTH INSURERS" MEANS INSURANCE COMPANIES, HOSPITAL SERVICE CORPORATIONS, MEDICAL SERVICE CORPORATIONS OR HEALTH CARE SERVICES ORGANIZATIONS.

4. "MEDICAL COSTS" MEANS AS A MINIMUM:

LAWS OF ARIZONA

(a) EXPENSES OF INSTITUTIONAL CARE ORDERED BY A PHYSICIAN AND CONSISTING OF NECESSARY INPATIENT AND OUTPATIENT CARE INCLUDING USUAL ANCILLARY SERVICES PERFORMED IN A LICENSED HOSPITAL AND CARE PERFORMED IN A LICENSED EXTENDED CARE FACILITY OR A LICENSED HOME HEALTH AGENCY, A LICENSED FREE-STANDING SURGICAL FACILITY OR A LICENSED SKILLED NURSING FACILITY.

(b) EXPENSES OF PROFESSIONAL SERVICES CONSISTING OF NECESSARY MEDICAL OR SURGICAL SERVICES FOR PREVENTIVE, DIAGNOSTIC, THERAPEUTIC, CONSULTATIVE OR REHABILITATIVE, BUT NOT CUSTODIAL PURPOSES AND PERFORMED BY A PHYSICIAN, LICENSED DENTIST, LICENSED PODIATRIST, LICENSED REGISTERED NURSE, REGISTERED OPTOMETRIST OR LICENSED PHYSICAL THERAPIST.

(c) EXPENSES OF MEDICAL SUPPLIES AND ITEMS CONSISTING OF NECESSARY PRESCRIPTION DRUGS AND MEDICINES, LABORATORY AND X-RAY SERVICES, BLOOD AND OXYGEN, AMBULANCE TRANSPORTATION, ORTHOPEDIC BRACES AND PROSTHETIC APPLIANCES AND RENTAL OR PURCHASE OF DURABLE MEDICAL EQUIPMENT.

5. "PHYSICIAN" MEANS A LICENSED DOCTOR OF MEDICINE OR DOCTOR OF OSTEOPATHY.

20-1002. Scope of coverage; utilization and cost control

A. EACH QUALIFIED INSURER, OTHER THAN THOSE SPECIFIED IN SECTIONS 20-708, 20-934 AND 20-1602, TRANSACTING HEALTH INSURANCE SHALL INCLUDE IN ITS COVERAGE CATASTROPHIC MEDICAL COSTS, UNLESS THE INSURED DECLINES SUCH COVERAGE IN WRITING. SUCH COVERAGE SHALL PROVIDE THAT WHEN A COVERED INDIVIDUAL INCURS FIVE THOUSAND DOLLARS OR MORE WITHIN A PERIOD OF TWELVE MONTHS IN CHARGES FOR SERVICES OR ITEMS COVERED IN WHOLE OR PART BY THIS SECTION, THEREAFTER BENEFITS, AS SPECIFIED IN THIS ARTICLE, SHALL BE PAYABLE WITHOUT REGARD TO ANY COPAYMENT OR DEDUCTIBLE UP TO A MAXIMUM LIFE-TIME LIMIT FOR ANY INDIVIDUAL OF TWO HUNDRED FIFTY THOUSAND DOLLARS.

LAWS OF ARIZONA

B. THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES SHALL ESTABLISH EFFECTIVE UTILIZATION AND COST CONTROL MEASURES TO CONTROL OVER-UTILIZATION AND EXCESSIVE COSTS. SUCH MEASURES SHALL NOT EXCEED THOSE STANDARDS REQUIRED IN HOSPITALS AND HEALTH CARE INSTITUTIONS IN THIS STATE FOR PROVIDERS OF SERVICES UNDER TITLE XIX OF THE SOCIAL SECURITY ACT.

C. IN THIS SECTION:

1. "COPAYMENT" MEANS AN AMOUNT PAID BY AN INSURED TO A PROVIDER OF HEALTH OR MEDICAL SERVICES FOR THE RENDERING OF SUCH SERVICES.

2. "DEDUCTIBLE" MEANS A DOLLAR AMOUNT WHICH MUST BE PAID OR INCURRED BY AN INSURED BEFORE A SPECIFIED PORTION OF AN INSURANCE CONTRACT BECOMES EFFECTIVE.

Sec. 7. Title 20, chapter 4, article 7, Arizona Revised Statutes, as added by section 6 of this act, is amended by adding sections 20-1003 and 20-1004, to read:

20-1003. **Insurance associations**

A. THERE SHALL BE ESTABLISHED ONE OR MORE INSURANCE ASSOCIATIONS FOR THE PURPOSE OF OFFERING, ISSUING AND ADMINISTERING CATASTROPHIC MEDICAL COSTS INSURANCE TO:

1. ANY PERSON APPLYING THEREFOR WHO IS UNABLE TO PURCHASE HEALTH INSURANCE WITHOUT WAIVERS FROM TWO OR MORE INSURERS BECAUSE OF PREEXISTING CONDITIONS OR OTHER RESTRICTIONS.

2. COUNTY BOARDS OF SUPERVISORS WHO WISH TO OBTAIN SUCH CATASTROPHIC MEDICAL COST COVERAGE FOR INDIGENTS FOR WHOM THEY ARE RESPONSIBLE PURSUANT TO SECTIONS 11-291 AND 11-291.01.

B. ONE SUCH ASSOCIATION MAY CONSIST OF ALL INSURANCE COMPANIES TRANSACTING HEALTH INSURANCE. ANOTHER

LAWS OF ARIZONA

SUCH ASSOCIATION MAY CONSIST OF ALL HOSPITAL SERVICE CORPORATIONS AND ALL MEDICAL SERVICE CORPORATIONS TRANSACTING HEALTH INSURANCE. THERE MAY BE OTHER SUCH ASSOCIATIONS AS THE DIRECTOR APPROVES.

C. THE DIRECTOR SHALL ISSUE AN ORDER OR RULE FOR THE EQUITABLE APPORTIONING OF RISKS DESCRIBED IN SUBSECTION A OF THIS SECTION AMONG ALL HEALTH INSURERS IN ACCORDANCE WITH NET DIRECT, HEALTH INSURANCE PREMIUMS RECEIVED BY EACH SUCH INSURER WITHIN THIS STATE.

D. ANY HEALTH INSURER NOT PARTICIPATING IN AN ASSOCIATION SHALL NOT BE AUTHORIZED TO WRITE HEALTH INSURANCE WITHIN THIS STATE, AND THE DIRECTOR SHALL REVOKE ITS CERTIFICATE OF AUTHORITY RESPECTING SUCH INSURANCE.

20-1004. **Powers and duties of director**

THE DIRECTOR SHALL ESTABLISH BY RULES OR REGULATIONS WHATEVER DETAILS HE DEEMS PERTINENT TO COVERAGE OF CATASTROPHIC MEDICAL COSTS INCLUDING BUT NOT LIMITED TO TIME LIMITS ON STOP LOSS PROVISIONS AND ANNUAL RESTORATION OF THE MAXIMUM LIMIT, AND TO CREATION AND MAINTENANCE OF INSURANCE ASSOCIATIONS.

Sec. 8. Section 20-1051, Arizona Revised Statutes, is amended to read:

20-1051. **Definitions**

In this article, unless the context otherwise requires:

1. "Basic health care services" means those health care services which an enrollee might reasonably require AS DETERMINED BY THE DIRECTOR OF THE DEPARTMENT OF THE HEALTH SERVICES in order to be maintained in good health which shall include at least the following:

(a) Emergency care.

LAWS OF ARIZONA

- (b) Inpatient hospital and physician care.
- (c) Outpatient medical services, which shall include laboratory, radiological and other special diagnostic examinations, and suitable alternatives to active care in a general hospital such as in skilled nursing homes or organized home care programs, but not including care which is solely custodial in purpose.
2. "Director" means the director of the department of insurance.
 3. "Enrollee" means an individual who has been enrolled in a health care plan.
 4. "Evidence of coverage" means any certificate, agreement, or contract issued to an enrollee setting out the coverage to which he is entitled.
 5. "Health care plan" means any contractual arrangement whereby any health care services organization undertakes to provide directly or to arrange for all or a portion of designated basic health care services and to pay or make reimbursement for any remaining portion of such basic health care services on a prepaid basis through insurance or otherwise. A health care plan shall include basic health care services.
 6. "Health care services" means any services for the purpose of preventing, alleviating, curing, or healing human illness or injury.
 7. "Health care services organization" means any person which undertakes to conduct one or more health care plans.
 8. "Person" means any natural or artificial person including, but not limited to, individuals, partnerships, associations, providers of health care, trusts, insurers, hospital or medical service corporations or other corporations, prepaid group practice plans, foundations for medical care and health maintenance organizations.
 9. "Provider" means any physician, hospital, or other person which is licensed or otherwise authorized to furnish health care services in this state.

Sec. 9. Section 20-1053, Arizona Revised Statutes, is amended to read:

LAWS OF ARIZONA

20-1053. **Application for certificate of authority**

A. An application for a certificate of authority to operate as a health care services organization shall be filed with the director in a form prescribed by the director, shall be verified by an officer or authorized representative of the applicant and shall set forth, or be accompanied by, the following:

1. A copy of the basic organizational document, if any, of the applicant such as the articles of incorporation, articles of association, partnership agreement, trust agreement, or other applicable documents, and all amendments thereto.

2. A copy of the bylaws, rules and regulations, or similar document, if any, regulating the conduct of the internal affairs of the applicant.

3. A list of the names, addresses, and official positions of the persons who are to be responsible for the conduct of the affairs of the applicant, including all members of the board of directors, board of trustees, executive committee, or other governing board or committee, the principal officers in the case of a corporation, and the partners or members in the case of a partnership or association.

4. A copy of any contract made or to be made between any providers or persons listed in paragraph 3 of this subsection and the applicant.

5. A statement generally describing the health care services organization, its health care plan or plans, facilities, and personnel, AS APPROVED BY THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES.

6. A copy of the form of evidence of coverage to be issued to the enrollees.

7. A copy of the form of the group contract, if any, which is to be issued to employers, unions, trustees, or other organizations.

8. Financial statements showing the applicant's assets, liabilities, and sources of financial support. If the applicant's financial affairs are audited by independent certified public accountants, a copy of the applicant's most recent regular certified financial statement shall be deemed to satisfy

LAWS OF ARIZONA

this requirement unless the director determines that additional or more recent financial information is required for the proper administration of this article.

9. A description of the proposed method of marketing the plan, a financial plan which includes a three-year projection of the initial operating results anticipated, and a statement as to the sources of working capital as well as any other sources of funding.

10. A power of attorney duly executed by such applicant, if not domiciled in this state, appointing the director and his successors in office, and duly authorized deputies, as the true and lawful attorney of such applicant in and for this state, upon whom all lawful process in any legal action or proceeding against the health care services organization on a cause of action arising in this state may be served.

11. A statement reasonably describing the geographic area or areas to be served, **AS APPROVED BY THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES.**

12. The fee prescribed by section 20-167 respecting issuance of a certificate of authority to a hospital or medical service corporation.

13. Such other information as the director may require.

B. Within ten days following any significant modification of information previously furnished pursuant to subsection A, a health care services organization shall file notice thereof with the director.

Sec. 10. Section 20-1054, Arizona Revised Statutes, is amended to read:

20-1054. Issuance of certificate of authority

A. Issuance of a certificate of authority shall be granted by the director if he is satisfied that the following conditions are met:

1. The persons responsible for conducting the affairs of the health care services organization are competent and trustworthy **AND ARE PROFESSIONALLY CAPABLE OF PROVIDING OR ARRANGING FOR THE PROVISION OF HEALTH AND MEDICAL SERVICES BEING OFFERED.**

LAWS OF ARIZONA

2. The health care services organization constitutes an appropriate mechanism to achieve an effective health care plan, IN ACCORDANCE WITH REGULATIONS ISSUED BY THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES, which shall include at least the basic health care services.

3. The health care services organization is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. In making this determination, the director may consider:

(a) The financial soundness of the health care plan's arrangements for health care services and the schedule of charges used in connection therewith.

(b) Any agreement with an insurer, a hospital or a medical service corporation, a government, or any other organization for insuring the payment of the cost of health care services or the provision for automatic applicability of an alternative coverage in the event of discontinuance of the plan.

(c) Any agreement with providers for the provision of health care services.

4. Each officer responsible for conducting the affairs of the health care services organization has filed with the director, subject to the director's approval, a fidelity bond in the amount of fifty thousand dollars.

B. A certificate of authority prescribed by subsection A shall expire at midnight on June 30 next following date of issuance or previous renewal. If the health care services organization remains in compliance with this article and has paid the fee prescribed by section 20-167 respecting renewal of a certificate of authority to a hospital and medical service corporation, its certificate shall be renewed.

Sec. 11. Section 20-1058, Arizona Revised Statutes, is amended to read:

20-1058. Examination of health care services organizations

A. The director may once in each six months for the first three years after organization and once each year thereafter, or more often if deemed

LAWS OF ARIZONA

necessary by the director, visit each health care services organization organized under the laws of this state and examine its financial condition and its ability to meet its liabilities, and its compliance with the laws of this state affecting the conduct of its business. The director may annually similarly visit and examine, either alone or jointly with representatives of the insurance supervising departments of other states, each health care services organization not organized under the laws of this state but authorized to transact business in this state.

B. The director may in like manner examine each health care services organization applying for an initial certificate of authority to do business in this state.

C. In lieu of making his own examination, the director may accept a full report of the last recent examination of a foreign or alien health care services organization, certified to by the insurance supervisory official of another state, territory, commonwealth or district of the United States.

D. THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES MAY PARTICIPATE IN THE EXAMINATIONS AND VISITS DESCRIBED IN THE FOREGOING SUBSECTIONS TO VERIFY THE EXISTENCE OF AN EFFECTIVE HEALTH CARE PLAN AND TO REVIEW THE DELIVERY OF HEALTH AND MEDICAL SERVICES BY THE HEALTH CARE SERVICES ORGANIZATION.

Sec. 12. Section 20-1059, Arizona Revised Statutes, is amended to read:

20-1059. Annual report to director

A. Every health care services organization annually on or before the first day of March shall file with the director a report covering its activities for the preceding calendar year, verified by at least two principal officers of the corporation. A COPY OF THE REPORT SHALL BE SENT BY THE HEALTH CARE SERVICES ORGANIZATION TO THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES.

B. Such reports shall be on forms prescribed by the director and shall include:

1. A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent public accountant.

LAWS OF ARIZONA

2. Any material changes in the information submitted pursuant to section 20-1053.
3. The number of persons enrolled during the year, the number of enrollees as of the end of the year and the number of enrollments terminated during the year.
4. Such other information relating to the performance of the health care services organization as is necessary to enable the director AND THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES to carry out his duties under this article.

Sec. 13. Section 20-1064, Arizona Revised Statutes, is amended to read:

20-1064. Examination

The director AND THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES may conduct an examination of the affairs of any health care services organization as often as he deems it necessary for the protection of the interests of the people of this state and for this purpose shall have the powers set forth in this title with respect to examinations of insurers.

Sec. 14. Section 20-1065, Arizona Revised Statutes, is amended to read:

20-1065. Suspension or revocation of certificate of authority

- A. The director may suspend or revoke any certificate of authority issued to a health care services organization under this article if he finds that any of the following conditions exist:
 1. The health care services organization is operating significantly in contravention of its basic organizational documents or in a manner contrary to that described in, and reasonably inferred from, any other information submitted under section 20-1053.
 2. The health care services organization issues evidences of coverage which do not comply with the requirements of section 20-1057.
 3. The health care plan does not provide or arrange for basic health care services AS DETERMINED BY THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES.

LAWS OF ARIZONA

4. The health care services organization can no longer be expected to meet its obligations to enrollees or prospective enrollees.

5. The health care services organization, or any authorized person on its behalf, has advertised or merchandised its services in an untrue, misleading, deceptive or unfair manner.

6. The health care services organization has failed to substantially comply with this article.

B. When the certificate of authority of a health care services organization is suspended the health care services organization shall not, during the period of such suspension, enroll any additional enrollees except newborn children or other newly acquired dependents of existing enrollees and shall not engage in any advertising or solicitation whatsoever.

C. When the certificate of authority of a health care services organization is revoked, such organization shall proceed, immediately following the effective date of the order of revocation, to conclude its affairs and shall conduct no further business except as may be essential to the orderly conclusion of solicitation. The director, by written order, may permit such further operation of the organization as he may find to be in the best interest of enrollees to the end that enrollees shall be afforded the greatest practical opportunity to obtain continuing health care coverage.

D. Notwithstanding the provisions of subsections B and C, a health care services organization which has had its certificate of authority denied, suspended or revoked shall be entitled to a hearing pursuant to title 41, chapter 6, article 1, and to judicial review pursuant to title 12, chapter 7, article 6.

Sec. 15. Section 36-125.01, Arizona Revised Statutes, as amended by Laws 1973, chapter 158, section 7, is amended to read:

36-125.01. Development and review of plan for health services

A. The department shall develop, in collaboration with the college of medicine of the university of Arizona, and periodically review a state plan for providing health service to Arizona residents consistent with the following procedures:

LAWS OF ARIZONA

1. Delineate and describe existing means or systems for providing health services, including efforts to prevent and cure illness and injury, to eliminate environmental hazards to health, to provide rehabilitative services for physical and mental conditions and to provide information concerning need and availability of services.
2. Objectively determine needs for the various types of services indicated above in counties, regional planning areas, other geographic areas, ethnic and occupational groups, or other areal divisions and population grouping as required to characterize and localize needs for specific types of health services.
3. Assess the present distribution of resources, both personnel and facilities, available for providing needed services and determine where services are deficient, inappropriately distributed or excessive. This assessment will take into account services provided through public institutions and governmental programs, such as the programs to provide care for the indigent sick conducted by the various counties.
4. Obtain from both providers and recipients of health services, information concerning expectation of systems regarding preference for types of systems, scope of services and means for receiving health care.
5. Selectively examine systems for providing and financing health care in other states to determine their appropriateness to meet defined needs in this state.
6. Solicit from governmental and private agencies and from employed consultants as necessary proposals for providing health care including means of financing that will meet defined health needs and objectives established for a health care system for this state.
7. Formulate specifications and objectives for a plan to make available appropriate and acceptable health care to residents of this state. Specifications shall include but are not limited to the following:
 - (a) The plan shall propose multiple systems for providing health care.
 - ~~(b) The plan shall provide that the various systems of health care are available to all citizens. No single system is to be designed for a specific group.~~

LAWS OF ARIZONA

~~(c)~~ (b) All persons should have access to appropriate health care. Access includes both physical and financial availability.

8. Formulate a plan, or alternate plans, for providing systems of health care in this state that will conform to the specifications and objectives provided for in paragraph 7.

9. The plan shall include provision for at least annual review and evaluation of systems in current use and such innovative changes in systems as are needed as to their appropriateness in meeting needs for services and expectations of providers and recipients of health services. If the resulting state plan for health care is adopted in whole or in part, the department shall annually review the existing plan and make appropriate recommendations for revision or additions.

B. In developing the state plan for health services, the department, in collaboration with the college of medicine, shall function with advice and counsel of the state health planning advisory council and with collaboration of local health planning agencies recognized by the department.

C. THE DEPARTMENT SHALL SUBMIT THE INITIAL STATE PLAN FOR PROVIDING HEALTH SERVICES TO ARIZONA RESIDENTS TO THE LEGISLATURE NOT LATER THAN JANUARY 30, 1975.

D. THE DIRECTOR SHALL SUBMIT RECOMMENDATIONS FOR THE LEGISLATIVE ESTABLISHMENT OF HEALTH INSURANCE POOLS OR ASSOCIATIONS OF INSURERS AND OTHER MECHANISMS TO PROVIDE HEALTH INSURANCE FOR THE SELF-EMPLOYED, UNINSURABLES AND INDIGENT RESIDENTS NOT LATER THAN JANUARY 30, 1975.

Sec. 16. Title 36, chapter 1, article 1.1, Arizona Revised Statutes, is amended by adding section 36-125.04, to read:

36-125.04. Standards for health and medical benefits and medical assistance; annual review

A. THE FOLLOWING STANDARDS OF HEALTH AND MEDICAL BENEFITS ARE ESTABLISHED FOR HEALTH PLANNING PURPOSES:

LAWS OF ARIZONA

1. INPATIENT HOSPITAL SERVICES, OTHER THAN SERVICES IN AN INSTITUTION FOR TUBERCULOSIS OR MENTAL DISEASES, THAT ARE THOSE ITEMS AND SERVICES ORDINARILY FURNISHED BY THE HEALTH CARE INSTITUTION FOR THE CARE AND TREATMENT OF INPATIENTS THAT ARE PROVIDED UNDER THE DIRECTION OF A PHYSICIAN.
2. OUTPATIENT SERVICES THAT ARE THOSE PREVENTIVE, DIAGNOSTIC, THERAPEUTIC, REHABILITATIVE OR PALLIATIVE ITEMS OR SERVICES FURNISHED BY OR UNDER THE DIRECTION OF A PHYSICIAN TO AN OUTPATIENT BY A LICENSED HEALTH CARE INSTITUTION.
3. OTHER LABORATORY AND X-RAY SERVICES ORDERED BY A PHYSICIAN.
4. SKILLED NURSING FACILITY SERVICES, OTHER THAN SERVICES IN AN INSTITUTION FOR TUBERCULOSIS OR MENTAL DISEASES, FOR INDIVIDUALS AGE 21 OR OLDER.
5. PHYSICIANS' SERVICES, WHETHER FURNISHED IN THE OFFICE, THE PATIENT'S HOME, A HEALTH CARE INSTITUTION OR ELSEWHERE, AND MEDICAL OR REMEDIAL CARE SERVICES FURNISHED BY A DULY LICENSED DENTIST, LICENSED PODIATRIST OR REGISTERED OPTOMETRIST.
6. EARLY AND PERIODIC SCREENING AND DIAGNOSIS OF ELIGIBLE INDIVIDUALS UNDER AGE 21 THAT ARE DESIGNED TO ASCERTAIN A CHILD'S PHYSICAL OR MENTAL DEFECTS AND TO DEVELOP SUCH HEALTH CARE, TREATMENT OR OTHER MEASURES NECESSARY TO CORRECT OR AMELIORATE DEFECTS AND CHRONIC CONDITIONS THAT ARE DISCOVERED.
7. HOME HEALTH CARE SERVICES FOR ANY INDIVIDUAL WHO IS ENTITLED TO SKILLED NURSING FACILITY SERVICES UNDER THE STATE PLAN, INCLUDING:
 - (a) INTERMITTENT OR PART-TIME NURSING SERVICES OF A PROFESSIONAL REGISTERED NURSE OR A LICENSED PRACTICAL NURSE FURNISHED BY A HOME HEALTH AGENCY.

LAWS OF ARIZONA

(b) INTERMITTENT OR PART-TIME NURSING SERVICES OF A PROFESSIONAL REGISTERED NURSE OR A LICENSED PRACTICAL NURSE UNDER THE DIRECTION OF THE PATIENT'S PHYSICIAN WHEN NO HOME HEALTH AGENCY IS AVAILABLE TO PROVIDE NURSING SERVICES.

(c) MEDICAL SUPPLIES, EQUIPMENT, AND APPLIANCES ORDERED BY A PHYSICIAN FOR USE IN THE HOME.

(d) SERVICES OF A HOME HEALTH AIDE.

8. TRANSPORTATION TO AND FROM MEDICAL CARE AND SERVICES, INCLUDING THE EXPENSES OF TRANSPORTATION AND OTHER RELATED TRAVEL EXPENSES NECESSARY TO SECURING MEDICAL EXAMINATIONS OR TREATMENT WHEN DETERMINED BY THE AGENCY TO BE NECESSARY IN THE INDIVIDUAL CASE. TRAVEL EXPENSES SHALL INCLUDE:

(a) THE COST OF TRANSPORTATION FOR THE INDIVIDUAL BY AMBULANCE, TAXICAB, COMMON CARRIER OR OTHER APPROPRIATE MEANS.

(b) THE COST OF OUTSIDE MEALS AND LODGING EN ROUTE TO, WHILE RECEIVING MEDICAL CARE, AND RETURNING FROM A MEDICAL RESOURCE.

(c) THE COST OF AN ATTENDANT TO ACCOMPANY HIM, IF MEDICALLY NECESSARY.

9. FAMILY PLANNING AND ADOPTION SERVICES AND SUPPLIES THAT CONSIST OF ANY MEDICALLY APPROVED MEANS, INCLUDING DIAGNOSIS, TREATMENT, DRUGS, SUPPLIES, DEVICES AND RELATED COUNSELING WHICH ARE FURNISHED OR PRESCRIBED BY OR UNDER THE SUPERVISION OF A PHYSICIAN FOR INDIVIDUALS OF CHILD-BEARING AGE, INCLUDING MINORS WHO CAN BE CONSIDERED TO BE SEXUALLY ACTIVE, FOR PURPOSES OF ENABLING SUCH INDIVIDUALS FREELY TO DETERMINE THE NUMBER AND SPACING OF THEIR CHILDREN.

10. PRESCRIBED DRUGS ORDERED BY A PHYSICIAN, DENTIST OR PODIATRIST.

LAWS OF ARIZONA

11. DENTAL SERVICES, OTHER THAN COSMETIC DENTAL SERVICES.

12. EYE CARE SERVICES, INCLUDING EYEGASSES AND EYE EXAMINATIONS.

B. THE DIRECTOR ANNUALLY SHALL REVIEW THE STANDARDS DESCRIBED IN THIS SECTION AND RECOMMEND TO THE DEPARTMENT OF INSURANCE AND THE LEGISLATURE MEASURES TO UPDATE STANDARDS TO PROMOTE AND ENCOURAGE THE AVAILABILITY AND ACCESSIBILITY OF THESE HEALTH AND MEDICAL BENEFITS TO ALL RESIDENTS OF THE STATE.

C. NO BENEFITS PROVIDED FOR IN THIS SECTION SHALL BE CONSTRUED TO INCLUDE INDUCED ABORTION, EXCEPT WHEN DEEMED TO BE MEDICALLY NECESSARY TO SAVE THE LIFE OF A MOTHER OR WHERE PREGNANCY RESULTED FROM RAPE, INCEST OR CRIMINAL ACTION.

Sec. 17. Section 36-185, Arizona Revised Statutes, is amended to read:

36-185. Local department of health funds

A. A county board of health shall annually, before June 1 each year, estimate the cost of maintaining the department for the ensuing fiscal year, and also the amounts of money that may be available from unexpended surpluses or from grants or donations. The estimates shall be submitted in the form of a budget on or before June 1 each year to the board of supervisors, and the board of supervisors shall provide any money necessary to cover the cost of maintaining the department for the ensuing fiscal year.

B. A city-county board of health shall annually, before June 1 each year, estimate the cost of maintaining the department for the ensuing year, and also the amounts of money that may be available from unexpended surpluses or from grants or donations. The estimates shall be submitted in the form of a budget on or before June 1 each year to the board of supervisors and to the city council or councils, and such board of supervisors and city council or councils shall provide any money necessary

LAWS OF ARIZONA

to cover the cost of maintaining the department for the ensuing fiscal year. The cost shall be shared on an equal per capita basis, based on the last official census of the population of each city participating and the population of the county outside of the area of the cities.

C. A district board of health shall annually, before June 1 each year, estimate the cost of maintaining the department for the ensuing year, and also the amounts of money that may be available from unexpended surpluses or from grants or donations. The estimates shall be submitted in the form of a budget on or before June 1 of each year to the board of supervisors of each county within the district, and each such board of supervisors shall provide any money necessary to cover the cost of maintaining the department for the ensuing fiscal year. The cost shall be shared on an equal per capita basis, based on the last official census of the population of each county participating. ~~A BASIS DETERMINED BY MUTUAL AGREEMENT BETWEEN THE BOARDS OF SUPERVISORS INVOLVED.~~

D. Local health department funds made available under this article shall be nonreverting and nonlapsing funds.

Sec. 18. Title 36, Arizona Revised Statutes, is amended by adding chapter 21, to read:

CHAPTER 21
MEDICAL ASSISTANCE
ARTICLE 1. GENERAL PROVISIONS

36-2171. **Definitions**

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "CATEGORICALLY NEEDY" MEANS ANY OF THE FOLLOWING:

(a) RECIPIENTS OF FEDERALLY AIDED CASH ASSISTANCE PAYMENTS UNDER TITLE IV-A OR TITLE XVI OF THE SOCIAL SECURITY ACT.

(b) PERSONS ELIGIBLE FOR FEDERALLY AIDED CASH ASSISTANCE PAYMENTS UNDER TITLE IV-A OR TITLE XVI OF

LAWS OF ARIZONA

THE SOCIAL SECURITY ACT WHO ARE NOT RECEIVING SUCH PAYMENTS DUE TO AN ELIGIBILITY CONDITION THAT IS SPECIFICALLY PROHIBITED IN A PROGRAM OF MEDICAL ASSISTANCE UNDER TITLE XIX OF THE SOCIAL SECURITY ACT.

(c) PERSONS UNDER THE AGE OF TWENTY-ONE YEARS WHO WOULD BE ELIGIBLE FOR FEDERALLY AIDED CASH ASSISTANCE PAYMENTS UNDER TITLE IV-A OF THE SOCIAL SECURITY ACT BUT ARE DENIED SUCH PAYMENTS BECAUSE THEY ARE AGE EIGHTEEN OR OLDER OR DO NOT MEET SCHOOL ATTENDANCE REQUIREMENTS.

(d) PERSONS ELIGIBLE TO RECEIVE FEDERALLY AIDED CASH ASSISTANCE PAYMENTS UNDER TITLE IV-A AND TITLE XVI OF THE SOCIAL SECURITY ACT BUT WHO HAVE NOT APPLIED FOR SUCH PAYMENTS.

(e) PERSONS WHO WOULD BE ELIGIBLE FOR FEDERALLY AIDED CASH ASSISTANCE PAYMENTS UNDER TITLE IV-A AND TITLE XVI OF THE SOCIAL SECURITY ACT IF THE STATE HAD ADOPTED THE BROADEST PUBLIC ASSISTANCE PROGRAMS ALLOWABLE UNDER FEDERAL LAW.

(f) PERSONS UNDER THE AGE OF TWENTY-ONE YEARS WHO MEET THE TEST OF FINANCIAL NEED REQUIRED FOR FEDERALLY AIDED CASH ASSISTANCE PAYMENTS UNDER TITLE IV-A OF THE SOCIAL SECURITY ACT.

(g) PERSONS UNDER THE AGE OF TWENTY-ONE YEARS WHO ARE UNDER FOSTER CARE IN HOMES OR PRIVATE INSTITUTIONS AND FOR WHOM PUBLIC AGENCIES ARE ASSUMING FINANCIAL RESPONSIBILITY, IN WHOLE OR IN PART.

(h) PERSONS IN A MEDICAL FACILITY ELIGIBLE TO RECEIVE MEDICAL ASSISTANCE FOR SERVICES RENDERED WHO, IF THEY LEFT SUCH FACILITY, WOULD BE ELIGIBLE FOR FEDERALLY AIDED CASH ASSISTANCE PAYMENTS, INCLUDING ALL SUCH PERSONS WHO HAVE SUFFICIENT INCOME TO MEET THEIR PERSONAL NEEDS WHILE IN SUCH FACILITY BUT INSUFFICIENT INCOME TO MEET NEEDS OUTSIDE SUCH FACILITY.

(i) EACH FAMILY RECEIVING AID UNDER TITLE IV-A OF THE

LAWS OF ARIZONA

SOCIAL SECURITY ACT FOR AT LEAST THREE OF THE SIX MONTHS IMMEDIATELY PRECEDING THE MONTH IN WHICH SUCH FAMILY BECAME INELIGIBLE FOR SUCH AID BECAUSE OF INCREASED INCOME FROM EMPLOYMENT, SHALL REMAIN ELIGIBLE FOR ASSISTANCE AS "CATEGORICALLY NEEDY" FOR FOUR CALENDAR MONTHS BEGINNING WITH THE MONTH IN WHICH SUCH FAMILY BECAME INELIGIBLE FOR AID.

2. "GENERAL ASSISTANCE RECIPIENT" MEANS ANY PERSON, NOT ELIGIBLE FOR FEDERALLY AIDED CASH ASSISTANCE PAYMENTS, WHO IS QUALIFIED AND ELIGIBLE TO RECEIVE STATE GENERAL ASSISTANCE PAYMENTS PURSUANT TO TITLE 46, CHAPTER 2, ARTICLE 2.

3. "MEDICAL ASSISTANCE" MEANS PAYMENTS TO VENDORS OF MEDICAL CARE AND SERVICES, RENDERED OR PROVIDED TO ELIGIBLE PERSONS UNDER THE TERMS OF THIS CHAPTER, AND OTHER RELATED PAYMENTS PURSUANT TO THE TERMS OF THIS CHAPTER AND THE RULES AND REGULATIONS OF THE DEPARTMENT OF HEALTH SERVICES.

4. "MEDICALLY NEEDY" MEANS ANY PERSON WHOSE ASSETS DO NOT EXCEED ELIGIBILITY REQUIREMENTS FOR FEDERALLY AIDED CASH ASSISTANCE PAYMENTS UNDER TITLE IV-A OR TITLE XVI OF THE SOCIAL SECURITY ACT AND WHOSE INCOME AFTER DEDUCTION OF INCURRED MEDICAL EXPENSES DOES NOT EXCEED AN AMOUNT EQUAL TO ONE HUNDRED THIRTY-THREE AND ONE-THIRD PER CENT OF THE MAXIMUM PAYMENT ALLOWABLE UNDER TITLE IV-A OF THE SOCIAL SECURITY ACT FOR A FAMILY OF EQUIVALENT SIZE. SUCH AMOUNT SHALL NOT EXCEED TWO THOUSAND EIGHT HUNDRED DOLLARS IF THE PERSON IS SINGLE OR IS A MARRIED PERSON LIVING ALONE OR THREE THOUSAND SEVEN HUNDRED THIRTY-THREE DOLLARS IF A MARRIED PERSON LIVING WITH HIS SPOUSE, PLUS FOUR HUNDRED SIXTY-SIX DOLLARS FOR EACH ADDITIONAL DEPENDENT MEMBER OF HIS HOUSEHOLD.

5. "PHYSICIAN" MEANS A LICENSED DOCTOR OF MEDICINE OR DOCTOR OF OSTEOPATHY.

36-2172. Medical assistance program; administration; eligibility; medical assistance fund

LAWS OF ARIZONA

A. THE DEPARTMENT OF HEALTH SERVICES SHALL ESTABLISH A STATEWIDE PROGRAM OF MEDICAL ASSISTANCE TO PROVIDE MEDICAL SERVICES TO ARIZONA RESIDENTS WHO ARE THE CATEGORICALLY NEEDY, THE MEDICALLY NEEDY AND THE GENERAL ASSISTANCE RECIPIENTS. THE DEPARTMENT OF HEALTH SERVICES IS DESIGNATED AS THE STATE AGENCY TO ADMINISTER THE PROGRAM PRESCRIBED BY THE TERMS OF TITLE XIX OF THE SOCIAL SECURITY ACT AND THE PROVISIONS OF THIS CHAPTER.

B. THE DEPARTMENT OF ECONOMIC SECURITY SHALL DETERMINE THE ELIGIBILITY OF APPLICANTS FOR MEDICAL ASSISTANCE AND THE ELIGIBILITY STANDARDS SHALL BE IN CONFORMITY WITH THE PROVISIONS OF TITLE XIX OF THE SOCIAL SECURITY ACT AND OF THIS CHAPTER AND SHALL PROVIDE SUCH INFORMATION TO THE DEPARTMENT OF HEALTH SERVICES.

C. THE DEPARTMENT OF HEALTH SERVICES SHALL ACCEPT AND RECEIVE ANY AND ALL GRANTS OF MONEY AWARDED TO THE STATE UNDER THE TERMS OF TITLE XIX OF THE SOCIAL SECURITY ACT. ALL MONIES SO RECEIVED SHALL BE DEPOSITED WITH THE STATE TREASURER IN A SPECIAL FUND DESIGNATED AS THE "MEDICAL ASSISTANCE FUND" AND SHALL BE USED EXCLUSIVELY FOR MEDICAL ASSISTANCE AND THE ADMINISTRATION THEREOF UNDER THE PROVISIONS OF THIS CHAPTER. ALL APPROPRIATED FUNDS IN ANY STATE AGENCY WHICH ARE ELIGIBLE FOR FEDERAL MATCHING UNDER THE PROGRAM OF MEDICAL ASSISTANCE PROVIDED FOR IN THIS SECTION SHALL BE TRANSFERRED TO AND BE CONSIDERED A PART OF THE MEDICAL ASSISTANCE FUNDS. THE DIRECTOR HAS AUTHORITY TO TRANSFER FUNDS FROM THE STATE MEDICAL ASSISTANCE FUND TO THE COUNTY MEDICAL RESERVE FUND PROVIDED FOR BY SECTION 11-292.

D. IN NO EVENT SHALL THE COMBINED STATE AND COUNTY SHARES OF THE COSTS OF THE PROGRAM OF MEDICAL ASSISTANCE PROVIDED FOR BY THIS ARTICLE AND THE CATASTROPHIC ILLNESS BENEFITS PROVIDED FOR IN SECTION 11-291.02 EXCEED A TOTAL ANNUAL AMOUNT OF SIXTY MILLION DOLLARS.

LAWS OF ARIZONA

36-2173. **Duties of department of health services**

THE DEPARTMENT OF HEALTH SERVICES SHALL:

1. PREPARE A STATE PLAN FOR MEDICAL ASSISTANCE WHICH IS IN CONFORMITY WITH THE PROVISIONS OF THIS CHAPTER AND THE REQUIREMENTS FOR A STATE PLAN AS PRESCRIBED BY THE PROVISIONS OF TITLE XIX OF THE SOCIAL SECURITY ACT.
2. PROMULGATE RULES AND REGULATIONS FOR THE ADMINISTRATION OF THIS CHAPTER.
3. PLAN, ORGANIZE AND DIRECT THE OPERATIONS OF THE MEDICAL ASSISTANCE PROGRAM.
4. DEVELOP AND COORDINATE VARIOUS FUNCTIONS OF THE MEDICAL ASSISTANCE DIVISION WITH ALL OTHER FEDERAL, STATE, LOCAL AND PRIVATE AGENCIES.
5. ISSUE MEDICAL ASSISTANCE IDENTIFICATION CARDS TO ALL PERSONS ELIGIBLE FOR ASSISTANCE PURSUANT TO THIS ARTICLE. SUCH CARDS SHALL NOT BEAR ANY REFERENCE TO SUCH PERSON'S PUBLIC ASSISTANCE CATEGORY OR INCOME LEVEL.
6. RECEIVE AND EXPEND FEDERAL FUNDS FOR PILOT PROJECTS DESIGNED TO DEVELOP INNOVATIONS IN DELIVERY SYSTEMS, ON A CONTINUING BASIS, FOR MEDICAL ASSISTANCE, INCLUDING BUT NOT LIMITED TO, AMBULATORY SURGICAL FACILITIES, PREPAID HEALTH CARE PLANS, NEIGHBORHOOD AND COMMUNITY HEALTH CENTERS, FOUNDATIONS FOR MEDICAL CARE AND UTILIZATION OF PARAMEDICS AND OTHER AUXILIARY PERSONNEL.
7. ESTABLISH EFFECTIVE UTILIZATION AND COST CONTROL MEASURES TO CONTROL OVER-UTILIZATION AND EXCESSIVE COSTS. SUCH MEASURES SHALL NOT EXCEED THOSE STANDARDS REQUIRED IN HOSPITALS AND HEALTH CARE INSTITUTIONS IN THIS STATE FOR PROVIDERS OF SERVICES UNDER TITLE XIX OF THE SOCIAL SECURITY ACT.

LAWS OF ARIZONA

36-2174. State health planning advisory council; medical assistance

A. THE STATE HEALTH PLANNING ADVISORY COUNCIL ESTABLISHED PURSUANT TO SECTION 36-109 SHALL FUNCTION AS THE MEDICAL CARE ADVISORY COMMITTEE AND ADVISE THE DEPARTMENT IN REGARD TO POLICY DEVELOPMENT AND PROGRAM GUIDANCE IN RELATION TO THE MEDICAL ASSISTANCE PROGRAM. SUCH ADDITIONAL MEMBERS AS ARE REQUIRED BY TITLE XIX OF THE SOCIAL SECURITY ACT SHALL BE ADDED TO THE STATE HEALTH PLANNING ADVISORY COUNCIL WHEN IT IS FUNCTIONING AS THE MEDICAL CARE ADVISORY COUNCIL.

B. IN ADDITION TO THE MEDICAL CARE ADVISORY COMMITTEE DESIGNATED BY SUBSECTION A, THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES SHALL APPOINT ONE OR MORE PROFESSIONAL TECHNICAL ADVISORY COMMITTEES TO RECOMMEND THE DEVELOPMENT OF THE SYSTEMS AND PROCEDURES NECESSARY FOR OPERATION OF THE MEDICAL ASSISTANCE PROGRAM. SUCH PROFESSIONAL TECHNICAL ADVISORY COMMITTEE MEMBERS SHALL BE REPRESENTATIVE OF PROVIDERS OF MEDICAL SERVICES AUTHORIZED BY THE MEDICAL ASSISTANCE PROGRAM.

36-2175. Services; supplementary medical insurance premiums

A. MEDICAL SERVICES PROVIDED UNDER THE MEDICAL ASSISTANCE PROGRAM SHALL INCLUDE THOSE SERVICES PRESCRIBED BY SECTION 36-125.04, SUBSECTION A.

B. THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES SHALL ENTER INTO A BUY-IN AGREEMENT WITH THE SOCIAL SECURITY ADMINISTRATION FOR PAYMENT OF SUPPLEMENTARY MEDICAL INSURANCE PREMIUMS, DEDUCTIBLES, COINSURANCE, AND OTHER CHARGES CONNECTED WITH TITLE XVIII OF THE SOCIAL SECURITY ACT FOR ALL ELIGIBLE MEDICAL ASSISTANCE RECIPIENTS UNDER THE STATE PLAN WHO ARE ALSO ELIGIBLE FOR BENEFITS UNDER TITLE XVIII OF THE SOCIAL SECURITY ACT.

C. FOR EFFICIENT MANAGEMENT OF THE PROGRAM, WITHIN

LAWS OF ARIZONA

THE LIMITATION OF FUNDING AVAILABLE, THE DIRECTOR MAY LIMIT THE AMOUNT, DURATION OR SCOPE OF THE SERVICES PROVIDED.

36-2176. Cost sharing by medically needy; deposit of monies

A. THE DEPARTMENT OF HEALTH SERVICES SHALL ESTABLISH BY RULE AND REGULATION A SYSTEM OF COST SHARING FOR MEDICAL SERVICES BY WHICH EACH MEDICALLY NEEDY APPLICANT SHALL PAY A PORTION OF THE COST OF AUTHORIZED SERVICES. SUCH SYSTEM SHOULD TAKE INTO CONSIDERATION THE INCOME AND FAMILY SIZE OF THE RECIPIENT AND BE ADJUSTED ANNUALLY TO REFLECT FLUCTUATIONS IN THE COST OF LIVING INDEX.

B. ANY MONIES PAID TO THE DEPARTMENT OF HEALTH SERVICES PURSUANT TO SUBSECTION A OF THIS SECTION SHALL BE DEPOSITED WITH THE STATE TREASURER IN THE MEDICAL ASSISTANCE FUND ESTABLISHED BY SECTION 36-2172 FOR THE USE OF THE DEPARTMENT OF HEALTH SERVICES IN CARRYING OUT THE PROVISIONS OF THIS CHAPTER.

36-2177. Method of payment of claims

A. THE DEPARTMENT OF HEALTH SERVICES SHALL DETERMINE THE MOST PROMPT AND EFFECTIVE METHOD OF PROCESSING AND PAYMENT OF CLAIMS FOR MEDICAL ASSISTANCE AND FOR THIS PURPOSE MAY:

1. PROVIDE FOR PAYMENT THROUGH AN INSURANCE PLAN, HOSPITAL SERVICE PLAN, MEDICAL SERVICE PLAN, OR ANY OTHER HEALTH SERVICE PLAN AUTHORIZED TO DO BUSINESS IN THIS STATE, FISCAL INTERMEDIARY OR A COMBINATION OF SUCH PLANS OR METHODS.

2. CONTRACT WITH ONE OR MORE CARRIERS TO PROVIDE ALL OR ANY PORTION OF SUCH BENEFITS WHEREBY THE CARRIER PROVIDES A PROGRAM UNDERWRITING THE RISK INVOLVED. SUCH CONTRACTS MAY PROVIDE BENEFITS ON THE BASIS OF THE CLASS OF RECIPIENT, CLASS OF BENEFIT, GEOGRAPHICAL AREA, OR ANY OTHER REASONABLE CLASSIFICATION.

LAWS OF ARIZONA

3. PROVIDE FOR DIRECT PAYMENTS TO PROVIDERS.

B. FOR THE PURPOSE OF MAKING PAYMENTS AS PRESCRIBED BY SUBSECTION A, PARAGRAPH 1, OF THIS SECTION, THE DEPARTMENT OF HEALTH SERVICES SHALL ESTABLISH A FEE AND CHARGE SCHEDULE, TOGETHER WITH A TIME SCHEDULE FOR PROVIDER REIMBURSEMENT, BASED ON THE USUAL, CUSTOMARY AND REASONABLE CONCEPT, WHICH MAY BE ADJUSTED PERIODICALLY AS NECESSARY, AND MAY RENEGOTIATE ANY CONTRACT PRESCRIBED BY THE TERMS OF SUBSECTION A, PARAGRAPH 2 OF THIS SECTION; PROVIDED THAT NO DISCRIMINATION IN RATES OR CHARGES AND NO DISCRIMINATION REGARDING TIME OR TERMS OF PAYMENT SHALL BE ESTABLISHED IN FAVOR OF OR AGAINST PATIENTS NOT COVERED BY THIS CHAPTER.

C. THE DEPARTMENT SHALL BE RESPONSIBLE FOR ASSURING THAT ALL CLAIMS ALLOWABLE UNDER TITLE XIX OF THE SOCIAL SECURITY ACT ARE PAID.

Sec. 19. Section 43-123.03, Arizona Revised Statutes, is amended to read:

43-123.03. Deduction for expenses

A. In computing net income there shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered; traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business; and rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity:

1. In case of a taxpayer engaged in the business of farming, expenditures made for the purpose of soil and water conservation and the prevention of erosion of land used in farming shall be allowed as deductions under this section. For the purposes of this paragraph, the term "expenditures made for the purpose of soil and water conservation and the prevention of erosion" means expenditures for the treatment, moving, or

LAWS OF ARIZONA

cultivation of earth, including (but not limited to) leveling, grading and terracing, contour furrowing, the construction of diversion channels and drainage ditches, the control and protection of water courses, outlets and ponds, the planting and cultivation of cover and protective crops or windbreaks, the control of weeds and brush and other special or emergency cultivation and tillage; but such term does not include the purchase, construction, installation, or improvement of structures, appliances, and facilities made of masonry, concrete, tile, metal, or wood, such as tanks, reservoirs, pipes, conduits, canals, dams, wells, and pumps, which are subject to the allowance for depreciation provided in section 43-123.14. For the purposes of this paragraph the term "land used in farming" means land used (prior to the expenditure for conservation made by the taxpayer) by the taxpayer or his tenant or the predecessor owner or his tenant for the production of crops, fruits, and similar agricultural products or for the sustenance of livestock.

2. No deduction shall be allowable under this subsection, to a corporation for any contribution or gift which would be allowable as a deduction under section 43-123.19, subsection A, were it not for the five per cent limitation therein contained and for the requirements therein that payment must be made within the income year.

3. NO DEDUCTION SHALL BE ALLOWABLE UNDER THIS SECTION TO AN EMPLOYER FOR THE COSTS OR EXPENSES OF PROVIDING MEDICAL CARE, AS DEFINED IN SECTION 43-123.26, TO EMPLOYEES UNLESS SUCH CARE IS PURSUANT TO A PLAN WHICH INCLUDES COVERAGE FOR CATASTROPHIC MEDICAL COSTS AS DESCRIBED IN SECTION 20-1002.

B. In computing net income there shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year for the production or collection of income, or for the management, conservation, or maintenance of property held for the production of income.

C. The deductions permitted by subsection A of this section shall not be allowed to the extent that they are connected with the production of income not taxable under this title. Proper apportionment and allocation of such deductions with respect to taxable and nontaxable income shall be determined under rules and regulations prescribed by the tax commission.

LAWS OF ARIZONA

D. In computing net income there shall be allowed as a deduction a reasonable amount for ordinary and necessary expenses paid or incurred during the taxable year for additional education or training required for the satisfaction of upgraded professional or occupational requirements. To be eligible to claim the deduction provided by this paragraph, the taxpayer shall be actively engaged in the taxpayer's trade, profession or occupation in the state of Arizona and the purpose of such education must be to maintain or improve a taxpayer's skills or meet the express requirements of the taxpayer's employer. Nothing in this section shall be construed as to allow any educational expenses paid or incurred in regard to sabbatical leave abroad or within the United States, or to meet the minimum educational requirements to qualify for the trade, profession or occupation or to qualify for a new trade, profession or occupation.

Sec. 20. Section 43-123.26, Arizona Revised Statutes, is amended to read:

43-123.26. Deductions; medical expenses

A. In computing net income, there shall be allowed as a deduction, except as limited under subsections B and C of this section, expenses paid during the taxable year, not compensated for by insurance or otherwise, for medical care of the taxpayer, his spouse, or a dependent of the taxpayer specified in section 43-127(b). The term "medical care", shall include amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body (including amounts paid for accident or health insurance, PROVIDED THE HEALTH INSURANCE PREMIUMS ARE PAYMENT FOR A POLICY WHICH INCLUDES COVERAGE FOR CATASTROPHIC MEDICAL COSTS AS DESCRIBED IN SECTION 20-1002), only when substantiated by a schedule showing to whom such amounts have been paid.

B. A husband and wife who file a joint return may deduct expenses paid for medical care, however the maximum deduction for the taxable year shall not exceed five thousand dollars.

C. An individual who files a separate return may deduct expenses paid for medical care, however the maximum deduction for the taxable year shall not exceed five thousand dollars in the case of the head of a household, and shall not exceed two thousand five hundred dollars in the case of all other individuals.

LAWS OF ARIZONA

D. In the case of a husband and wife filing a joint return or an individual filing a separate return, if the husband or wife or the individual has reached the age of sixty-five before the close of the taxable year, the expenses for the medical care of the husband or wife or the individual are deductible without regard to the limitation specified in subsections B and C of this section. This subsection does not relate to or in any way affect the deductibility of expenses incurred for the medical care of a dependent.

Sec. 21. Appropriation; purposes; exemption

A. The sum of three hundred forty thousand dollars is appropriated to the department of health services for utilization as matching funds for federal grants and to plan for and implement the medical assistance program prescribed by this act.

B. The appropriation made by subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until January 1, 1976, at which time all unexpended or unencumbered funds shall revert to the state general fund.

Sec. 22. Effective date; exceptions

A. Subject to the provisions of subsections B and C of this section, the provisions of this act shall become effective as provided by law.

B. Sections 1, 2, 7 and 18 of this act shall become effective on October 1, 1975.

C. Sections 3, 4, 6, 19 and 20 of this act shall become effective on January 1, 1975.

D. The appropriation made by section 21 of this act shall become immediately available to the director of the department of health services for use in planning and preparation for implementation of the provisions of this act. The director may also accept and utilize all federal funds or grants available for such planning and implementation and for experimentation with innovative delivery systems prior to the implementation of the act.

Approved by the Governor—May 20, 1974

Filed in the office of the Secretary of State—May 20, 1974.

LAWS OF ARIZONA

CHAPTER 188

Senate Bill 1307

AN ACT

RELATING TO HEALTH CARE INSTITUTIONS; PROVIDING FOR HOSPITALIZATION AND MEDICAL CARE OF INDIGENT SICK; PROVIDING FOR CONTENTS OF CONTRACT FOR OPERATION OF COUNTY HOSPITAL; PROVIDING THAT COUNTIES, CITIES OR TOWNS MAY CONSTRUCT, OWN OR LEASE HEALTH CARE INSTITUTIONS; PROVIDING FOR BOND ISSUANCE AUTHORITY; PRESCRIBING NEGOTIABILITY OF SUCH BONDS; AMENDING SECTIONS 11-291 AND 11-294, ARIZONA REVISED STATUTES; REPEALING SECTION 11-293, ARIZONA REVISED STATUTES, AND AMENDING TITLE 11, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 7.1.

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

Section 1. Section 11-291, Arizona Revised Statutes, is amended to read:

11-291. Hospitalization and medical care of indigent sick

A. Except as provided in section 36-183.01, the board of supervisors has the sole and exclusive authority to provide for the hospitalization and medical care of the indigent sick in the county. THE BOARD MAY EMPLOY PHYSICIANS AND OTHER PERSONS NECESSARY TO ACCOMPLISH THE PURPOSE OF THIS SECTION.

B. IN CARRYING OUT THE POWERS AND DUTIES PRESCRIBED BY SECTION 11-251, PARAGRAPH 5, AND SUBSECTION A OF THIS SECTION, THE BOARD MAY CONTRACT WITH ANY QUALIFIED PERSON TO PROVIDE ALL OR A PART OF THE SERVICES REQUIRED. SUCH CONTRACTS MAY BE FOR A TERM OF NOT MORE THAN TEN YEARS. ALL CONTRACTS FOR THE OPERATION OF A COUNTY HOSPITAL FOR A TERM OF MORE THAN TWO YEARS SHALL BE LET TO THE BEST RESPONSIBLE BIDDER AFTER ADVERTISING FOR SEALED BIDS IN A NEWSPAPER AND BY NOTICE POSTED IN THREE OR MORE PUBLIC PLACES IN THE

LAWS OF ARIZONA

COUNTY AT LEAST TEN DAYS BEFORE AWARDING THE CONTRACT. THE BOARD MAY REJECT ANY AND ALL BIDS.

Sec. 2. Section 11-294, Arizona Revised Statutes, is amended to read:

11-294. Bond of contractor; contents of contract

The person to whom ~~the~~ A contract FOR THE OPERATION OF A COUNTY HOSPITAL is awarded shall give to the county a bond of not less than five thousand dollars, conditioned upon faithful performance of the contract, which shall be approved by the board. The contract shall specify distinctly the amount proposed to be charged for each day's attendance upon each indigent sick person. ~~including medical attendance, medicine, food, lodging, clothing and other supplies.~~

Sec. 3. Title 11, chapter 2, Arizona Revised Statutes, is amended by adding article 7.1, sections 11-306 through 11-308, to read:

ARTICLE 7.1. HEALTH CARE

11-306. Authority to construct, acquire, lease or sell hospitals

COUNTIES, CITIES, INCLUDING CHARTER CITIES, AND TOWNS OF THIS STATE MAY CONSTRUCT, PURCHASE, OWN, LEASE, EITHER AS LESSOR OR LESSEE, AND SELL EITHER FOR CASH OR ON A DEFERRED INSTALLMENT SALES CONTRACT ONE OR MORE HEALTH CARE INSTITUTIONS AS THE TERM IS DEFINED IN SECTION 36-401. THIS SECTION SHALL NOT BE CONSTRUED AS GRANTING ADDITIONAL POWERS TO, OR LIMITING EXISTING POWERS OF, COUNTIES, CITIES AND TOWNS REGARDING THE OPERATION OF HEALTH CARE INSTITUTIONS. THE LEASE OR SALES AGREEMENTS MAY CONTAIN ANY PROVISION DEEMED NECESSARY BY THE GOVERNING BODY IN ORDER TO SECURE THE PAYMENT THEREOF.

11-307. Issuance of bonds; negotiability; investment

A. A GOVERNING BODY OF ANY COUNTY, CITY OR TOWN MAY ISSUE BONDS FOR AND ON BEHALF OF THE COUNTY, CITY OR TOWN TO PROVIDE FUNDS TO CONSTRUCT, PURCHASE OR LEASE, AS LESSEE, ANY HEALTH CARE INSTITUTION. THE BONDS SHALL BE PAYABLE SOLELY FROM THE REVENUES OF

LAWS OF ARIZONA

THE ISSUER RECEIVED FROM THE PAYMENT OF LEASES OR PURCHASE AGREEMENTS FOR THE LEASE OR SALE OF THE HEALTH CARE INSTITUTION CONSTRUCTED, PURCHASED OR LEASED, AS LESSOR, BY THE ISSUER.

B. BONDS ISSUED UNDER THIS ARTICLE SHALL BE FULLY NEGOTIABLE WITHIN THE MEANING AND FOR ALL PURPOSES OF TITLE 44. THEY MAY BE IN ONE OR MORE SERIES WHICH MAY BE SECURED BY REVENUES FROM THE LEASE OR SALE OF ONE OR MORE HEALTH CARE INSTITUTIONS, MAY BEAR SUCH DATES, MAY BE PAYABLE IN SUCH MEDIUM OF PAYMENT, AT SUCH PLACES, MAY CARRY SUCH REGISTRATION PRIVILEGES, SHALL BE EXECUTED IN SUCH MANNER, CONTAIN SUCH TERMS, COVENANTS AND CONDITIONS AND SHALL BE IN SUCH FORM, EITHER COUPON OR REGISTERED, AS THE GOVERNING BODY MAY BY RESOLUTION PRESCRIBE. THE BONDS SHALL BE PAYABLE AT ONE TIME, OR FROM TIME TO TIME IN SUCH MANNER AND IN SUCH MATURITIES NO LONGER THAN FORTY YEARS FROM THEIR DATE AS THE GOVERNING BODY MAY PRESCRIBE. THE BONDS MAY BE ADDITIONALLY SECURED BY RESERVE OR SINKING FUNDS WHICH MAY EITHER BE CAPITALIZED IN WHOLE OR IN PART FROM BOND PROCEEDS OR ACCUMULATED OVER THE TERM OF THE BONDS FROM PLEDGED REVENUES. ANY OR ALL OF THE BONDS MAY BE CALLABLE AT SUCH TIMES, ON SUCH TERMS AND IN SUCH MANNER AS THE GOVERNING BODY BY RESOLUTION MAY PRESCRIBE. THE BONDS MAY BE REFUNDED BY THE ISSUANCE OF REFUNDING BONDS EITHER AT OR IN ADVANCE OF MATURITY, BUT THE MERE ISSUANCE OF REFUNDING BONDS SHALL NEVER BE CONSTRUED TO ADVANCE THE MATURITY OR CHANGE STATED CALL DATES OF THE BONDS BEING REFUNDED. THE BONDS SHALL BEAR SUCH RATE OR RATES OF INTEREST AS THE GOVERNING BODY MAY PROVIDE AND MAY BE SOLD ABOVE, AT, OR BELOW PAR AT EITHER PUBLIC OR PRIVATE SALE. THE ISSUER MAY ASSIGN ITS INTEREST IN ANY OR ALL OF THE LEASES, PURCHASE CONTRACTS, RESERVE OR SINKING FUNDS SECURING ANY ISSUE OR SERIES OF BONDS TO A BANK OR TRUST COMPANY DOING BUSINESS IN THIS STATE AS AN INDENTURE TRUSTEE. THE RESOLUTION OF THE GOVERNING BODY AUTHORIZING THE ISSUANCE OF THE BONDS MAY CONTAIN SUCH COVENANTS, CONDITIONS AND PROVISIONS AS DEEMED NECESSARY TO SECURE THE BONDS.

LAWS OF ARIZONA

C. BONDS ISSUED UNDER THE PROVISIONS OF THIS ARTICLE SHALL BE LEGAL INVESTMENTS FOR ALL BANKS, TRUST COMPANIES AND INSURANCE COMPANIES ORGANIZED AND OPERATING UNDER THE LAWS OF THIS STATE. THE BONDS AND INTEREST THEREON SHALL BE PAID SOLELY IN ACCORDANCE WITH THEIR TERMS AND SHALL NOT BE OBLIGATIONS GENERAL, SPECIAL OR OTHERWISE OF THIS STATE. SUCH BONDS SHALL NOT CONSTITUTE A LEGAL DEBT OF THIS STATE AND SHALL NOT BE ENFORCEABLE AGAINST THE STATE. THE ISSUER SHALL NOT IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS FROM ANY SOURCE OF REVENUES OTHER THAN THOSE PLEDGED FOR THE PAYMENT OF THE BONDS. THE BONDS SHALL NEVER BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER.

11-308. Supplemental nature of article

IN SO FAR AS THE PROVISIONS OF THIS ARTICLE ARE INCONSISTENT WITH ANY OTHER PROVISION OF LAW, THE PROVISIONS OF THIS ARTICLE SHALL BE CONTROLLING. THE POWERS CONFERRED BY THIS ARTICLE SHALL BE IN ADDITION AND SUPPLEMENTAL TO THE POWERS CONFERRED BY ANY OTHER LAW, AND SHALL NOT BE CONSTRUED TO DIMINISH AUTHORIZATIONS GRANTED BY ANY OTHER LAW.

Sec. 4. Repeal

Section 11-293, Arizona Revised Statutes, is repealed.

Sec. 5. Emergency

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor—May 20, 1974

Filed in the Office of the Secretary of State—May 20, 1974

LAWS OF ARIZONA

CHAPTER 189

House Bill 2034

AN ACT

RELATING TO STATE GOVERNMENT; PROVIDING FOR A HELICOPTER TO BE PERIODICALLY STATIONED AT SELIGMAN, ARIZONA, FOR USE BY THE DIVISION OF EMERGENCY MEDICAL SERVICES; AMENDING TITLE 41, CHAPTER 12.1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1834.01, AND MAKING AN APPROPRIATION.

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

Section 1. Title 41, chapter 12.1, article 1, Arizona Revised Statutes, is amended by adding section 41-1834.01, to read:

41-1834.01. Helicopter station at Seligman, Arizona

IN ADDITION TO OTHER DUTIES OF THE DIVISION OF EMERGENCY MEDICAL SERVICES PRESCRIBED BY THIS ARTICLE, THE DIVISION SHALL PERIODICALLY STATION A HELICOPTER AND SUPPORTING EQUIPMENT AND PERSONNEL AT SELIGMAN, ARIZONA, AT SUCH TIMES AS MAY BE DEEMED NECESSARY BY THE DIRECTOR OF THE DEPARTMENT OF PUBLIC SAFETY FOR USE BY THE DIVISION AS PRESCRIBED IN SECTION 41-1834. SERVICES UNDER THIS ACT SHALL BE CONTINGENT ON THE AVAILABILITY OF LAND, A LANDING PAD AND A DUST SUPPRESSION AREA.

Sec. 2. Appropriation

The sum of ten thousand dollars is appropriated to the department of public safety to carry out the purposes of this act.

Approved by the Governor—May 20, 1974

Filed in the Office of the Secretary of State—May 20, 1974

LAWS OF ARIZONA

CHAPTER 190

House Bill 2120

AN ACT

RELATING TO PUBLIC HEALTH AND SAFETY; PROVIDING THAT PROBATION AND SUSPENDED SENTENCES CANNOT BE GRANTED TO CERTAIN PERSONS CONVICTED OF CERTAIN CRIMES INVOLVING NARCOTIC DRUGS, AND AMENDING SECTIONS 36-1002.01, 36-1002.02 AND 36-1002.03, ARIZONA REVISED STATUTES.

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

Section 1. Section 36-1002.01, Arizona Revised Statutes, is amended to read:

36-1002.01. Possession of narcotic drugs for sale; penalty; probation or suspension of sentence prohibited

A. Except as otherwise provided in this article every person who possesses for sale any narcotic drug other than marijuana shall be punished by imprisonment in the state prison for not less than five years nor more than fifteen years, and shall not be eligible for release upon completion of sentence, or on parole, or on any other basis until he has served not less than five years in prison.

B. If such person has been previously once convicted of any felony offense described in this article or has been previously once convicted of any offense under the laws of any other state or of the United States which if committed in this state would have been punishable as a felony offense described in this article, the previous conviction shall be charged in the indictment or information and if found to be true by the jury, upon a jury trial, or if found to be true by the court, upon a court trial, or is admitted by the defendant, he shall be imprisoned in the state prison for not less than ten years, and shall not be eligible for release upon completion of sentence, or on parole, or on any other basis until he has served not less than ten years in prison.

LAWS OF ARIZONA

C. If such a person has been previously two or more times convicted of any felony offense described in this article, or has been previously two or more times convicted of any offense under the laws of any other state or of the United States which if committed in this state would have been punishable as a felony offense described in this article, the previous convictions shall be charged in the indictment or information and if found to be true by the jury, upon a jury trial, or if found to be true by the court, upon a court trial, or are admitted by the defendant, he shall be imprisoned in the state prison for not less than fifteen years, and shall not be eligible for release upon completion of sentence, or on parole, or on any other basis until he has served not less than fifteen years in prison.

D. IN NO CASE SHALL ANY PERSON WHO WAS OF THE AGE OF EIGHTEEN YEARS OR OVER AT THE TIME OF THE COMMISSION OF THE OFFENSE BE GRANTED PROBATION BY THE TRIAL COURT, NOR SHALL THE EXECUTION OF THE SENTENCE IMPOSED ON SUCH A PERSON BE SUSPENDED, NOR SHALL THE IMPOSITION OF SENTENCE BE SUSPENDED IF SUCH PERSON IS CONVICTED OF A VIOLATION OF THE PROVISIONS OF THIS SECTION INVOLVING AN AMOUNT OF ONE OR MORE DRUGS, OTHER THAN MARIJUANA, HAVING A VALUE OF NOT LESS THAN TWO HUNDRED FIFTY DOLLARS, OR WAS PREVIOUSLY CONVICTED OF ANY FELONY OFFENSE DESCRIBED IN THIS ARTICLE, OR HAS BEEN PREVIOUSLY CONVICTED ONCE OF ANY OFFENSE UNDER THE LAWS OF ANY OTHER STATE OR OF THE UNITED STATES WHICH, IF COMMITTED IN THIS STATE, WOULD HAVE BEEN PUNISHABLE AS A FELONY OFFENSE DESCRIBED IN THIS ARTICLE.

E. ANY PERSON PLACED ON PROBATION UNDER THIS SECTION WHO, AS A CONDITION OF PROBATION, IS REQUIRED TO SUBMIT TO A PERIODIC URINALYSIS SCREENING AND WHO FAILS SUCH URINALYSIS SCREENING SHALL HAVE SUCH PROBATION IMMEDIATELY REVOKED UPON A HEARING BY THE COURT PROVIDED THAT SUCH PROBATION SHALL NOT BE REVOKED IF THE FAILURE OF THE URINALYSIS SCREENING IS DUE SOLELY TO THE INFLUENCE OF MEDICATION PRESCRIBED BY A PHYSICIAN OR TO PARTICIPATING IN AN APPROVED METHADONE MAINTENANCE PROGRAM.

F. ANY PERSON CONVICTED OF A VIOLATION OF THIS SECTION WHO IS PLACED ON PROBATION IN ACCORDANCE WITH

LAWS OF ARIZONA

THE TERMS OF THIS SECTION SHALL UPON SENTENCING, BE COMMITTED TO THE DEPARTMENT OF CORRECTIONS FOR A PERIOD OF NOT LESS THAN THIRTY DAYS.

Sec. 2. Section 36-1002.02, Arizona Revised Statutes, is amended to read:

36-1002.02. Import and transport of narcotic drugs; sales and traffic in narcotic drugs; penalty; probation or suspension of sentence prohibited

A. Except as otherwise provided in this article, every person who transports, imports into this state, sells, furnishes, administers or gives away, or offers to transport, import into this state, sell, furnish, administer, or give away, or attempts to import into this state or transport any narcotic drug other than marijuana except upon the written prescription of a physician, osteopath, dentist, or veterinarian licensed to practice in this state shall be punished by imprisonment in the state prison from five years to life, and shall not be eligible for release upon completion of sentence, or on parole, or on any other basis until he has served not less than five years in prison.

B. If such a person has been previously convicted once of any felony offense described in this article, or has been previously convicted once of any offense under the laws of any other state or of the United States which if committed in this state would have been punishable as a felony offense described in this article, the previous conviction shall be charged in the indictment or information and if found to be true by the jury, upon a jury trial, or if found to be true by the court, upon a court trial, or is admitted by the defendant, he shall be imprisoned in a state prison from ten years to life, and shall not be eligible for release upon completion of sentence, or on parole, or on any other basis until he has served not less than ten years in prison.

C. If such a person has been previously convicted two or more times of any felony offense described in this article, or has been previously convicted two or more times of any offense under the laws of any other state or of the United States which if committed in this state would have been punishable as a felony offense described in this article, the previous convictions shall be charged in the indictment or information and if found to be true by the jury, upon a jury trial, or if found to be true by the court, upon a court trial, or are admitted by the defendant, he shall be

LAWS OF ARIZONA

imprisoned in the state prison from fifteen years to life, and shall not be eligible for release upon completion of sentence, or on parole, or on any other basis until he has served not less than fifteen years in prison.

D. IN NO CASE SHALL ANY PERSON WHO WAS OF THE AGE OF EIGHTEEN YEARS OR OVER AT THE TIME OF THE COMMISSION OF THE OFFENSE BE GRANTED PROBATION BY THE TRIAL COURT, NOR SHALL THE EXECUTION OF THE SENTENCE IMPOSED ON SUCH A PERSON BE SUSPENDED, NOR SHALL THE IMPOSITION OF SENTENCE BE SUSPENDED IF SUCH PERSON IS CONVICTED OF A VIOLATION OF THE PROVISIONS OF THIS SECTION INVOLVING AN AMOUNT OF ONE OR MORE DRUGS, OTHER THAN MARIJUANA, HAVING A VALUE OF NOT LESS THAN TWO HUNDRED FIFTY DOLLARS, OR WAS PREVIOUSLY CONVICTED OF ANY FELONY OFFENSE DESCRIBED IN THIS ARTICLE, OR HAS BEEN PREVIOUSLY CONVICTED ONCE OF ANY OFFENSE UNDER THE LAWS OF ANY OTHER STATE OR OF THE UNITED STATES WHICH, IF COMMITTED IN THIS STATE, WOULD HAVE BEEN PUNISHABLE AS A FELONY OFFENSE DESCRIBED IN THIS ARTICLE.

E. ANY PERSON PLACED ON PROBATION UNDER THIS SECTION WHO, AS A CONDITION OF PROBATION, IS REQUIRED TO SUBMIT TO A PERIODIC URINALYSIS SCREENING AND WHO FAILS SUCH URINALYSIS SCREENING SHALL HAVE SUCH PROBATION IMMEDIATELY REVOKED UPON A HEARING BY THE COURT PROVIDED THAT SUCH PROBATION SHALL NOT BE REVOKED IF THE FAILURE OF THE URINALYSIS SCREENING IS DUE SOLELY TO THE INFLUENCE OF MEDICATION PRESCRIBED BY A PHYSICIAN OR TO PARTICIPATING IN AN APPROVED METHADONE MAINTENANCE PROGRAM.

F. ANY PERSON CONVICTED OF A VIOLATION OF THIS SECTION WHO IS PLACED ON PROBATION IN ACCORDANCE WITH THE TERMS OF THIS SECTION SHALL UPON SENTENCING, BE COMMITTED TO THE DEPARTMENT OF CORRECTIONS FOR A PERIOD OF NOT LESS THAN THIRTY DAYS.

Sec. 3. Section 36-1002.03, Arizona Revised Statutes, is amended to read:

36-1002.03. **Inducing minors to violate narcotic drug laws; penalty; probation or suspension of sentence prohibited**

LAWS OF ARIZONA

A. Every person of the age of eighteen years or over who in any voluntary manner solicits, induces, encourages, or intimidates any minor with the intent that such minor shall knowingly violate, with respect to a narcotic drug other than marijuana, any provision of this article or section 36-1062, or who hires, employs, or uses a minor to knowingly and unlawfully transport, carry, sell, give away, prepare for sale, or peddle any narcotic drug other than marijuana or who unlawfully sells, furnishes, administers, gives, or offers to sell, furnish, administer, or give, any narcotic drug other than marijuana to a minor shall be punished by imprisonment in the state prison from ten years to life, and shall not be eligible for release upon completion of sentence, or on parole, or on any other basis until he has served not less than five years in prison.

B. If such a person has been previously convicted once of any felony offense described in this article, or has been previously convicted once of any offense under the laws of any other state or of the United States which if committed in this state would have been punishable as a felony offense described in this article, the previous conviction shall be charged in the indictment or information and if found to be true by the jury, upon a jury trial, or if found to be true by the court, upon a court trial, or is admitted by the defendant, he shall be imprisoned in the state prison from ten years to life, and shall not be eligible for release upon completion of sentence, or on parole, or on any other basis until he has served not less than ten years in prison.

C. If such a person has been previously convicted two or more times of any felony offense described in this article, or has been previously convicted two or more times of any offense under the laws of any other state or of the United States which if committed in this state would have been punishable as a felony offense described in this article, the previous convictions shall be charged in the indictment or information and if found to be true by the jury, upon a jury trial, or if found to be true by the court, upon a court trial, or are admitted by the defendant, he shall be imprisoned in the state prison from fifteen years to life and shall not be eligible for release upon completion of sentence, or on parole, or on any other basis until he has served not less than fifteen years in prison.

D. IN NO CASE SHALL ANY PERSON WHO IS CONVICTED OF A VIOLATION OF THE PROVISIONS OF THIS SECTION BE GRANTED PROBATION BY THE TRIAL COURT, NOR SHALL THE EXECUTION

LAWS OF ARIZONA

OF THE SENTENCE IMPOSED ON SUCH A PERSON BE SUSPENDED,
NOR SHALL THE IMPOSITION OF SENTENCE BE SUSPENDED.

Approved by the Governor—May 20, 1974

Filed in the Office of the Secretary of State—May 20, 1974

CHAPTER 191

House Bill 2126

AN ACT

RELATING TO LIVESTOCK AND ANIMALS; PROVIDING INSPECTION FOR AND ISSUANCE OF CERTAIN OWNERSHIP AND HAULING CERTIFICATES; PRESCRIBING CERTAIN TRANSFER PROCEDURES; ESTABLISHING A HORSE TRADER PERMIT; PRESCRIBING FEES; PRESCRIBING PENALTY; AMENDING SECTION 24-268, ARIZONA REVISED STATUTES, AND AMENDING TITLE 24, CHAPTER 2, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 24-274 THROUGH 24-278.

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

Section 1. Section 24-268, Arizona Revised Statutes, is amended to read:

24-268. Inspection fee; waiver by inspector

A. Inspectors shall collect from the person in charge of the ~~livestock~~ NEAT ANIMALS inspected, an inspection fee of fifty cents plus an inspection fee of fifteen cents per head, for making inspections for the transfer of ownership, sale, slaughter or transportation out of the state of neat animals.

~~B. Inspectors shall collect from the person in charge of the livestock inspected, an inspection fee of one dollar per head for making inspections for the transfer of ownership, sale, slaughter or transportation out of the state of horses, mules and asses.~~

LAWS OF ARIZONA

~~C.~~ B. Inspectors shall collect from the person in charge of the ~~livestock~~ SHEEP AND GOATS inspected, an inspection fee of fifty cents, plus an inspection fee of three cents per head for making inspections for the transfer of ownership, sale, slaughter or transportation out of the state of sheep and goats.

~~D.~~ C. If prior to an inspection it appears to the satisfaction of the inspector that the livestock will be moved from pasture or other feeding ground for a purpose other than the transfer of ownership, sale, slaughter or removal out of the state, the inspector shall waive the inspection fee.

~~E.~~ ~~Inspectors shall collect from the person in charge of the livestock inspected, an inspection fee of two dollars per head for making inspections for permanent hauling permits on horses, mules and asses.~~

~~F.~~ D. All inspection fees collected by the inspectors shall be remitted to the board.

Sec. 2. Title 24, chapter 2, article 3, Arizona Revised Statutes, is amended by adding sections 24-274 through 24-278, to read:

24-274. Ownership and hauling certificates; inspection; exemption; fees

A. INSPECTORS SHALL INSPECT FOR OWNERSHIP AND ISSUE OWNERSHIP AND HAULING CERTIFICATES FOR ALL HORSES, MULES AND ASSES, AT THE EARLIEST OF THE FOLLOWING TIMES:

1. WITHIN THIRTY DAYS OF THE ENTRANCE DATE OF ALL HORSES, MULES AND ASSES WHICH ENTER THIS STATE.
2. PRIOR TO THE SALE OR SLAUGHTER OF ANY HORSES, MULES OR ASSES.
3. PRIOR TO THE MOVEMENT OF ALL HORSES, MULES AND ASSES FROM THEIR ACCUSTOMED RANGE IF SUCH RANGE IS WITHIN THIS STATE.

B. INSPECTORS SHALL COLLECT FROM THE OWNER OF EVERY HORSE, MULE AND ASS INSPECTED AN INSPECTION FEE OF TWO DOLLARS PER HEAD.

LAWS OF ARIZONA

C. OWNERSHIP AND HAULING CERTIFICATES ISSUED PURSUANT TO SUBSECTION A OF THIS SECTION SHALL BE VALID FOR TEN YEARS FROM THEIR ISSUANCE DATE.

D. ALL HORSES, MULES AND ASSES HAVING A CURRENT OWNERSHIP AND HAULING CERTIFICATE OR A PERMANENT HAULING PERMIT ISSUED BY THE LIVESTOCK SANITARY BOARD PRIOR TO THE EFFECTIVE DATE OF THIS SECTION SHALL BE EXEMPT FROM ALL INSPECTIONS REQUIRED BY THIS CHAPTER.

24-275. **Transfer of ownership and hauling certificates; issuance of new ownership and hauling certificates; exemptions; fees**

A. THE SELLER OF ANY HORSE, MULE OR ASS WHO HAS A VALID OWNERSHIP AND HAULING CERTIFICATE FOR SUCH ANIMAL SHALL COMPLETE AND DATE A TWO PART TRANSFER REQUEST FORM AND CONVEY THE FORM ALONG WITH THE OWNERSHIP AND HAULING CERTIFICATE TO THE BUYER AT THE TIME OF SALE.

B. WITHIN FIVE DAYS OF ANY TRANSFER OF OWNERSHIP OF ANY HORSE, MULE OR ASS, THE TRANSFEREE SHALL FORWARD TO THE BOARD THE OWNERSHIP AND HAULING CERTIFICATE FOR SUCH ANIMAL, ONE COPY OF THE TRANSFER REQUEST FORM AND A TWO DOLLAR PER HEAD FEE. UPON RECEIPT, THE BOARD SHALL ISSUE A NEW OWNERSHIP AND HAULING CERTIFICATE TO SUCH TRANSFEREE AND A TWO PART TRANSFER REQUEST FORM. SUCH CERTIFICATE SHALL BE VALID FOR TEN YEARS MEASURED FROM ITS DATE OF ISSUANCE.

C. THE PROVISIONS OF SUBSECTION B SHALL NOT APPLY TO HORSES, MULES AND ASSES THE OWNERSHIP OF WHICH HAS BEEN TRANSFERRED TO ANY PERSON WHO HAS BEEN ISSUED A HORSE TRADER PERMIT.

24-276. **Renewal of ownership and hauling certificates; issuance of new ownership and hauling certificates; fees**

WITHIN THIRTY DAYS OF THE EXPIRATION DATE OF AN OWNERSHIP AND HAULING CERTIFICATE, THE OWNER OF ANY HORSE, MULE OR ASS STILL LIVING, SHALL FORWARD TO THE

LAWS OF ARIZONA

BOARD THE OWNERSHIP AND HAULING CERTIFICATE FOR SUCH ANIMAL, ONE COPY OF THE TRANSFER REQUEST FORM MARKED "RENEWAL" AND A TWO DOLLAR FEE. UPON RECEIPT THE BOARD SHALL ISSUE A NEW OWNERSHIP AND HAULING CERTIFICATE TO SUCH OWNER AND A TWO PART TRANSFER REQUEST FORM. SUCH CERTIFICATE SHALL BE VALID FOR TEN YEARS MEASURED FROM ITS DATE OF ISSUANCE.

24-277. Violations; penalty

ANY PERSON WHO DOES NOT COMPLY WITH SECTIONS 24-274, 24-275 OR 24-276 IS GUILTY OF A MISDEMEANOR PUNISHABLE BY A FINE OF NOT LESS THAN ONE HUNDRED NOR MORE THAN THREE HUNDRED DOLLARS, BY IMPRISONMENT IN THE COUNTY JAIL NOT EXCEEDING NINETY DAYS, OR BOTH.

24-278. Horse trader permit; fee; revocation

A. ANY PERSON WHO APPLIES FOR A HORSE TRADER PERMIT SHALL BE ISSUED SUCH PERMIT BY THE BOARD UPON RECEIPT OF THE ONE HUNDRED DOLLAR FEE AND COMPLIANCE WITH THE RULES AND REGULATIONS OF THE BOARD. SUCH PERMIT SHALL HAVE THE ISSUANCE DATE PRINTED THEREON AND SHALL BE VALID FOR ONE YEAR FROM THE DATE OF ISSUANCE. THE ANNUAL PERMIT RENEWAL FEE SHALL BE TEN DOLLARS FOR EACH SUBSEQUENT YEAR.

B. ANY HORSE TRADER PERMIT ISSUED BY THE BOARD MAY BE SUSPENDED OR REVOKED AFTER A HEARING HELD PURSUANT TO TITLE 24, CHAPTER 1, ARTICLE 1, FOR VIOLATION OF OR NONCOMPLIANCE WITH:

1. ANY PROVISION OF THIS TITLE.
2. ANY RULE OR REGULATION ISSUED BY THE BOARD.

Sec. 3. Emergency

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor—May 20, 1974

Filed in the Office of the Secretary of State—May 20, 1974

LAWS OF ARIZONA

CHAPTER 192

House Bill 2137

AN ACT

MAKING A SUPPLEMENTAL APPROPRIATION TO THE SECRETARY
OF STATE.

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

Section 1. Appropriation

In addition to the appropriation made under subdivision 13, chapter 184, Laws 1973, the sum of one hundred twenty thousand one hundred dollars is appropriated to the secretary of state for the purposes prescribed in section 2 of this act.

Sec. 2. Purposes

Of the amount appropriated in section 1 of this act:

1. Six thousand four hundred dollars is allocated to administration (account code 12-180-500-10) for personal services.
2. Seven thousand seven hundred dollars is allocated to commercial services (account code 12-180-500-20) for personal services.
3. Twenty thousand dollars is allocated to governmental services (account code 12-180-500-30) to cover the purchase of one hundred additional Arizona Revised Statutes supplements and to cover operating expenditures to June 30, 1974.
4. Eighty-six thousand dollars is allocated for conversion of the uniform commercial code financial statement filing system.

Sec. 3. Exemption

The sum appropriated for allocation as provided in paragraph 4 of section 2 of this act is exempt from the provisions of section 35-190, Arizona

LAWS OF ARIZONA

Revised Statutes, relating to lapsing of appropriations.

Sec. 4. Emergency

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor-May 20, 1974

Filed in the Office of the Secretary of State-May 20, 1974

CHAPTER 193

House Bill 2167

AN ACT

RELATING TO COUNTIES; PROVIDING IMMUNITY FROM PERSONAL LIABILITY FOR BOARDS OF SUPERVISORS ACTING WITHIN SCOPE OF AUTHORITY, AND AMENDING TITLE 11, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-266.

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

Section 1. Title 11, chapter 2, article 4, Arizona Revised Statutes, is amended by adding section 11-266, to read:

11-266. Immunity from personal liability

MEMBERS OF BOARDS OF SUPERVISORS ARE IMMUNE FROM PERSONAL LIABILITY WITH RESPECT TO ALL ACTS DONE AND ACTIONS TAKEN IN GOOD FAITH WITHIN THE SCOPE OF THEIR AUTHORITY DURING DULY CONSTITUTED REGULAR AND SPECIAL MEETINGS WITH THE APPROVAL OF A MAJORITY OF THE BOARD.

Approved by the Governor-May 20, 1974

Filed in the Office of the Secretary of State-May 20, 1974

LAWS OF ARIZONA

CHAPTER 194

Senate Bill 1306

AN ACT

RELATING TO COUNTIES; PROVIDING THAT CERTAIN COUNTIES MAY PURCHASE, CONSTRUCT OR OPERATE SEWAGE SYSTEMS AND CHARGE FEES AND LEVY TAXES THEREFOR, AND AMENDING TITLE 11, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-264.

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

Section 1. Title 11, chapter 2, article 4, Arizona Revised Statutes, is amended by adding new section 11-264, to read:

11-264. Authority to operate a sewage system

A. ANY COUNTY HAVING A POPULATION ACCORDING TO THE 1970 CENSUS OF AT LEAST THREE HUNDRED THOUSAND, AND NOT MORE THAN SIX HUNDRED THOUSAND, MAY PURCHASE, CONSTRUCT OR OPERATE A SEWAGE SYSTEM, INCLUDING THE COLLECTION, TRANSPORTATION, PUMPING, TREATMENT AND DISPOSAL OF SEWAGE, AND CHARGE FEES AND LEVY TAXES THEREFOR, PROVIDED THE COUNTY SECURES THE ASSENT BY RESOLUTION OF THE GOVERNING BODIES OF THOSE INCORPORATED CITIES AND TOWNS REPRESENTING NOT LESS THAN ONE-HALF OF THE POPULATION OF THE COUNTY PRIOR TO PURCHASE, CONSTRUCTION OR OPERATION OF SUCH SEWAGE SYSTEM, PROVIDED THAT ONCE SUCH INITIAL ASSENT IS GIVEN NO FURTHER ASSENT IS NECESSARY TO OPERATE OR IMPROVE SUCH SYSTEM.

B. THE PROVISIONS OF THIS SECTION ARE DECLARATORY OF EXISTING LAW AND SHALL NOT AFFECT THE VALIDITY OF THE AUTHORIZATION OR ISSUANCE OF ANY BONDS BY A COUNTY FOR SEWAGE PURPOSES.

Sec. 2. Emergency

LAWS OF ARIZONA

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor--May 21, 1974

Filed in the Office of the Secretary of State--May 21, 1974

CHAPTER 195

House Bill 2175

AN ACT

RELATING TO TRADE AND COMMERCE; PRESCRIBING IMMUNITY FROM PROSECUTION; PROVIDING FOR RETENTION OF CERTAIN MONIES RECOVERED AS COSTS AND FEES BY COUNTY ATTORNEYS; PROVIDING FOR REGULATION OF PETROLEUM PRODUCTS FRANCHISES; AMENDING SECTIONS 44-1525 AND 44-1531.01, ARIZONA REVISED STATUTES, AND AMENDING TITLE 44, CHAPTER 10, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 8.

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

Section 1. Section 44-1525, Arizona Revised Statutes, is amended to read:

44-1525. Nonadmissibility and confidentiality of evidence or information

A. No information or evidence provided the attorney general by a person, pursuant to this article PERMITTING THE ATTORNEY GENERAL TO COMPEL OR REQUIRE THE PROVIDING OF SUCH INFORMATION OR EVIDENCE, shall be admitted in evidence, or used in any manner whatsoever, in any criminal prosecution AGAINST SUCH PERSON.

B. All such information or evidence provided the attorney general shall be confidential and shall not be made public unless in the judgment of the

LAWS OF ARIZONA

attorney general the ends of justice and the public interest will be served by the publication thereof, provided that the names of the interested parties shall not be made public.

Sec. 2. Section 44-1531.01, Arizona Revised Statutes, is amended to read:

44-1531.01. Revolving fund; use of fund

A. There is established a consumer protection-consumer fraud revolving fund to be administered by the attorney general under the conditions and for the purposes provided by this section. Monies in the fund shall be exempt from the lapsing provisions of section 35-190.

B. Any investigative costs or attorney fees recovered for the state by the attorney general as a result of enforcement of either state or federal statutes pertaining to consumer protection or consumer fraud, whether by final judgment, settlement, or otherwise, shall be deposited in the fund created by this section EXCEPT THAT SUCH COSTS OR FEES SO RECOVERED BY A COUNTY ATTORNEY SHALL BE RETAINED IN SUCH COUNTY AND UTILIZED FOR INVESTIGATIVE OPERATIONS FOR CONSUMER PROTECTION IN SUCH COUNTY. When the fund exceeds five thousand dollars, the remaining monies shall be deposited to the state general fund.

C. The monies in the fund shall be used by the attorney general for investigative operations of the consumer protection division except that in no event shall any of the monies in the fund be used to compensate or employ attorneys or counselors at law.

D. On or before the fifteenth day of January, April, July and October, the attorney general shall cause to be filed with the governor, with copies to the director of finance, the president of the senate, and the speaker of the house of representatives, a full and complete account of the receipts and disbursements from the fund in the previous calendar quarter. The auditor general shall audit the fund once each fiscal year.

E. ON OR BEFORE THE FIFTEENTH DAY OF JANUARY, APRIL, JULY AND OCTOBER, EACH COUNTY ATTORNEY WHO RETAINS MONIES PURSUANT TO SUBSECTION B SHALL PROVIDE THE COUNTY BOARD OF SUPERVISORS WITH A FULL AND COMPLETE ACCOUNT OF THE RECEIPTS AND DISBURSEMENTS OF SUCH MONIES IN THE PREVIOUS CALENDAR QUARTER.

LAWS OF ARIZONA

Sec. 3. Title 44, chapter 10, Arizona Revised Statutes, is amended by adding article 8, to read:

ARTICLE 8. PETROLEUM PRODUCTS FRANCHISES

44-1551. **Definitions**

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "AFFILIATE" MEANS A PERSON WHO CONTROLS, IS CONTROLLED OR IS UNDER COMMON CONTROL WITH ANOTHER PERSON.
2. "CONTROL" MEANS ACTUAL OR LEGAL POWER OF INFLUENCE OVER ANOTHER PERSON, WHETHER DIRECT OR INDIRECT, ARISING THROUGH DIRECT OR INDIRECT OWNERSHIP OF CAPITAL STOCK, INTERLOCKING DIRECTORATES OR OFFICERS, CONTRACTUAL RELATIONS, AGENCY AGREEMENTS OR LEASING ARRANGEMENTS WHERE THE RESULT IS USED TO AFFECT OR INFLUENCE SUCH PERSONS.
3. "DEALER" MEANS ANY PERSON ENGAGED IN THE RETAIL SALE OF PETROLEUM PRODUCTS SUPPLIED UNDER A DISTRIBUTORSHIP, FRANCHISE OR OTHER AGREEMENT, ENTERED INTO WITH A DISTRIBUTOR.
4. "DISTRIBUTOR" MEANS ANY PERSON ENGAGED IN THE SALE, CONSIGNMENT OR OTHER DISTRIBUTION OF PETROLEUM PRODUCTS TO DEALERS AT RETAIL OUTLETS SERVING THE GENERAL MOTORING PUBLIC.
5. "ENGAGED IN THE SALE OF PETROLEUM PRODUCTS" MEANS, IN THE CASE OF A DEALER, THAT AT LEAST FIFTY PER CENT OF THE AVERAGE ANNUAL GROSS REVENUE OF THE FRANCHISE IS DERIVED FROM THE SALE OF PETROLEUM PRODUCTS.
6. "FRANCHISE" OR "FRANCHISE AGREEMENT" MEANS A WRITTEN AGREEMENT BETWEEN A DISTRIBUTOR AND A DEALER UNDER WHICH THE DEALER IS GRANTED THE RIGHT TO

LAWS OF ARIZONA

USE A TRADEMARK, TRADE NAME, SERVICE MARK OR OTHER IDENTIFYING SYMBOL OR NAME OWNED BY THE DISTRIBUTOR, UNDER WHICH THE DEALER IS GRANTED THE RIGHT TO OCCUPY PREMISES OWNED, LEASED, OR CONTROLLED BY THE DISTRIBUTOR, FOR THE PURPOSE OF ENGAGING IN THE RETAIL SALE OF PETROLEUM PRODUCTS OF THE DISTRIBUTOR.

7. "GOOD CAUSE" MEANS THE FAILURE OF A DEALER TO COMPLY WITH THOSE EXPRESS PROVISIONS OF THE FRANCHISE EXCEPT ANY THAT MAY BE UNCONSCIONABLE.

8. "GOOD FAITH" INCLUDES THE DUTY OF A PARTY TO ACT IN A FAIR AND EQUITABLE MANNER IN THE PERFORMANCE AND IN DEMANDING PERFORMANCE OF THE FRANCHISE.

9. "PETROLEUM PRODUCTS" MEANS MOTOR VEHICLE FUELS AND LUBRICANTS.

10. "RETAIL SALE OF PRODUCTS" MEANS THE SALE THEREOF FOR CONSUMPTION AND NOT FOR RESALE AT A RETAIL OUTLET SERVING THE MOTORING PUBLIC.

11. "SALE, TRANSFER OR ASSIGNMENT" MEANS ANY DISPOSITION OF A FRANCHISE OR ANY INTEREST THEREIN, WITH OR WITHOUT CONSIDERATION, TO INCLUDE BUT NOT LIMITED TO BEQUEST, INHERITANCE, GIFT, EXCHANGE, LEASE OR LICENSE.

44-1552. Disclosures to be made by distributor before conclusion of agreement

A DISTRIBUTOR SHALL DISCLOSE TO ANY PROSPECTIVE DEALER THE FOLLOWING INFORMATION BEFORE ANY FRANCHISE AGREEMENT IS CONCLUDED:

1. THE GALLONAGE VOLUME HISTORY OF GASOLINE SOLD TO THE PREVIOUS DEALER OR DEALERS AT THE SAME PREMISES AND DURING A THREE-YEAR PERIOD IMMEDIATELY PAST OR SUCH SHORTER PERIOD DURING WHICH THE SAME PREMISES WERE USED FOR ENGAGING IN THE SALE OF GASOLINE WHILE THE FRANCHISE OR BUSINESS OPERATION WAS IN EFFECT.

LAWS OF ARIZONA

2. TO THE EXTENT PREVIOUSLY MADE AVAILABLE TO THE DISTRIBUTOR, THE NAME AND LAST KNOWN ADDRESS OF THE PREVIOUS DEALER OR DEALERS FOR THE PRECEDING THREE YEARS OR SUCH SHORTER PERIOD DURING WHICH THE PREMISES WERE USED FOR ENGAGING IN THE SALE OF PETROLEUM PRODUCTS.
3. ANY LEGALLY BINDING COMMITMENTS FOR THE SALE, DEMOLITION OR OTHER DISPOSITION OF THE LOCATION.
4. THE TRAINING PROGRAMS, IF ANY, AND THE SPECIFIC GOODS AND SERVICES THE DISTRIBUTOR WILL PROVIDE FOR AND TO THE DEALER.
5. FULL DISCLOSURE OF ANY AND ALL OBLIGATIONS WHICH WILL BE REQUIRED OF THE DEALER.
6. FULL DISCLOSURE OF ALL RESTRICTIONS ON THE SALE, TRANSFER AND TERMINATION OF THE AGREEMENT.
7. ANY DISCLOSURE REQUIRED BY THIS SECTION MAY BE MADE IN THE BODY OF THE FRANCHISE AGREEMENT OR SEPARATELY.

44-1553. Voidable franchises

ANY FRANCHISE MAY BE CANCELLED BY THE DEALER AT HIS OPTION BY SENDING A WRITTEN DECLARATION OF THAT FACT AND THE REASONS THEREFOR TO THE DISTRIBUTOR IF:

1. THE DISTRIBUTOR'S OFFER WAS FRAUDULENT OR UNLAWFUL, PROVIDED THAT THE DEALER SEND SUCH WRITTEN DECLARATION WITHIN SIXTY DAYS AFTER DISCOVERY THEREOF.
2. THE DEALER WAS NOT AFFORDED THE OPPORTUNITY TO NEGOTIATE WITH THE DISTRIBUTOR ON ALL PROVISIONS WITHIN THE FRANCHISE, EXCEPT THAT SUCH NEGOTIATIONS SHALL NOT IMPAIR THE UNIFORM IMAGE AND QUALITY STANDARDS OF THE FRANCHISE, PROVIDED THAT THE DEALER SEND SUCH WRITTEN DECLARATION WITHIN TEN DAYS AFTER EXECUTION OF THE FRANCHISE.

LAWS OF ARIZONA

3. THE DEALER WAS NOT FURNISHED A COPY OF THE FRANCHISE AGREEMENT AT LEAST SEVENTY-TWO HOURS PRIOR TO EXECUTION. THE DEALER SHALL SEND SUCH WRITTEN CANCELLATION WITHIN TEN DAYS AFTER EXECUTION OF THE FRANCHISE.

4. THE DEALER WAS NOT FURNISHED THE DISCLOSURE SET FORTH IN SECTION 44-1553 AT LEAST SEVENTY-TWO HOURS PRIOR TO THE EXECUTION OF THE FRANCHISE AGREEMENT. THE DEALER SHALL SEND SUCH WRITTEN CANCELLATION WITHIN TEN DAYS AFTER DEALER HAS ACQUIRED ALL OF THE REQUIRED INFORMATION.

44-1554. **Prohibited practices**

IT SHALL BE A VIOLATION OF THIS ARTICLE FOR ANY DISTRIBUTOR DIRECTLY OR INDIRECTLY OR THROUGH ANY OFFICER, AGENT OR EMPLOYEE, TO ENGAGE IN ANY OF THE FOLLOWING PRACTICES:

1. TO PROHIBIT DIRECTLY OR INDIRECTLY THE RIGHT OF FREE ASSOCIATION AMONG DEALERS FOR ANY LAWFUL PURPOSE.

2. TO FAIL TO ACT IN GOOD FAITH IN PERFORMING OR COMPLYING WITH ANY TERMS, PROVISIONS OF OR COLLATERAL TO A FRANCHISE.

3. TO TERMINATE OR CANCEL A FRANCHISE WITHOUT GOOD CAUSE.

4. TO USE UNDUE INFLUENCE TO INDUCE A DEALER TO SURRENDER ANY RIGHT GIVEN TO THE DEALER BY ANY PROVISION CONTAINED IN THE FRANCHISE.

5. TO CANCEL, TERMINATE, FAIL TO RENEW OR TO THREATEN THE CANCELLATION, TERMINATION OR NONRENEWAL OF ANY FRANCHISE BECAUSE OF DEALER'S FAILURE TO PURCHASE MERCHANDISE OR PRODUCTS SOLD BY DISTRIBUTOR WHERE THE REQUIREMENT THAT THE DEALER SELL EXCLUSIVELY THE MERCHANDISE OR PRODUCTS OF THE DISTRIBUTOR WOULD BE A VIOLATION OF ANY LAW, RULE OR

LAWS OF ARIZONA

REGULATION OF THIS STATE OR OF THE UNITED STATES.

6. CHANGE OR MODIFY ANY RESTRICTIONS UPON NONPETROLEUM RELATED BUSINESS ACTIVITIES OF THE GASOLINE DEALER DURING THE TERM OF HIS FRANCHISE.

7. UNREASONABLY REDUCE, LIMIT OR CURTAIL THE SUPPLY OF GASOLINE OR OTHER PETROLEUM PRODUCTS TO ANY DEALER.

8. CANCEL OR TERMINATE A FRANCHISE SOLELY TO SECURE FOR ITS OWN ACCOUNT THE DISTRIBUTOR'S MORE SUCCESSFUL OR PROFITABLE FRANCHISE STATIONS.

9. PLACE UNREASONABLE RESTRICTIONS UPON NONPETROLEUM RELATED BUSINESS ACTIVITIES OF THE DEALER.

44-1555. **Permitted practices**

NOTHING HEREIN SHALL PREVENT A DISTRIBUTOR FROM IMPOSING UPON A DEALER FROM TIME TO TIME REASONABLE STANDARDS OF PERFORMANCE, PROVIDED THAT SUCH STANDARDS BE ENFORCED TO THE EXTENT REASONABLE AT THE TIME OF REQUIRED PERFORMANCE.

44-1556. **Termination of franchise; notice; grounds**

IT IS A VIOLATION OF THIS ARTICLE FOR ANY DISTRIBUTOR, DIRECTLY OR INDIRECTLY, OR THROUGH AN OFFICER, AGENT OR EMPLOYEE TO TERMINATE, CANCEL OR FAIL TO RENEW A FRANCHISE WITHOUT HAVING FIRST GIVEN WRITTEN NOTICE AS FOLLOWS:

1. NO CANCELLATION OR TERMINATION OF THE FRANCHISE SHALL BE EFFECTIVE UNLESS DISTRIBUTOR SHALL HAVE FIRST GIVEN DEALER A WRITTEN NOTICE OF DISTRIBUTOR'S INTENT TO CANCEL THE FRANCHISE SPECIFYING ALL MATTERS OF CLAIMED NONCOMPLIANCE WITH THE FRANCHISE AGREEMENT, ALLOWING DEALER AT LEAST TEN DAYS TO COMPLY WITH THE TERMS OF THE FRANCHISE AGREEMENT. IN THE EVENT OF DEALER'S NONCOMPLIANCE, TERMINATION SHALL BE

LAWS OF ARIZONA

EFFECTIVE THE DATE SET FORTH IN THE NOTICE.

2. WITHIN AT LEAST THIRTY DAYS IN ADVANCE OF THE EXPIRATION OF A TERM OF A FRANCHISE, DISTRIBUTOR SHALL IN WRITING GIVE DEALER NOTICE OF:

(a) DISTRIBUTOR'S INTENTION NOT TO RENEW THE FRANCHISE AND ALL THE REASONS FOR SUCH FAILURE TO RENEW, OR,

(b) DISTRIBUTOR'S INTENTION TO RENEW AND IF SUCH RENEWAL IS SUBJECT TO ANY CHANGE IN PRICE, RENT, TERMS OR CONDITIONS FROM THAT OF THE FRANCHISE BEING RENEWED, THEN ALL SUCH CHANGES AND THE REASONS THEREFORE SHALL BE FULLY DESCRIBED THEREIN.

3. WHERE THE ALLEGED GROUNDS ARE VOLUNTARY ABANDONMENT BY THE DEALER OF THE FRANCHISE RELATIONSHIP, SUCH WRITTEN NOTICE MAY BE GIVEN THREE DAYS IN ADVANCE OF SUCH TERMINATION OR CANCELLATION.

4. WHERE THE ALLEGED GROUNDS ARE THE CONVICTION OF THE DEALER OF A CRIME RELATED TO THE BUSINESS CONDUCTED PURSUANT TO THE FRANCHISE, TERMINATION, CANCELLATION OR FAILURE TO RENEW MAY BE EFFECTIVE IMMEDIATELY.

5. ALL NOTICES REQUIRED OF DEALER OR DISTRIBUTOR UNDER THIS ARTICLE SHALL BE GIVEN IN WRITING BY CERTIFIED MAIL RETURN RECEIPT REQUESTED TO THE ADDRESS INDICATED IN THE FRANCHISE AGREEMENT OR AS SUBSEQUENTLY CHANGED BY THE PARTY IN WRITING OR IF NO ADDRESS WAS DESIGNATED, TO THE PARTY'S PLACE OF BUSINESS.

6. THE FAILURE OF A DISTRIBUTOR TO SERVE NOTICE UPON THE DEALER AS REQUIRED IN THIS SECTION SHALL CONSTITUTE A GRANT OF THE OPTION BY THE DISTRIBUTOR TO THE DEALER TO RENEW THE FRANCHISE FOR A PERIOD OF ONE YEAR UNDER THE SAME PRICE, RENT, TERMS AND CONDITIONS

LAWS OF ARIZONA

OF THE EXPIRING FRANCHISE, SUBJECT TO THE PROVISIONS OF THIS ARTICLE. SUCH OPTION TO RENEW SHALL EXPIRE FORTY-FIVE DAYS FROM THE DATE NOTICE SHOULD HAVE BEEN SERVED, UNLESS EXERCISED BY WRITTEN NOTICE TO THE DISTRIBUTOR.

44-1557. Required provisions in agreements between distributors and dealers

EVERY AGREEMENT BETWEEN A DISTRIBUTOR AND A DEALER SHALL BE IN WRITING AND CONTAIN:

1. IN THE ABSENCE OF ANY EXPRESS AGREEMENT, THE DEALER SHALL NOT BE REQUIRED TO PARTICIPATE FINANCIALLY IN THE USE OF ANY PREMIUM, COUPON, GIVE-AWAY, OR REBATE IN THE OPERATION OF HIS RETAIL OUTLET, PROVIDED THAT THE DISTRIBUTOR MAY REQUIRE THE DEALER TO DISTRIBUTE TO CUSTOMERS PREMIUMS, COUPONS OR GIVE-AWAYS WHICH ARE FURNISHED TO THE DEALER AT THE EXPENSE OF THE DISTRIBUTOR.

2. THE TERM OF THE INITIAL AGREEMENT BETWEEN THE DISTRIBUTOR AND THE DEALER RELATING TO SPECIFIC PREMISES SHALL NOT BE LESS THAN ONE YEAR AND THE TERM OF ALL SUBSEQUENT AGREEMENTS BETWEEN THE DISTRIBUTOR AND THE DEALER SHALL NOT BE FOR FEWER THAN THREE YEARS, PROVIDED THAT WHERE THE DISTRIBUTOR IS THE LESSEE OF THE PREMISES, THIS PARAGRAPH SHALL NOT BE CONSTRUED TO REQUIRE A TERM OF GREATER DURATION THAN THE REMAINDER OF THE TERM TO WHICH THE DISTRIBUTOR IS ENTITLED UNDER ITS LEASE, TOGETHER WITH ANY RENEWAL RIGHTS WHICH THE DISTRIBUTOR MAY HAVE, AND FURTHER PROVIDED THAT NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE TO THE CONTRARY A DISTRIBUTOR MAY RESERVE THE RIGHT TO CANCEL SUCH AGREEMENT WITHOUT CAUSE UPON THIRTY DAYS' NOTICE DURING THE FIRST SIX MONTHS OF THE INITIAL TERM THEREOF WHEN NO PREVIOUS DISTRIBUTOR-DEALER RELATIONSHIP EXISTED BETWEEN THE PARTIES THERETO. AGREEMENTS ENTERED INTO BY DISTRIBUTORS WHO ARE ALSO ENGAGED IN THE REFINING OF GASOLINE MAY BE FOR SHORTER TERMS.

LAWS OF ARIZONA

44-1558. Obligation of distributor to repurchase upon termination of agreement

IN THE EVENT OF ANY TERMINATION, CANCELLATION OR FAILURE TO RENEW, WHETHER BY MUTUAL AGREEMENT OR OTHERWISE, A DISTRIBUTOR SHALL MAKE OR CAUSE TO BE MADE A GOOD FAITH OFFER TO REPURCHASE FROM THE DEALER, HIS HEIRS, SUCCESSORS AND ASSIGNS, AT THE CURRENT WHOLESALE PRICES, ANY AND ALL MERCHANTABLE PRODUCTS PURCHASED BY SUCH DEALER FROM THE DISTRIBUTOR, PROVIDED THAT THE DISTRIBUTOR SHALL HAVE THE RIGHT TO APPLY THE PROCEEDS AGAINST ANY EXISTING INDEBTEDNESS OWED TO HIM BY THE DEALER AND THAT SUCH REPURCHASE OBLIGATION IS CONDITIONED UPON THERE BEING NO OTHER CLAIMS OR LIENS AGAINST SUCH PRODUCTS BY OR ON BEHALF OF OTHER CREDITORS OF THE DEALER. SUCH REPURCHASE SHALL NOT CONSTITUTE A WAIVER OF DEALER'S OTHER RIGHTS AND REMEDIES UNDER THIS ARTICLE.

44-1559. Remedies

A. A DEALER OR DISTRIBUTOR MAY BRING AN ACTION AGAINST THE OTHER FOR VIOLATION OF ANY PROVISION OF THE FRANCHISE AND MAY RECOVER THE DAMAGES SUSTAINED.

B. AN ACTION FOR INJUNCTIVE RELIEF TO PREVENT OR RESTORE RIGHTS LOST UPON THE VIOLATION OF ANY PROVISION OF THE FRANCHISE MAY BE BROUGHT BY A DEALER OR DISTRIBUTOR.

C. THE REMEDIES PROVIDED IN THIS SECTION ARE INDEPENDENT OF AND SUPPLEMENTAL TO ANY OTHER REMEDY OR REMEDIES AVAILABLE TO THE DEALER OR DISTRIBUTOR IN LAW OR EQUITY.

D. IN ANY ACTION UNDER THIS SECTION THE PREVAILING PARTY SHALL RECOVER FROM THE LOSING PARTY ALL COSTS INCURRED, INCLUDING REASONABLE ATTORNEY'S FEES.

44-1560. Waiver

LAWS OF ARIZONA

A. ANY CONDITION, STIPULATION OR PROVISION BINDING ANY PERSON TO WAIVE COMPLIANCE WITH ANY PROVISION OF THIS ARTICLE IS VOID.

B. THE RIGHT OF EITHER PARTY TO TRIAL BY JURY OR TO THE INTERPOSITION OF COUNTERCLAIMS OR CROSS-CLAIMS SHALL NOT BE WAIVED EXCEPT AFTER THE FILING OF ACTION AND WITH THE CONCURRENCE OF A COUNSEL OF RECORD.

Sec. 4. Severability

If any provision or clause of this article or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this article, which can be given effect without the invalid provision or application and to this end the provisions of this article are declared to be severable.

Approved by the Governor—May 21, 1974

Filed in the Office of the Secretary of State—May 21, 1974

CHAPTER 196

Senate Bill 1059

AN ACT

RELATING TO PUBLIC OFFICERS AND EMPLOYEES; PROVIDING FOR OPEN PUBLIC MEETINGS OF GOVERNING BODIES; PROVIDING FOR NOTICE, MINUTES OF MEETINGS AND EQUITABLE RELIEF; PRESCRIBING EXCEPTIONS; AMENDING SECTIONS 38-431 AND 38-431.01, ARIZONA REVISED STATUTES; REPEALING SECTIONS 38-431.02 AND 38-431.05, ARIZONA REVISED STATUTES; AMENDING TITLE 38, CHAPTER 3, ARTICLE 3.1, ARIZONA REVISED STATUTES, BY ADDING NEW SECTIONS 38-431.02 AND 38-431.03; RENUMBERING SECTIONS 38-431.03 AND 38-431.04, ARIZONA REVISED STATUTES, TO BE SECTIONS 38-431.04 AND 38-431.05, AND AMENDING TITLE 38, CHAPTER 3,

LAWS OF ARIZONA

ARTICLE 3.1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 38-431.07 AND 38-431.08.

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

Section 1. Section 38-431, Arizona Revised Statutes, is amended to read:

38-431. Definitions

In this article, unless the context otherwise requires:

1. "Governing bodies" means the governing bodies of the state, ~~or~~ political subdivisions, INCORPORATED CITIES AND TOWNS, AND ALL AGENCIES, BOARDS AND COMMISSIONS OF THE FOREGOING, OR ANY COMMITTEE OR SUBCOMMITTEE thereof, which are supported in whole or in part by tax revenues or which expend tax revenues.

2. "LEGAL ACTION" MEANS A COLLECTIVE DECISION, COMMITMENT OR PROMISE MADE BY A MAJORITY OF THE MEMBERS OF A GOVERNING BODY CONSISTENT WITH THE CONSTITUTION, CHARTER OR BYLAWS OF SUCH BODY, AND THE LAWS OF THIS STATE.

~~2-~~ 3. "Proceedings" means the transaction of any functions affecting citizens of this state by an administrative or legislative body of the state or of any of its counties or municipalities or other political subdivisions when such a body is composed of three or more members and is charged with the transaction of such functions under any statute or under any rule or regulation of such legislative or administrative body or agency.

Sec. 2. Section 38-431.01, Arizona Revised Statutes, is amended to read:

38-431.01. Meetings shall be open to the public

A. All official meetings at which any legal action is taken by governing bodies shall be public meetings and all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings. ~~All~~

LAWS OF ARIZONA

~~minutes of such meetings as are required by law shall be properly and accurately recorded and open to public inspection except as otherwise specifically provided by statute.~~

B. GOVERNING BODIES, EXCEPT FOR SUBCOMMITTEES, SHALL PROVIDE FOR THE TAKING OF WRITTEN MINUTES OF ALL THEIR MEETINGS. SUCH MINUTES SHALL BE PROPERLY AND ACCURATELY RECORDED AS TO ALL LEGAL ACTION TAKEN AND OPEN TO PUBLIC INSPECTION EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED BY STATUTE.

Sec. 3. Repeal

Section 38-431.02, Arizona Revised Statutes, is repealed.

Sec. 4. Title 38, chapter 3, article 3.1, Arizona Revised Statutes, is amended by adding section 38-431.02 to read:

38-431.02. Notice of meetings

A. PUBLIC NOTICE OF ALL REGULAR MEETINGS OF GOVERNING BODIES SHALL BE GIVEN AS FOLLOWS:

1. THE STATE AND ITS AGENCIES, BOARDS AND COMMISSIONS SHALL FILE A STATEMENT WITH THE SECRETARY OF STATE STATING WHERE ALL NOTICES OF THEIR MEETINGS AND THE MEETINGS OF THEIR COMMITTEES AND SUBCOMMITTEES WILL BE POSTED AND SHALL GIVE SUCH PUBLIC NOTICE AS IS REASONABLE AND PRACTICABLE AS TO THE TIME AND PLACE OF ALL REGULAR MEETINGS.

2. THE COUNTIES AND THEIR AGENCIES, BOARDS AND COMMISSIONS, SCHOOL DISTRICTS, AND OTHER SPECIAL DISTRICTS SHALL FILE A STATEMENT WITH THE CLERK OF THE BOARD OF SUPERVISORS STATING WHERE ALL NOTICES OF THEIR MEETINGS AND THE MEETINGS OF THEIR COMMITTEES AND SUBCOMMITTEES WILL BE POSTED AND SHALL GIVE SUCH PUBLIC NOTICE AS IS REASONABLE AND PRACTICABLE AS TO THE TIME AND PLACE OF ALL REGULAR MEETINGS.

LAWS OF ARIZONA

3. THE CITIES AND TOWNS AND THEIR AGENCIES, BOARDS AND COMMISSIONS SHALL FILE A STATEMENT WITH THE CITY CLERK OR MAYOR'S OFFICE STATING WHERE ALL NOTICES OF THEIR MEETINGS AND THE MEETINGS OF THEIR COMMITTEES AND SUBCOMMITTEES WILL BE POSTED AND SHALL GIVE SUCH PUBLIC NOTICE AS IS REASONABLE AND PRACTICABLE AS TO THE TIME AND PLACE OF ALL REGULAR MEETINGS.

B. IF AN EXECUTIVE SESSION ONLY WILL BE HELD, THE NOTICE SHALL BE GIVEN TO THE MEMBERS OF THE GOVERNING BODY, AND TO THE GENERAL PUBLIC, STATING THE SPECIFIC PROVISION OF LAW AUTHORIZING THE EXECUTIVE SESSION.

C. MEETINGS OTHER THAN REGULARLY SCHEDULED MEETINGS SHALL NOT BE HELD WITHOUT AT LEAST TWENTY-FOUR HOURS' NOTICE TO THE MEMBERS OF THE GOVERNING BODY AND THE GENERAL PUBLIC. IN CASE OF AN ACTUAL EMERGENCY, A MEETING MAY BE HELD UPON SUCH NOTICE AS IS APPROPRIATE TO THE CIRCUMSTANCES.

D. A MEETING CAN BE RECESSED AND HELD WITH SHORTER NOTICE IF PUBLIC NOTICE IS GIVEN AS REQUIRED IN PARAGRAPH A OF THIS SECTION.

Sec. 5. Repeal

Section 38-431.05, Arizona Revised Statutes, is repealed.

Sec. 6. Title 38, chapter 3, article 3.1, Arizona Revised Statutes, is amended by renumbering sections 38-431.03 and 38-431.04 as sections 38-431.04 and 38-431.05 respectively and by adding a new section 38-431.03, to read:

38-431.03. Nonapplicability to executive sessions

A. THIS ARTICLE SHALL NOT BE CONSTRUED TO PREVENT GOVERNING BODIES, UPON MAJORITY VOTE OF THE MEMBERS CONSTITUTING A QUORUM, FROM HOLDING EXECUTIVE SESSION FOR ONLY THE FOLLOWING PURPOSES:

1. DISCUSSION OR CONSIDERATION OF EMPLOYMENT,

LAWS OF ARIZONA

ASSIGNMENT, APPOINTMENT, PROMOTION, DEMOTION SALARIES, DISCIPLINING OR RESIGNATION OF A PUBLIC OFFICER, APPOINTEE OR EMPLOYEE OF ANY GOVERNING BODY, EXCEPT THAT WITH THE EXCEPTION OF SALARY DISCUSSIONS, AN OFFICER, APPOINTEE OR EMPLOYEE MAY DEMAND THAT SUCH DISCUSSION OR CONSIDERATION OCCUR AT A PUBLIC MEETING.

2. DISCUSSION OR CONSIDERATION OF RECORDS EXEMPT BY LAW FROM PUBLIC INSPECTION.

3. DISCUSSION OR CONSULTATION FOR ADVICE WITH THE ATTORNEY OR ATTORNEYS OF THE GOVERNING BODY.

4. DISCUSSIONS OR CONSULTATIONS WITH REPRESENTATIVES OR EMPLOYEE ORGANIZATIONS REGARDING THE SALARIES, SALARY SCHEDULES OR COMPENSATION PAID IN THE FORM OF FRINGE BENEFITS OF EMPLOYEES IN ORDER TO REVIEW ITS POSITION AND INSTRUCT ITS DESIGNATED REPRESENTATIVES.

5. DISCUSSION, CONSULTATION, OR CONSIDERATION FOR INTERNATIONAL AND INTERSTATE NEGOTIATIONS.

B. MINUTES OF EXECUTIVE SESSIONS SHALL BE KEPT CONFIDENTIAL EXCEPT FROM MEMBERS OF THE GOVERNING BODY WHICH MET IN EXECUTIVE SESSION.

C. NO EXECUTIVE SESSION MAY BE HELD FOR THE PURPOSE OF TAKING ANY FINAL ACTION OR MAKING ANY FINAL DECISION.

Sec. 7. Title 38, chapter 3, article 3.1, Arizona Revised Statutes, is amended by adding sections 38-431.07 and 38-431.08 to read:

38-431.07. Equitable relief

ANY PERSON AFFECTED BY A DECISION OF A GOVERNING BODY MAY COMMENCE A SUIT IN THE SUPERIOR COURT FOR THE COUNTY IN WHICH THE GOVERNING BODY ORDINARILY MEETS, FOR THE PURPOSE OF REQUIRING COMPLIANCE WITH, OR THE

LAWS OF ARIZONA

PREVENTION OF VIOLATIONS OF THIS ARTICLE, BY MEMBERS OF THE GOVERNING BODY, OR TO DETERMINE THE APPLICABILITY OF THIS ARTICLE TO MATTERS OR DECISIONS OF THE GOVERNING BODY. THE COURT MAY ORDER SUCH EQUITABLE RELIEF AS IT DEEMS APPROPRIATE IN THE CIRCUMSTANCES. THE COURT MAY ORDER PAYMENT TO A SUCCESSFUL PLAINTIFF IN A SUIT BROUGHT UNDER THIS SECTION OF HIS REASONABLE ATTORNEY'S FEES, BY THE GOVERNING BODY OF WHICH IT IS A PART OR TO WHICH IT REPORTS.

38-431.08. Exceptions

THE PROVISIONS OF THIS ARTICLE SHALL NOT APPLY TO ANY JUDICIAL PROCEEDING OR ANY POLITICAL CAUCUS.

Sec. 8. Emergency

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

This bill having remained with the Governor 10 days, Sundays excluded, and the Legislature having adjourned, it has become a law without his signature.

Filed in the Office of the Secretary of State—May 22, 1974

LAWS OF ARIZONA

CHAPTER 197

Senate Bill 1138

AN ACT

RELATING TO ELECTIONS AND ELECTORS AND STATE GOVERNMENT; PRESCRIBING REQUIREMENTS FOR REPORTING CONTRIBUTIONS AND EXPENDITURES OF CANDIDATES FOR PUBLIC OFFICE IN SPECIAL, PRIMARY AND GENERAL ELECTIONS; PRESCRIBING LIMITATIONS ON MAXIMUM AMOUNT OF EXPENDITURES THAT MAY BE MADE BY CANDIDATES FOR SPECIAL, PRIMARY AND GENERAL ELECTIONS; PRESCRIBING PENALTIES; PROVIDING FOR TIME AND FORM OF CAMPAIGN COMMITTEE REPORTS; AMENDING SECTIONS 16-422 THROUGH 16-425, ARIZONA REVISED STATUTES; REPEALING SECTION 16-426, ARIZONA REVISED STATUTES, AND AMENDING TITLE 16, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 16-426 AND AMENDING SECTIONS 16-427, 16-428, 16-451, 16-452, 16-453 AND 16-455, ARIZONA REVISED STATUTES.

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

Section 1. Section 16-422, Arizona Revised Statutes, is amended to read:

16-422. Report designating financial agent; filing

A. Before any primary election a candidate shall file with his nomination petition a report containing the name and address of every person KNOWN TO HIM by or through whom the candidate has expended or proposes to expend money in defraying the expenses of his campaign, or a statement that he has not authorized and will not authorize any person so to act for him, but that he will in person account for all money or other things of value expended in the interest of his candidacy. WHO:

1. HAS RECEIVED ANY CONTRIBUTION ON BEHALF OF HIS CANDIDACY.

LAWS OF ARIZONA

2. HAS MADE ANY EXPENDITURE ON BEHALF OF HIS CANDIDACY.
3. WILL EXPEND MONEY ON BEHALF OF HIS CANDIDACY.
4. WILL COLLECT MONEY ON BEHALF OF HIS CANDIDACY.
5. WILL ACCOUNT FOR THESE CONTRIBUTIONS AND EXPENDITURES AS REQUIRED BY LAW.

B. Should any candidate fail to file such names or information his name shall not be printed upon the official ballot in such primary election.

Sec. 2. Section 16-423, Arizona Revised Statutes, is amended to read:

16-423. Statements of contributions and expenditures by candidates at primary elections; time of filing; preparation and distribution of forms; exemption

A. Every candidate in a primary election for nomination for a public office other than precinct committeeman shall FILE, ~~not more than ten days after~~ NOT MORE THAN FIFTEEN NOR LESS THAN TEN DAYS PRIOR TO the primary election, file an itemized statement of ~~expenses~~ EACH CONTRIBUTION RECEIVED IN EXCESS OF TWENTY-FIVE DOLLARS AND AN ITEMIZED STATEMENT OF ALL EXPENDITURES, subscribed and sworn to by him, with the officer with whom nomination petitions for the office he seeks are required to be filed. NOT LATER THAN TWENTY DAYS AFTER THE PRIMARY ELECTION, EACH SUCH CANDIDATE SHALL FILE WITH SUCH OFFICER A SECOND ITEMIZED STATEMENT OF EACH SUCH CONTRIBUTION RECEIVED IN EXCESS OF TWENTY-FIVE DOLLARS AND EXPENDITURE MADE SUBSEQUENT TO AND NOT INCLUDED IN THE ITEMIZED STATEMENT FILED PRIOR TO THE PRIMARY ELECTION. ~~The~~ THESE statements of ~~expenses~~ shall be preserved by the officer with whom filed, and shall be subject to inspection and publication.

B. The statements of ~~expenses~~ CONTRIBUTIONS AND EXPENDITURES shall set forth in detail a complete record of EACH OF the candidate's CONTRIBUTIONS ~~expenditures~~ in money or ~~other~~ things of value and the cost thereof, WHICH HAS A MONETARY VALUE IN

LAWS OF ARIZONA

EXCESS OF TWENTY-FIVE DOLLARS including promises to pay, ~~treats, presents and favors,~~ either present or future, intended for the purpose of aiding or which could have had a tendency to aid the success in the primary election of the candidate submitting the statement AND AN ITEMIZED STATEMENT OF ALL EXPENDITURES, and shall include ~~a like statement~~ STATEMENTS for each of the persons named by the candidate as authorized to RECEIVE CONTRIBUTIONS AND expend money or other things of value in his interest. ~~, and for any person not so named who may have made such expenditure.~~ SUCH STATEMENTS SHALL ALSO INCLUDE THE NAME AND ADDRESS OF THE CONTRIBUTOR REGARDLESS OF WHETHER THE CONTRIBUTION WAS MADE BY AN INDIVIDUAL OR OTHERWISE.

C. The ~~statement~~ STATEMENTS of ~~expenses~~ CONTRIBUTIONS AND EXPENDITURES shall be made upon forms prepared and printed by the secretary of state, who shall forward a sufficient supply to the clerk of the board of supervisors or city or town clerk of each county, city or town in which a primary election is to be held. A reasonable number of forms shall be mailed to each candidate by the secretary of state, clerk of the board of supervisors, or city or town clerk, as the case may be.

D. FOR THE PURPOSES OF THIS ARTICLE, THE TERM "EXPENDITURES" DOES NOT INCLUDE EXPENDITURES FOR A WRITTEN COMMUNICATION BY AN ELECTED OFFICIAL WITH HIS CONSTITUENTS INCURRED PRIOR TO THE SIXTIETH DAY PRECEDING THE ELECTION.

E. ANY PERSON WHO CONTRIBUTES THINGS WHICH HAVE A MONETARY VALUE IN EXCESS OF TWENTY-FIVE DOLLARS SHALL REPORT SUCH CONTRIBUTION TO THE CANDIDATE WITHIN FIVE DAYS OF MAKING SUCH CONTRIBUTION.

Sec. 3. Section 16-424, Arizona Revised Statutes, is amended to read:

16-424. Failure to file statements of contributions and expenditures; penalty

A. A candidate receiving the nomination of a political party who refuses or fails to file the full and complete ~~statement~~ STATEMENTS required by section 16-423 shall not receive the certificate of nomination until the ~~statement is~~ STATEMENTS ARE filed.

LAWS OF ARIZONA

B. A candidate who wilfully falsifies, refuses or fails to file ANY OF the ~~statement~~ STATEMENTS required by section 16-423 is guilty of a misdemeanor punishable by a fine of not less than twenty-five nor more than five hundred dollars.

Sec. 4. Section 16-425, Arizona Revised Statutes, is amended to read:

16-425. Reports of collections and expenditures by campaign committee or other club or person; time of filing; form; penalty for failure or refusal to sign

A. Each campaign committee which manages a candidate's campaign before a primary election, or manages the campaign for a political party and every person who engages in political ~~propaganda~~ ACTIVITY IN BEHALF OF A CANDIDATE, and collects or expends any money or valuable thing in connection therewith shall, ~~FILE, within ten days after such~~ NOT MORE THAN FIFTEEN NOR LESS THAN TEN DAYS PRIOR TO THE primary election, ~~file~~ with the officer with whom the nomination petitions of the candidates are filed a full and complete report of all money or ~~other things of~~ WHICH HAVE A MONETARY value, EACH OF WHICH HAS A VALUE IN EXCESS OF TWENTY-FIVE DOLLARS, which came into such committee's hands or into the hands of such person, or which was expended, TOGETHER WITH THE NAMES AND ADDRESSES OF SUCH CONTRIBUTORS. NOT LATER THAN TWENTY DAYS AFTER THE PRIMARY ELECTION, EACH SUCH CAMPAIGN COMMITTEE SHALL FILE WITH SUCH OFFICER A SECOND ITEMIZED STATEMENT OF EACH SUCH CONTRIBUTION RECEIVED IN EXCESS OF TWENTY-FIVE DOLLARS AND EXPENDITURE MADE SUBSEQUENT TO AND NOT INCLUDED IN THE ITEMIZED STATEMENT FILED PRIOR TO THE PRIMARY ELECTION.

B. The form of the report shall be prepared by the secretary of state and the attorney general and shall be the same in form as required for candidates, except that it shall be altered to conform to the needs of the committee, or of such person.

C. The ~~report~~ REPORTS shall be signed by the chairman and treasurer of each campaign committee or association of persons, or by such person, or by the members of such association if it has no chairman, and by the treasurer if it has a treasurer, or by the person who COLLECTED OR expended the money, to be stated in the report.

LAWS OF ARIZONA

D. A person who fails or refuses to sign and swear to ~~the~~ ANY report required by this section is guilty of a misdemeanor.

Sec. 5. Repeal

Section 16-426, Arizona Revised Statutes, is repealed.

Sec. 6. Title 16, chapter 4, article 2, Arizona Revised Statutes, is amended by adding a new section 16-426, to read:

16-426. Limitation of expenditures in aid of candidacy; primary, general and special elections

A. THE AGGREGATE AMOUNT WHICH MAY BE SPENT IN AID OF THE CANDIDACY OF ANY CANDIDATE FOR A PUBLIC OFFICE AT ANY PRIMARY ELECTION, WHETHER CONTESTED OR NOT, SHALL NOT EXCEED AN AMOUNT EQUAL TO TEN CENTS FOR EACH SUCH ELECTION FOR EACH PERSON RESIDING IN THE DISTRICT OR AREA IN WHICH THE PUBLIC OFFICE IS SOUGHT, BASED UPON THE POPULATION OF SUCH DISTRICT OR AREA AS LAST DETERMINED BY THE BUREAU OF THE CENSUS. ANOTHER TEN CENTS FOR EACH PERSON RESIDING IN THE DISTRICT OR AREA IN WHICH THE PUBLIC OFFICE IS SOUGHT BASED UPON THE POPULATION OF SUCH DISTRICT OR AREA AS LAST DETERMINED BY THE BUREAU OF CENSUS MAY BE SPENT IN AID OF THE CANDIDACY OF ANY CANDIDATE AT A GENERAL OR SPECIAL ELECTION.

B. NO MONEY OR THINGS WHICH HAVE A MONETARY VALUE IN EXCESS OF TWENTY-FIVE DOLLARS SHALL BE PAID OR PROMISED, OR EXPENSE AUTHORIZED OR INCURRED IN BEHALF OF ANY CANDIDATE FOR NOMINATION OR ELECTION TO ANY OFFICE, IN ANY PRIMARY, GENERAL OR SPECIAL ELECTION WHETHER SUCH PAYMENT IS MADE OR PROMISED, OR EXPENSE AUTHORIZED OR INCURRED BY THE CANDIDATE HIMSELF OR BY ANY OTHER PERSON, POLITICAL COMMITTEE OR ORGANIZATION, IN FURTHERANCE OR IN AID OF HIS CANDIDACY, UNDER ANY CIRCUMSTANCES, IN EXCESS OF THE AMOUNTS PROVIDED, EXCEPT THAT:

LAWS OF ARIZONA

1. THE LIMITED AMOUNT SHALL NOT INCLUDE THE TRAVELING EXPENSES OF THE CANDIDATE OR OF ANY PERSON OTHER THAN THE CANDIDATE IF SUCH TRAVELING EXPENSES ARE VOLUNTARILY PAID BY SUCH PERSON WITHOUT ANY UNDERSTANDING OR AGREEMENT WITH THE CANDIDATE THAT THEY SHALL BE, DIRECTLY OR INDIRECTLY, REPAID TO HIM BY THE CANDIDATE.

2. IF THE PRESCRIBED LIMITED AMOUNT COMPUTED AS PROVIDED IN THIS SECTION AMOUNTS TO LESS THAN FIVE HUNDRED DOLLARS, THEN THE LIMITED AMOUNT SHALL BE INCREASED TO A TOTAL OF FIVE HUNDRED DOLLARS FOR THE CANDIDACY OF SUCH CANDIDATE.

Sec. 7. Section 16-427, Arizona Revised Statutes, is amended to read:

16-427. Penalty for exceeding campaign expenditure limit; expenditure of valuable things other than money

A. A candidate who KNOWINGLY AND INTENTIONALLY expends more money or ~~other things of~~ WHICH HAVE A MONETARY value than as set forth in section 16-426, either in person or through agents, CAMPAIGN COMMITTEE, committees or friends, is guilty of a misdemeanor punishable by a fine of not less than one hundred nor more than two thousand dollars, by imprisonment in the county jail for not less than six months nor more than ~~two years and, in addition, he shall be thereafter barred from holding office in the state.~~ ONE YEAR, OR BOTH.

B. When any thing of value other than money is expended or used in behalf of the candidate, it shall be considered as money equivalent to its fair cash value.

Sec. 8. Section 16-428, Arizona Revised Statutes, is amended to read:

16-428. False reports; penalty

A person who makes any statement or report required by this title, and therein KNOWINGLY AND INTENTIONALLY misstates the amount of money RECEIVED, given or expended, or fails to fully disclose the facts as to any gift, ~~OR promise, treat, reward, favors, or any valuable thing~~ RECEIVED, given or expended AND REQUIRED TO BE REPORTED

LAWS OF ARIZONA

HEREIN, is guilty of a misdemeanor punishable by a fine of not less than fifty nor more than one thousand dollars, and by imprisonment in the county jail for not less than three nor more than twelve months, and if such person is a nominee his name shall not appear upon the primary ballot. If the primary ballot is printed before conviction, such person's name shall not appear upon the ballot at the ensuing general election, and if the general election ballot is printed before conviction, he shall be denied the right to hold office, if elected. If elected to an office in the general election, he shall not hold the office.

Sec. 9. Section 16-451, Arizona Revised Statutes, is amended to read:

16-451. Statement of contributions and expenditures by candidate at general or special election; exemption

A. Every person who is a candidate for election at any general or special election to a state, county, city or town office shall, ~~within thirty days after the day of such general or special election~~ NOT MORE THAN FIFTEEN NOR LESS THAN TEN DAYS PRIOR TO AND EVERY PERSON WHO IS A CANDIDATE AT ANY GENERAL, OR SPECIAL ELECTION SHALL NOT MORE THAN THIRTY DAYS AFTER THE GENERAL OR SPECIAL ELECTION, file a full, correct and itemized statement of all monies ~~and~~ OR things ~~of~~ WHICH HAVE A MONETARY value, EACH OF WHICH HAS A VALUE IN EXCESS OF TWENTY-FIVE DOLLARS, received by him, or by any one for him with his knowledge or consent, from any source, in aid or support of his candidacy, together with the names of all persons who have furnished any of them in whole or in part.

B. The statements shall contain a true and itemized account of EACH AMOUNT OF MONEY AND EACH THING, ~~all monies and things of~~ HAVING A MONETARY value IN EXCESS OF TWENTY-FIVE DOLLARS, given, ~~OR~~ contributed and ALL MONIES AND THINGS OF VALUE expended, used or promised, by the candidate or by his agent, representative or other person for or in his behalf, with his knowledge and consent, together with the names of all persons BY WHOM SUCH CONTRIBUTIONS WERE MADE FOR HIS CANDIDACY AND to whom any or all such gifts, contributions, payments or promises were made for the purpose of procuring or aiding his election.

LAWS OF ARIZONA

C. FOR THE PURPOSES OF THIS ARTICLE, THE TERM "EXPENDITURES" DOES NOT INCLUDE EXPENDITURE FOR A WRITTEN COMMUNICATION OF AN ELECTED OFFICIAL WITH HIS CONSTITUENTS INCURRED PRIOR TO THE SIXTIETH DAY PRECEDING THE ELECTION.

Sec. 10. Section 16-452, Arizona Revised Statutes, is amended to read:

16-452. Statement of collections or expenditures by campaign committee or other club or person; time of filing; signing; penalty

A. The treasurer of every campaign committee and every person, other than a candidate for office who engages in political ~~propaganda~~ ACTIVITY IN BEHALF OF A CANDIDATE and collects or expends money or valuable things in connection therewith, shall ~~within thirty~~ NOT MORE THAN FIFTEEN NOR LESS THAN TEN DAYS PRIOR TO AND NOT MORE THAN THIRTY days after any general or special election at which candidates for state, county, city or town offices are to be elected, file an itemized and detailed statement. All statements shall be full and complete and shall be signed and sworn to by such person, or if an association or combination of persons, by the chairman and treasurer thereof.

B. THE FORM OF THE REPORT SHALL BE PREPARED BY THE SECRETARY OF STATE AND THE ATTORNEY GENERAL AND SHALL BE THE SAME IN FORM AS REQUIRED FOR CANDIDATES' EXCEPT THAT IT MAY BE ALTERED TO CONFORM TO THE NEEDS OF THE COMMITTEE, OR OF SUCH PERSON.

C. THE STATEMENT SHALL BE SIGNED BY THE CHAIRMAN AND TREASURER OF EACH CAMPAIGN COMMITTEE OR ASSOCIATION OF PERSONS, OR BY SUCH PERSON, OR BY THE MEMBERS OF SUCH ASSOCIATION IF IT HAS NO CHAIRMAN, AND BY THE TREASURER, OR BY THE PERSON WHO EXPENDED THE MONEY, TO BE STATED IN THE REPORT.

D. A PERSON WHO FAILS OR REFUSES TO SIGN AND SWEAR TO THE REPORT REQUIRED BY THIS SECTION IS GUILTY OF A MISDEMEANOR.

LAWS OF ARIZONA

Sec. 11. Section 16-453, Arizona Revised Statutes, is amended to read:

16-453. Contents of statement of collections and expenditures

The statements required by section 16-452 shall show:

1. The name and address of each person who has contributed, promised, loaned or advanced to the campaign committee, person, firm, corporation, club, league or association, or any officer, member or agent thereof, either in one or more items, money or ~~its equivalent, or thing of value, of the aggregate amount or value of one hundred dollars or more, and the amount or sum contributed, promised, loaned or advanced by each.~~ **THINGS WHICH HAVE A MONETARY VALUE.**
2. The aggregate sum contributed, promised, loaned or advanced to the campaign committee, person, firm, corporation, club, league or association, or to any officer, member or agent thereof, in amounts of less than ~~one hundred~~ **TWENTY-FIVE** dollars.
3. The total sum of all contributions, promises, loans and advances received by the campaign committee, person, firm, corporation, club, league or association, or any officer, member or agent thereof.
4. A standard type of financial statement with distributions, disbursements, contributions, promises, loans and advances of any form of money or its equivalent, or thing of value, grouped and summarized by category, in accordance with generally accepted accounting principles and standards.
5. The total sum disbursed, distributed, or contributed, promised, loaned or advanced by the campaign committee, person, firm, corporation, club, league or association, or any officer, member or agent thereof.

Sec. 12. Section 16-455, Arizona Revised Statutes, is amended to read:

16-455. Failure to make and file statement of contributions, collections and expenditures; penalty

A candidate or person who, ~~or a firm, corporation, club, league or association which~~ **KNOWINGLY AND INTENTIONALLY FALSIFIES,**

LAWS OF ARIZONA

REFUSES OR fails to make and file the ~~statement~~ REPORT of contributions, collections and expenditures required by this article within the time specified is guilty of a misdemeanor PUNISHABLE BY A FINE OF NOT LESS THAN TWENTY-FIVE NOR MORE THAN FIVE HUNDRED DOLLARS AND ANY SUCH CANDIDATE'S NAME SHALL NOT APPEAR UPON THE BALLOT. IF THE BALLOT IS PRINTED BEFORE CONVICTION, HE SHALL BE DENIED THE RIGHT TO HOLD OFFICE, IF ELECTED.

Sec. 13. **Applicability of act**

Contributions made and expenses incurred prior to the effective date of this act for elections occurring after the effective date of this act shall be reported in accordance with the provisions of this act.

This bill having remained with the Governor 10 days, Sundays excluded, and the Legislature having adjourned, has become a law without his signature.

Filed in the Office of the Secretary of State—May 22, 1974

CHAPTER 198

Senate Bill 1122

AN ACT

RELATING TO STATE GOVERNMENT; PROVIDING FOR REGISTRATION AND REGULATION OF LOBBYISTS, AND AMENDING TITLE 41, CHAPTER 7, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 8.1.

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

Section 1. Title 41, chapter 7, Arizona Revised Statutes, is amended by adding article 8.1 to read:

LAWS OF ARIZONA

ARTICLE 8.1 REGISTRATION AND
REGULATION OF LOBBYISTS41-1231. **Definitions**

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "EXPENDITURE" MEANS A PAYMENT, DISTRIBUTION, LOAN, ADVANCE, DEPOSIT OR GIFT OF MONEY OR ANYTHING OF VALUE, AND INCLUDES A CONTRACT, PROMISE OR AGREEMENT, WHETHER OR NOT LEGALLY ENFORCEABLE, TO MAKE AN EXPENDITURE.
2. "LEGISLATION" MEANS BILLS, RESOLUTIONS, MEMORIALS, AMENDMENTS, NOMINATIONS AND OTHER MATTERS PENDING OR PROPOSED IN EITHER HOUSE OF THE LEGISLATURE.
3. "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, COMMITTEE, ASSOCIATION, CORPORATION AND ANY OTHER ORGANIZATION OR GROUP OF PERSONS, EXCEPT LEGISLATORS.

41-1232. **Registration; exceptions; availability of information**

A. ANY PERSON WHO RECEIVES ANY CONTRIBUTIONS OR COMPENSATION OR EXPENDS ANY MONEY FOR THE PURPOSE OF ATTEMPTING TO INFLUENCE THE PASSAGE OR DEFEAT OF ANY LEGISLATION BY THE LEGISLATURE OF THIS STATE OR FOR THE PURPOSE OF ATTEMPTING TO INFLUENCE THE ACTIONS OF ANY STATE OFFICER, AGENCY, BOARD, COMMISSION OR COUNCIL SHALL REGISTER WITH THE SECRETARY OF STATE BEFORE DOING ANYTHING IN FURTHERANCE OF SUCH OBJECT BY FILING IN SUCH OFFICE A WRITTEN STATEMENT SUBSCRIBED UNDER OATH, CONTAINING THE FOLLOWING INFORMATION:

1. NAME AND BUSINESS ADDRESS.
2. NAME AND ADDRESS OF EACH PERSON BY WHOM HE IS SO EMPLOYED OR IF NOT EMPLOYED, THE NAME AND ADDRESS OF EACH PERSON HE REPRESENTS AND IN WHOSE INTEREST HE APPEARS OR WORKS.

LAWS OF ARIZONA

3. THE DURATION OF SUCH REPRESENTATION.
 4. BY WHOM HE IS PAID OR IS TO BE PAID, IF SUCH IS THE CASE.
 5. FOR WHAT EXPENSES HE IS TO BE REIMBURSED.
 6. THE TYPE AND NATURE OF COMPENSATION TO BE PAID HIM FOR THE REPRESENTATION. SEPARATE OR SUPPLEMENTAL REPORTS SHALL BE FILED FOR EACH CALENDAR QUARTER ON OR BEFORE THE FORTIETH DAY FOLLOWING SUCH QUARTER TO COVER ANY ADDITIONAL ACTIVITIES OR PERSONS FOR WHOM SUCH PERSON SO REGISTERING IS SUBSEQUENTLY EMPLOYED, RETAINED OR FOR WHOM HE MAY ACT. EACH PERSON SO REGISTERING SHALL AGAIN REGISTER DURING EACH SUCCEEDING JANUARY AND AGAIN SUBMIT AT THAT TIME THE INFORMATION REQUIRED BY THIS SUBSECTION UNLESS AT THAT TIME HE IS NO LONGER SO ENGAGED.
- B. EACH SUCH PERSON SO REGISTERED AT ANY TIME DURING THE CALENDAR YEAR SHALL, ANNUALLY DURING THE MONTH OF JANUARY, FILE WITH THE SECRETARY OF STATE A WRITTEN REPORT COVERING THE PRECEDING CALENDAR YEAR AND SETTING FORTH:
1. EACH EXPENDITURE IN EXCESS OF TWENTY-FIVE DOLLARS MADE BY HIM IN CARRYING ON HIS WORK OF ATTEMPTING TO INFLUENCE THE PASSAGE OR DEFEAT OF ANY LEGISLATION OR THE OFFICIAL ACTIONS OF ANY STATE OFFICER, STATE AGENCY, BOARD, COMMISSION OR COUNCIL. EXPENDITURES OF SUCH PERSON SO REGISTERED FOR HIS PERSONAL SUSTENANCE AND OFFICE EXPENSE, FILING FEES, LEGAL FEES, CLERICAL HELP, LODGING AND TRAVEL NEED NOT BE INCLUDED IN SUCH REPORTS. ENTERTAINMENT EXPENSE IN CONNECTION WITH ANY PERSONAL APPEARANCE BEFORE A LEGISLATIVE COMMITTEE OR ANY ENTERTAINMENT EXPENSE IN CONNECTION WITH ANY PERSONAL CONTACT WITH ANY MEMBER OF THE LEGISLATURE OR OTHER STATE OFFICER TO ARGUE FOR OR AGAINST PENDING LEGISLATION OR ANY ACTION THEREON BY THE LEGISLATURE, A STATE OFFICER, STATE AGENCY, BOARD, COMMISSION OR COUNCIL SHALL BE REPORTED.

LAWS OF ARIZONA

2. THE TOTAL OF ALL EXPENDITURES MADE BY HIM DURING THE PRECEDING CALENDAR YEAR IN CARRYING ON HIS WORK OF ATTEMPTING TO INFLUENCE THE PASSAGE OR DEFEAT OF ANY LEGISLATION OR THE OFFICIAL ACTIONS OF ANY STATE OFFICER, AGENCY, BOARD, COMMISSION OR COUNCIL.

3. EACH PERSON TO WHOM EACH SUCH EXPENDITURE IN EXCESS OF TWENTY-FIVE DOLLARS WAS PAID AND FOR WHAT PURPOSES.

4. SUPPLEMENTAL REPORTS SHALL BE FILED MONTHLY, ON OR BEFORE THE TENTH DAY OF THE FOLLOWING MONTH. TO LIST ANY EXPENDITURES IN EXCESS OF TWENTY-FIVE DOLLARS OCCURRING DURING THE MONTH AND WHICH MUST BE REPORTED PURSUANT TO THIS SECTION.

C. THE PROVISIONS OF THIS SECTION DO NOT APPLY TO:

1. ANY PERSON WHO MERELY APPEARS FOR HIMSELF BEFORE A COMMITTEE OF THE LEGISLATURE OR BEFORE ANY STATE OFFICER, STATE AGENCY, BOARD, COMMISSION OR COUNCIL, TO TESTIFY IN SUPPORT OF OR IN OPPOSITION TO LEGISLATION OR LEGAL ACTION.

2. ANY DULY ELECTED OR APPOINTED PUBLIC OFFICIAL ACTING IN HIS OFFICIAL CAPACITY AND ACTING ON MATTERS PERTAINING TO HIS PUBLIC OFFICE.

3. ANY PERSON PERFORMING PROFESSIONAL SERVICES IN DRAFTING BILLS OR IN ADVISING AND RENDERING OPINIONS TO CLIENTS AS TO THE CONSTRUCTION AND EFFECT OF PROPOSED OR PENDING LEGISLATION.

4. ATTORNEYS REPRESENTING CLIENTS BEFORE ANY COURT OR BEFORE ANY QUASI-JUDICIAL BODY.

D. ALL INFORMATION REQUIRED TO BE FILED PURSUANT TO THIS SECTION WITH THE SECRETARY OF STATE SHALL BE FILED IN SUCH OFFICE AND PRESERVED BY THE SECRETARY OF STATE FOR FIVE YEARS FROM THE DATE OF FILING, AFTER WHICH PERIOD OF TIME THE INFORMATION SHALL BE DESTROYED. SUCH INFORMATION SHALL BE PUBLIC INFORMATION AND OPEN TO PUBLIC INSPECTION.

LAWS OF ARIZONA

41-1233. Contingent fees prohibited

NO PERSON SHALL RETAIN OR EMPLOY ANOTHER TO PROMOTE OR OPPOSE LEGISLATION FOR COMPENSATION CONTINGENT IN WHOLE OR IN PART UPON THE PASSAGE OR DEFEAT OF ANY LEGISLATION, OR THE APPROVAL OR VETO OF ANY LEGISLATION BY THE GOVERNOR, AND NO PERSON SHALL ACCEPT SUCH EMPLOYMENT OR RENDER SUCH SERVICE FOR COMPENSATION ON SUCH CONTINGENT BASIS.

41-1234. Influencing legislation restricted

NO PERSON SHALL IN ANY MANNER IMPROPERLY SEEK TO INFLUENCE THE VOTE OF ANY MEMBER OF THE LEGISLATURE THROUGH COMMUNICATION WITH SUCH MEMBER'S EMPLOYER.

41-1235. Spurious communications

WHOEVER SHALL TRANSMIT, UTTER OR PUBLISH TO THE LEGISLATURE, OR TO ANY MEMBER OR MEMBERS OF THE LEGISLATURE, OR ANY COMMITTEE, OFFICER OR EMPLOYEE OF EITHER HOUSE OF THE LEGISLATURE, OR TO ANY STATE OFFICER, AGENCY, BOARD, COMMISSION OR COUNCIL ANY COMMUNICATION MATERIALLY RELATED TO ANY MATTER WITHIN THE JURISDICTION OF THE LEGISLATURE, OR BE A PARTY TO THE PREPARATION THEREOF, KNOWING SUCH COMMUNICATION OR SIGNATURE THERETO IS FALSE, FORGED, COUNTERFEIT OR FICTITIOUS SHALL BE GUILTY OF A MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN THIS ARTICLE.

41-1236. Reports and statements under oath

ALL REPORTS AND STATEMENTS REQUIRED UNDER THIS ARTICLE SHALL BE MADE UNDER OATH, BEFORE AN OFFICER AUTHORIZED BY LAW TO ADMINISTER OATHS.

41-1237. Penalties

A. ANY PERSON WHO WILFULLY AND KNOWINGLY VIOLATES ANY OF THE PROVISIONS OF THIS ARTICLE AND ANY PERSON

LAWS OF ARIZONA

WHO WILFULLY AND KNOWINGLY FILES ANY DOCUMENT PROVIDED FOR IN THIS ARTICLE THAT CONTAINS ANY MATERIALLY FALSE STATEMENT OR MATERIAL OMISSION, OR ANY PERSON WHO WILFULLY AND KNOWINGLY FAILS TO COMPLY WITH ANY MATERIAL REQUIREMENT OF THIS ARTICLE IS GUILTY OF A MISDEMEANOR, AND SHALL BE PUNISHED BY A FINE OF NOT MORE THAN ONE THOUSAND DOLLARS OR IMPRISONMENT IN THE COUNTY JAIL FOR NOT MORE THAN TWELVE MONTHS, OR BOTH.

B. ANY ALLEGED VIOLATION OF ANY PROVISIONS OF THIS ARTICLE MAY BE INVESTIGATED AND PROSECUTED BY THE ATTORNEY GENERAL OR BY THE COUNTY ATTORNEY OF THE COUNTY IN WHICH THE ALLEGED OFFENSE WAS COMMITTED.

41-1238. Limitations

NO PROVISION OF THIS ARTICLE SHALL BE CONSTRUED, INTERPRETED OR ENFORCED SO AS TO LIMIT, IMPAIR, ABRIDGE OR DESTROY ANY PERSON'S RIGHT OF FREEDOM OF EXPRESSION AND PARTICIPATION IN GOVERNMENT PROCESSES, OR FREEDOM OF THE PRESS.

This bill having remained with the Governor 10 days, Sundays excluded, and the Legislature having adjourned, has become a law without his signature.

Filed in the Office of the Secretary of State—May 22, 1974

LAWS OF ARIZONA

CHAPTER 199

Senate Bill 1121

AN ACT

RELATING TO PUBLIC OFFICERS AND EMPLOYEES; PRESCRIBING CONFLICT OF INTEREST OF OFFICERS AND EMPLOYEES; PRESCRIBING STANDARDS OF CONDUCT OF MEMBERS OF THE STATE LEGISLATURE; PRESCRIBING STANDARDS FOR FINANCIAL DISCLOSURE; ESTABLISHING AN ETHICS BOARD; PROVIDING FOR LEGISLATIVE ETHICS COMMITTEE; AMENDING SECTION 38-502, ARIZONA REVISED STATUTES; REPEALING SECTION 38-504, ARIZONA REVISED STATUTES; AMENDING TITLE 38, CHAPTER 3, ARTICLE 8, ARIZONA REVISED STATUTES BY ADDING SECTIONS 38-504 THROUGH 38-506; AMENDING TITLE 38, CHAPTER 3, ARIZONA REVISED STATUTES BY ADDING ARTICLE 8.1; AMENDING TITLE 38, ARIZONA REVISED STATUTES BY ADDING CHAPTER 3.1, ARTICLES 1, 2, AND 3, REPEALING ARTICLE 12, CHAPTER 7, TITLE 41, ARIZONA REVISED STATUTES AND MAKING AN APPROPRIATION.

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

Section 1. Section 38-502, Arizona Revised Statutes, is amended to read:

38-502. Definitions

In this article, unless the context otherwise provides:

1. "COMPENSATION" MEANS MONEY, TANGIBLE THING OF VALUE OR FINANCIAL BENEFIT.
- ~~1.~~ 2. "Employee" means all persons who are not public officers who are employed on a full, part-time or contract basis by an incorporated city or town, a political subdivision or the state or any of its departments, commissions, agencies, bodies or boards for remuneration.
- ~~2.~~ 3. "Political subdivision" means all political subdivisions of the state and county, including all school districts.

LAWS OF ARIZONA

4. "PUBLIC AGENCY" MEANS ALL COURTS, AND ANY DEPARTMENT, AGENCY, BOARD, COMMISSION, INSTITUTION OR INSTRUMENTALITY OF THE STATE, COUNTY, INCORPORATED TOWN OR CITY AND ANY OTHER POLITICAL SUBDIVISION OF THE STATE.

~~3.~~ 5. "Public officer" means all elected and appointed officers of incorporated cities and towns, political subdivisions and the state, including all members of boards and commissions established by charter, ordinance, resolution or statute, but excluding members of the legislature.

~~4.~~ 6. "Relative" means the spouse, children, siblings and any relative of such persons by blood or marriage in the first degree, according to the rules of the civil law.

~~5.~~ 7. "Remote interest" means:

- (a) That of a nonsalaried officer of a nonprofit corporation.
- (b) That of a landlord or tenant of the contracting party.
- (c) That of an attorney of a contracting party.
- (d) That of a member of a nonprofit cooperative marketing association.
- (e) The ownership of less than three per cent of the shares of a corporation for profit, provided the total annual income from dividends, including the value of stock dividends, from the corporation does not exceed five per cent of the total annual income of such officer or employee, and any other payments made to him by the corporation do not exceed five per cent of his total annual income.
- (f) That of an officer in being reimbursed for his actual and necessary expenses incurred in the performance of official duty.
- (g) That of a recipient of public services generally provided by the incorporated city or town, political subdivision or state department, commission, agency, body or board of which he is an officer or employee, on the same terms and conditions as if he were not an officer or employee.
- (h) That of a member of the hearing board provided for by section 6-365 other than such interest specified in subsection D of section 6-365

LAWS OF ARIZONA

which requires that the member refrain from participating in the proceeding.

~~6-~~ 8. "Substantial interest" means any interest, either direct or indirect, other than a remote interest.

Sec. 2. Repeal

Section 38-504, Arizona Revised Statutes, is repealed.

Sec. 3. Title 38, chapter 3, article 8, Arizona Revised Statutes, is amended by adding sections 38-504 through 38-506, to read:

38-504. Prohibited acts

A. NO PUBLIC OFFICER OR EMPLOYEE MAY REPRESENT ANOTHER PERSON FOR COMPENSATION BEFORE A PUBLIC AGENCY BY WHICH HE IS OR WAS EMPLOYED WITHIN THE PRECEDING TWELVE MONTHS OR ON WHICH HE SERVES OR SERVED WITHIN THE PRECEDING TWELVE MONTHS CONCERNING ANY MATTER WITH WHICH SUCH OFFICER OR EMPLOYEE WAS DIRECTLY CONCERNED AND IN WHICH HE PERSONALLY PARTICIPATED DURING HIS EMPLOYMENT OR SERVICE BY A SUBSTANTIAL AND MATERIAL EXERCISE OF ADMINISTRATIVE DISCRETION.

B. DURING THE PERIOD OF HIS EMPLOYMENT OR SERVICE AND FOR TWO YEARS THEREAFTER, NO PUBLIC OFFICER OR EMPLOYEE MAY DISCLOSE OR USE FOR HIS PERSONAL PROFIT, WITHOUT APPROPRIATE AUTHORIZATION, ANY INFORMATION ACQUIRED BY HIM IN THE COURSE OF HIS OFFICIAL DUTIES WHICH HAS BEEN CLEARLY DESIGNATED TO HIM AS CONFIDENTIAL WHEN SUCH CONFIDENTIAL DESIGNATION IS WARRANTED BECAUSE OF THE STATUS OF THE PROCEEDINGS OR THE CIRCUMSTANCES UNDER WHICH THE INFORMATION WAS RECEIVED AND PRESERVING ITS CONFIDENTIALITY IS NECESSARY TO THE PROPER CONDUCT OF GOVERNMENT BUSINESS. NO PUBLIC OFFICER OR EMPLOYEE SHALL DISCLOSE OR USE, WITHOUT APPROPRIATE AUTHORIZATION, ANY INFORMATION ACQUIRED BY HIM IN THE COURSE OF HIS OFFICIAL DUTIES WHICH IS DECLARED CONFIDENTIAL BY LAW.

LAWS OF ARIZONA

C. NO PUBLIC OFFICER OR EMPLOYEE MAY USE OR ATTEMPT TO USE HIS OFFICIAL POSITION TO SECURE ANY VALUABLE THING OR VALUABLE BENEFIT FOR HIMSELF THAT WOULD NOT ORDINARILY ACCRUE TO HIM IN THE PERFORMANCE OF HIS OFFICIAL DUTIES, WHICH THING OR BENEFIT IS OF SUCH CHARACTER AS TO MANIFEST A SUBSTANTIAL AND IMPROPER INFLUENCE UPON HIM WITH RESPECT TO HIS DUTIES.

38-505. **Additional income prohibited for services**

A. NO PUBLIC OFFICER OR EMPLOYEE MAY RECEIVE OR AGREE TO RECEIVE DIRECTLY OR INDIRECTLY COMPENSATION OTHER THAN AS PROVIDED BY LAW FOR ANY SERVICE RENDERED OR TO BE RENDERED BY HIM PERSONALLY IN ANY CASE, PROCEEDING, APPLICATION, OR OTHER MATTER WHICH IS PENDING BEFORE THE PUBLIC AGENCY OF WHICH HE IS A PUBLIC OFFICER OR EMPLOYEE.

B. THIS SECTION SHALL NOT BE CONSTRUED TO PROHIBIT THE PERFORMANCE OF MINISTERIAL FUNCTIONS INCLUDING, BUT NOT LIMITED TO, THE FILING, OR AMENDMENT OF TAX RETURNS, APPLICATIONS FOR PERMITS AND LICENSES, INCORPORATION PAPERS, AND OTHER DOCUMENTS.

38-506. **Penalty**

ANY PUBLIC OFFICER OR EMPLOYEE WHO KNOWINGLY, WILFULLY OR INTENTIONALLY CONCEALS OR FAILS TO DISCLOSE ANY SUBSTANTIAL INTEREST OR WHO VIOLATES ANY PROVISION OF THIS ARTICLE SHALL BE GUILTY OF A FELONY, AND UPON CONVICTION SHALL FORFEIT HIS OFFICE.

Sec. 4. Title 38, chapter 3, Arizona Revised Statutes, is amended by adding article 8.1 to read:

ARTICLE 8.1 STANDARDS OF CONDUCT FOR
MEMBERS OF THE STATE LEGISLATURE

38-520. **Standards of conduct**

A. NO MEMBER OF THE LEGISLATURE SHALL:

LAWS OF ARIZONA

1. USE OR ATTEMPT TO USE HIS OFFICIAL POSITION TO SECURE ANYTHING OF MATERIAL VALUE OR BENEFIT FOR HIMSELF OR HIS IMMEDIATE FAMILY THAT WOULD NOT ORDINARILY ACCRUE TO HIM IN THE PERFORMANCE OF HIS OFFICIAL DUTIES, WHICH THING OF VALUE OR BENEFIT IS OF SUCH CHARACTER AS TO MANIFEST A SUBSTANTIAL AND IMPROPER INFLUENCE UPON HIM WITH RESPECT TO HIS DUTIES.
2. WILFULLY AND KNOWINGLY DISCLOSE FOR COMPENSATION TO ANY OTHER PERSON OR ENTITY CONFIDENTIAL INFORMATION ACQUIRED BY HIM IN THE COURSE OF AND BY REASON OF HIS OFFICIAL DUTIES, OR USE SUCH INFORMATION FOR THE PURPOSE OF SUCH COMPENSATION.
3. APPEAR ON BEHALF OF ANOTHER PERSON, FIRM, CORPORATION OR ENTITY BEFORE ANY STATE DEPARTMENT, AGENCY, BOARD COMMISSION, INSTITUTION, OR INSTRUMENTALITY IN ANY MANNER FOR WHICH HE IS BEING COMPENSATED BY SUCH OTHER PERSON, FIRM, CORPORATION, OR ENTITY. THE PROVISION OF THIS PARAGRAPH SHALL NOT:
 - (a) APPLY TO ANY JUDICIAL PROCEEDING OR TO ANY HEARING OR PROCEEDING WHICH IS ADVERSARY IN CHARACTER, OR ON WHICH A RECORD OF SUCH HEARING OR PROCEEDING IS MADE BY THE AGENCY INVOLVED, OR SUCH APPEARANCE IS A MATTER OF PUBLIC RECORD OR TO ITEMS OF ADMINISTRATIVE NATURE ONLY.
 - (b) PRECLUDE A MEMBER OF THE LEGISLATURE FROM ACTING ON BEHALF OF A CONSTITUENT TO DETERMINE THE STATUS OF A MATTER BEFORE A STATE DEPARTMENT, AGENCY, BOARD, COMMISSION, INSTITUTION, OR INSTRUMENTALITY WITHOUT ACCEPTING COMPENSATION THEREFOR.
4. ACCEPT OTHER EMPLOYMENT WHICH WILL EITHER IMPAIR HIS INDEPENDENCE OF JUDGMENT AS TO HIS OFFICIAL DUTIES OR REQUIRE HIM, OR INDUCE HIM, TO DISCLOSE CONFIDENTIAL INFORMATION ACQUIRED BY HIM IN THE COURSE OF AND BY REASON OF HIS OFFICIAL DUTIES.

LAWS OF ARIZONA

B. NO MEMBER OF THE LEGISLATURE SHALL PARTICIPATE BY VOTING, OR IN ANY OTHER ACTION ON THE FLOOR OR IN COMMITTEE OR ELSEWHERE, IN THE ENACTMENT OR DEFEAT OF LEGISLATION IN WHICH HE OR HIS IMMEDIATE FAMILY HAS A SUBSTANTIAL PERSONAL INTEREST UNLESS HE HAS COMPLIED WITH THE RULES OF THE LEGISLATIVE BODY OF WHICH HE IS A MEMBER. A MEMBER SHALL BE DEEMED TO HAVE A PERSONAL INTEREST IN ANY LEGISLATION WITHIN THE MEANING OF THIS SUBSECTION WHERE HIS PERSONAL OR PRIVATE RIGHT, DISTINCT FROM HIS PUBLIC INTEREST, IS IMMEDIATELY CONCERNED, AND IN EACH INSTANCE WHERE HE OR HIS IMMEDIATE FAMILY HAS A DIRECT PERSONAL PECUNIARY INTEREST IN THE QUESTION.

C. NO MEMBER OF THE LEGISLATURE OR ANY FIRM, PARTNERSHIP, CORPORATION OR ASSOCIATION OF WHICH A MEMBER OF THE LEGISLATURE OWNS OR CONTROLS TEN PER CENT OR MORE THEREOF, OR ANY EMPLOYEE, OR RELATIVE BY AFFINITY OR CONSANGUINITY WITHIN THE THIRD DEGREE OF SUCH MEMBER, OR ANY FIRM, PARTNERSHIP, CORPORATION, OR ASSOCIATION OF WHICH SUCH EMPLOYEE OR RELATIVE OWNS OR CONTROLS TEN PER CENT OR MORE THEREOF SHALL SELL ANY GOODS OR SERVICES HAVING A TOTAL ANNUAL VALUE IN EXCESS OF ONE THOUSAND DOLLARS TO STATE AGENCIES UNLESS PURSUANT TO AN AWARD OR CONTRACT LET AFTER PUBLIC AND COMPETITIVE BIDDING NOTICE.

38-521. Penalty

ANY MEMBER OF THE LEGISLATURE WHO KNOWINGLY, WILFULLY AND INTENTIONALLY CONCEALS OR FAILS TO DISCLOSE ANY SUBSTANTIAL INTEREST OR WHO VIOLATES ANY PROVISION OF THIS ARTICLE SHALL BE GUILTY OF A FELONY, AND UPON CONVICTION SHALL FORFEIT HIS OFFICE.

Sec. 5. Title 38, Arizona Revised Statutes, is amended by adding chapter 3.1, articles 1, 2 and 3, to read:

LAWS OF ARIZONA

CHAPTER 3.1
STANDARDS FOR FINANCIAL DISCLOSURE
ARTICLE 1. GENERAL PROVISIONS**38-541. Definitions**

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "BOARD" MEANS THE ETHICS BOARD ESTABLISHED PURSUANT TO SECTION 38-561.
2. "COMPENSATION" MEANS MONEY, TANGIBLE THING OF VALUE OR FINANCIAL BENEFIT.
3. "IMMEDIATE FAMILY" MEANS THE PUBLIC OFFICIAL'S SPOUSE AND ANY MINOR CHILD OF WHOM THE PUBLIC OFFICIAL HAS LEGAL CUSTODY.
4. "PUBLIC OFFICER" MEANS A MEMBER OF THE LEGISLATURE AND ANY JUDGE OF THE COURT OF APPEALS AND THE SUPERIOR COURT, OR A PERSON HOLDING AN ELECTIVE OFFICE, THE CONSTITUENCY OF WHICH EMBRACES THE ENTIRE GEOGRAPHICAL LIMITS OF THE STATE OF ARIZONA. MEMBERS OF CONGRESS SHALL NOT BE DEEMED TO BE PUBLIC OFFICERS AS DEFINED IN THIS SECTION.
5. "LOCAL PUBLIC OFFICER" MEANS A PERSON HOLDING AN ELECTIVE OFFICE OF AN INCORPORATED CITY, TOWN OR COUNTY.

38-542. Duty to file financial disclosure statement; exceptions

A. IN ADDITION TO OTHER STATEMENTS AND REPORTS REQUIRED BY LAW, EVERY PUBLIC OFFICER, AS A MATTER OF PUBLIC RECORD, SHALL FILE WITH THE SECRETARY OF STATE ON A FORM PRESCRIBED BY THE SECRETARY OF STATE A VERIFIED STATEMENT DISCLOSING:

1. THE NAME OF THE PUBLIC OFFICER AND EACH MEMBER OF HIS IMMEDIATE FAMILY AND ALL NAMES UNDER WHICH THEY DO BUSINESS.

LAWS OF ARIZONA

2. IDENTIFICATION OF EACH EMPLOYER AND OF EACH OTHER SOURCE OF COMPENSATION AMOUNTING TO MORE THAN ONE THOUSAND DOLLARS ANNUALLY RECEIVED BY THE PUBLIC OFFICER AND HIS IMMEDIATE FAMILY IN THEIR OWN NAMES, OR BY ANY OTHER PERSON FOR THE USE OR BENEFIT OF THE PUBLIC OFFICER OR HIS IMMEDIATE FAMILY AND A BRIEF DESCRIPTION OF THE NATURE OF THE SERVICES FOR WHICH THE COMPENSATION WAS RECEIVED, EXCEPT THAT THIS PARAGRAPH SHALL NOT BE CONSTRUED TO REQUIRE THE DISCLOSURE OF INFORMATION THAT MAY BE PRIVILEGED BY LAW NOR THE DISCLOSURE OF INDIVIDUAL ITEMS OF COMPENSATION THAT CONSTITUTE A PORTION OF THE GROSS INCOME OF THE BUSINESS OR PROFESSION FROM WHICH THE PUBLIC OFFICER OR HIS IMMEDIATE FAMILY DERIVES COMPENSATION.

3. THE NAME OF EVERY CORPORATION, TRUST, BUSINESS TRUST, PARTNERSHIP, OR ASSOCIATION IN WHICH THE PUBLIC OFFICER AND HIS IMMEDIATE FAMILY, OR ANY OTHER PERSON FOR THE USE OR BENEFIT OF THE PUBLIC OFFICER OR HIS IMMEDIATE FAMILY, HAVE AN INVESTMENT OR HOLDINGS OF OVER ONE THOUSAND DOLLARS AT FAIR MARKET VALUE AS OF THE DATE OF SAID STATEMENT, OR IN WHICH THE PUBLIC OFFICER OR HIS IMMEDIATE FAMILY HOLDS ANY OFFICE OR HAS A FIDUCIARY RELATIONSHIP, TOGETHER WITH DESCRIPTION OF THE INVESTMENT, OFFICE OR RELATIONSHIP, EXCEPT THAT THIS PARAGRAPH DOES NOT REQUIRE DISCLOSURE OF THE NAME OF ANY BANK OR OTHER FINANCIAL INSTITUTION WITH WHICH THE PUBLIC OFFICER OR MEMBER OF HIS IMMEDIATE FAMILY HAS A DEPOSIT OR WITHDRAWAL SHARE ACCOUNT.

4. ALL ARIZONA REAL PROPERTY INTERESTS INCLUDING STREET ADDRESS, SPECIFIC LOCATION AND APPROXIMATE SIZE OR LEGAL DESCRIPTION TO WHICH EITHER THE PUBLIC OFFICER OR HIS IMMEDIATE FAMILY HOLDS LEGAL TITLE, OR A BENEFICIAL INTEREST IN, EXCLUDING HIS RESIDENCE AND PROPERTY USED PRIMARILY FOR PERSONAL RECREATION BY THE PUBLIC OFFICER OR HIS IMMEDIATE FAMILY.

LAWS OF ARIZONA

5. THE NAMES OF ALL PERSONS TO WHOM THE PUBLIC OFFICER AND HIS IMMEDIATE FAMILY, IN THEIR OWN NAMES OR IN THE NAME OF ANY OTHER PERSON, OWE MORE THAN ONE THOUSAND DOLLARS, EXCEPT THAT THIS PARAGRAPH SHALL NOT BE CONSTRUED TO REQUIRE THE DISCLOSURE OF DEBTS OWED BY THE PUBLIC OFFICER OR HIS IMMEDIATE FAMILY RESULTING FROM THE ORDINARY CONDUCT OF A BUSINESS OR PROFESSION, NOR DEBTS ON THE RESIDENCE OF THE PUBLIC OFFICER OR HIS IMMEDIATE FAMILY, NOR DEBTS ARISING OUT OF SECURED TRANSACTIONS FOR THE PURCHASE OF CONSUMER GOODS, NOR DEBTS SECURED BY CASH VALUES ON LIFE INSURANCE, NOR DEBTS OWED TO RELATIVES.

6. THE IDENTIFICATION OF ALL ACCOUNTS RECEIVABLE EXCEEDING ONE THOUSAND DOLLARS HELD BY THE PUBLIC OFFICER AND HIS IMMEDIATE FAMILY IN THEIR OWN NAMES, OR BY ANY OTHER PERSON FOR THE USE OR BENEFIT OF THE PUBLIC OFFICER OR HIS IMMEDIATE FAMILY. THIS PARAGRAPH SHALL NOT BE CONSTRUED TO REQUIRE THE DISCLOSURE OF INFORMATION THAT MAY BE PRIVILEGED BY LAW, NOR THE DISCLOSURE OF DEBTS OWED TO THE PUBLIC OFFICER OR HIS IMMEDIATE FAMILY RESULTING FROM THE ORDINARY CONDUCT OF A BUSINESS OR PROFESSION.

7. THE SOURCE OF EACH GIFT OF MORE THAN FIVE HUNDRED DOLLARS RECEIVED BY THE PUBLIC OFFICER AND HIS IMMEDIATE FAMILY IN THEIR OWN NAMES DURING THE PRECEDING TWELVE MONTHS, OR BY ANY OTHER PERSON FOR THE USE OR BENEFIT OF THE PUBLIC OFFICER OR HIS IMMEDIATE FAMILY EXCEPT GIFTS RECEIVED BY WILL OR BY VIRTUE OF INTESTATE SUCCESSION, OR RECEIVED BY WAY OF DISTRIBUTION FROM ANY INTER VIVOS OR TESTAMENTARY TRUST ESTABLISHED BY A SPOUSE OR BY AN ANCESTOR, OR GIFTS RECEIVED FROM RELATIVES. POLITICAL CAMPAIGN CONTRIBUTIONS SHALL NOT BE CONSTRUED AS GIFTS.

8. A DESCRIPTION OF ALL PROFESSIONAL, OCCUPATIONAL AND BUSINESS LICENSES IN WHICH EITHER A PUBLIC OFFICER OR HIS IMMEDIATE FAMILY HAS AN INTEREST, ISSUED BY ANY ARIZONA STATE DEPARTMENT, AGENCY, COMMISSION, INSTITUTION, OR INSTRUMENTALITY, INCLUDING THE NAME IN WHICH THE LICENSE IS ISSUED, THE TYPE OF BUSINESS OR PROFESSION, AND ITS LOCATION.

LAWS OF ARIZONA

B. THE STATEMENT REQUIRED TO BE FILED PURSUANT TO THIS SECTION SHALL BE FILED BY EACH CANDIDATE FOR PUBLIC OFFICE BY SEPTEMBER 1, 1974, AND THEREAFTER ON OR BEFORE THE THIRTY-FIRST DAY OF JANUARY OF EACH YEAR EXCEPT THAT IN THE CASE OF A PUBLIC OFFICER APPOINTED TO FILL A VACANCY WITHIN FIFTEEN DAYS FOLLOWING THE FILLING OF SUCH VACANCY.

38-543. Duty to file financial disclosure statement by candidate for public office

A CANDIDATE FOR PUBLIC OFFICE AS SPECIFIED IN SUBSECTION 4 OF SECTION 38-541 SHALL FILE THE FINANCIAL DISCLOSURE STATEMENT CONTAINING THE INFORMATION REQUIRED AS SET FORTH IN SECTION 38-542 ON A FORM PRESCRIBED BY THE SECRETARY OF STATE AT THE TIME OF FILING OF NOMINATION PAPERS.

38-544. Violations; penalties

ANY PUBLIC OFFICER OR CANDIDATE WHO FAILS TO FILE A FINANCIAL DISCLOSURE STATEMENT REQUIRED BY SECTIONS 38-542 AND 38-543 OR WHO KNOWINGLY AND INTENTIONALLY FILES AN INCOMPLETE FINANCIAL DISCLOSURE STATEMENT OR WHO KNOWINGLY AND INTENTIONALLY FILES A FALSE FINANCIAL DISCLOSURE STATEMENT IS GUILTY OF AN OFFENSE PUNISHABLE BY A FINE OF NOT LESS THAN THREE HUNDRED DOLLARS NOR MORE THAN ONE THOUSAND DOLLARS OR CONFINEMENT IN THE COUNTY JAIL FOR UP TO THIRTY DAYS.

38-545. Local public officers financial disclosure

NOTWITHSTANDING THE PROVISIONS OF ANY LAW, CHARTER, OR ORDINANCE TO THE CONTRARY, EVERY INCORPORATED CITY, TOWN OR COUNTY SHALL BY ORDINANCE, RULE, RESOLUTION, OR REGULATION ADOPT STANDARDS OF FINANCIAL DISCLOSURE CONSISTENT WITH THE PROVISIONS OF THIS CHAPTER APPLICABLE TO PUBLIC OFFICERS.

LAWS OF ARIZONA

ARTICLE 2. ETHICS BOARD

38-561. Ethics board; appointment; terms; compensation; organizational meeting; vacancy; personnel

A. THERE SHALL BE AN ETHICS BOARD CONSISTING OF EIGHT MEMBERS APPOINTED BY THE GOVERNOR PURSUANT TO SECTION 38-211. NO MORE THAN FOUR MEMBERS SO APPOINTED SHALL BE MEMBERS OF THE SAME POLITICAL PARTY. NO MEMBER MAY BE APPOINTED TO THE BOARD OR CONTINUE TO SERVE AS A MEMBER OF THE BOARD WHO IS A PUBLIC OFFICER. OF THE MEMBERS FIRST APPOINTED TO THE BOARD, TWO NOT OF THE SAME POLITICAL PARTY SHALL BE APPOINTED FOR A TERM ENDING THE THIRD MONDAY IN JANUARY OF 1976, TWO NOT OF THE SAME POLITICAL PARTY SHALL BE APPOINTED FOR A TERM ENDING THE THIRD MONDAY IN JANUARY OF 1977, TWO NOT OF THE SAME POLITICAL PARTY SHALL BE APPOINTED FOR A TERM ENDING THE THIRD MONDAY IN JANUARY OF 1978, AND TWO NOT OF THE SAME POLITICAL PARTY SHALL BE APPOINTED FOR A TERM ENDING THE THIRD MONDAY IN JANUARY OF 1979. THEREAFTER ALL APPOINTMENTS SHALL BE FOR A TERM OF FOUR YEARS. A VACANCY CAUSED BY OTHER THAN EXPIRATION OF THE TERM SHALL BE FILLED IN THE SAME MANNER AS ORGANIZATION APPOINTMENTS AND SHALL BE FOR THE DURATION OF THE UNEXPIRED TERM. ALL APPOINTMENTS TO FILL VACANCIES SHALL BE OF PERSONS OF THE SAME PARTY AS THE PERSONS TO BE REPLACED.

B. MEMBERS SHALL RECEIVE COMPENSATION DETERMINED PURSUANT TO TITLE 38, CHAPTER 4, ARTICLES 1 AND 2.

C. THE BOARD SHALL MEET WITHIN TWO WEEKS AFTER ALL MEMBERS HAVE BEEN APPOINTED AT A TIME AND PLACE DETERMINED BY THE GOVERNOR. THE BOARD SHALL ELECT A CHAIRMAN AND SUCH OTHER OFFICERS AS IT DEEMS NECESSARY. THEREAFTER THE BOARD SHALL MEET AT THE CALL OF THE CHAIRMAN OR UPON WRITTEN REQUEST OF THE MAJORITY OF THE MEMBERS.

D. A MAJORITY OF THE MEMBERS OF THE BOARD CONSTITUTES A QUORUM. NO ACTION SHALL BE TAKEN BY THE BOARD WITHOUT CONCURRENCE OF A MAJORITY OF THE MEMBERS. THE BOARD SHALL ADOPT RULES AND REGULATIONS GOVERNING ITS PROCEDURES.

LAWS OF ARIZONA

E. THE BOARD MAY APPOINT AN EXECUTIVE SECRETARY AND SUCH OTHER TECHNICAL, PROFESSIONAL AND CLERICAL EMPLOYEES AS ARE NECESSARY TO CARRY OUT THE DUTIES OF THE BOARD.

38-562. Powers and duties of the board; complaint hearing

A. THE BOARD SHALL RECEIVE AND MAY INITIATE COMPLAINTS AND CHARGES AGAINST PUBLIC OFFICERS EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION FOR FAILURE TO COMPLY WITH THE PROVISIONS OF THIS CHAPTER OR FOR CONDUCT ALLEGED TO BE IN VIOLATION OF ARTICLE 1 OF THIS CHAPTER. ALL COMPLAINTS INCLUDING THOSE OF THE BOARD OR ANY OF ITS MEMBERS SHALL BE IN WRITING AND VERIFIED BY THE COMPLAINANT.

B. THE BOARD MAY INVESTIGATE INFORMATION PROVIDED ON THE FINANCIAL STATEMENT OF A PUBLIC OFFICER. THE BOARD SHALL HAVE THE POWER TO ADMINISTER OATHS AND MAY REQUEST PRODUCTION OF RELEVANT INFORMATION BY SUBPOENA.

C. THE BOARD SHALL HOLD A HEARING WITHIN NINETY DAYS AFTER A COMPLAINT IS FILED. IF THE BOARD FINDS THAT THE FACTS ALLEGED IN THE COMPLAINT ARE NOT TRUE, IT SHALL DISMISS THE COMPLAINT AND A COPY OF THE REPORT OF SUCH DISMISSAL SHALL BE SENT TO THE PERSON FILING THE COMPLAINT, THE PUBLIC OFFICER AGAINST WHOM THE COMPLAINT IS FILED AND THE GOVERNOR. IF THE BOARD FINDS BASED UPON A PREPONDERANCE OF THE EVIDENCE THAT THERE IS PROBABLE CAUSE TO BELIEVE THAT THE FACTS ALLEGED IN THE COMPLAINT ARE TRUE AND CONSTITUTE A VIOLATION OF THIS CHAPTER OR A VIOLATION OF ARTICLE 1 OF THIS CHAPTER, IT SHALL REPORT ITS FINDINGS TO THE PERSON FILING THE COMPLAINT, THE PUBLIC OFFICER AGAINST WHOM THE COMPLAINT IS FILED, THE GOVERNOR AND TO THE APPROPRIATE LAW ENFORCEMENT AGENCY FOR PROCEEDINGS IN PROSECUTION OF SUCH VIOLATIONS.

D. NOT LESS THAN FIFTEEN DAYS BEFORE THE DATE OF THE HEARING, A NOTICE SHALL BE SENT BY CERTIFIED MAIL TO THE

LAWS OF ARIZONA

PUBLIC OFFICER AGAINST WHOM THE COMPLAINT IS DIRECTED INFORMING HIM OF THE DATE, TIME AND PLACE OF THE HEARING AND CONTAINING A STATEMENT OF THE CHARGES AND THE LAW WHICH THE PUBLIC OFFICER IS ALLEGED TO HAVE VIOLATED. THE HEARING SHALL BE CONDUCTED IN THE SAME MANNER AS HEARINGS CONDUCTED IN ACCORDANCE WITH TITLE 41, CHAPTER 6, ARTICLE 1. THE PUBLIC OFFICER SHALL BE GIVEN AN OPPORTUNITY TO BE REPRESENTED BY COUNSEL, TO EXAMINE THE EVIDENCE AGAINST HIM, TO PRODUCE EVIDENCE, TO CALL AND SUBPOENA WITNESSES IN HIS DEFENSE AND TO CROSS-EXAMINE WITNESSES. THE BOARD SHALL HAVE A STENOGRAPHIC RECORD MADE OF THE HEARING.

E. THE HEARING SHALL BE OPEN TO THE PUBLIC EXCEPT IN CASES WHERE THE PUBLIC OFFICER NAMED IN THE COMPLAINT REQUESTS A CONFIDENTIAL HEARING. ALL PAPERS, RECORDS, AFFIDAVITS AND DOCUMENTS UPON ANY COMPLAINT, INQUIRY OR INVESTIGATION RELATING TO THE PROCEEDINGS OF THE BOARD SHALL BE SEALED AND KEPT CONFIDENTIAL ONLY IF THE PUBLIC OFFICER NAMED IN THE COMPLAINT REQUESTED A CONFIDENTIAL HEARING.

F. COMPLAINTS ALLEGING A VIOLATION OF ARTICLE 1 OF THIS CHAPTER, BY A JUDICIAL OFFICER OF THE STATE SHALL BE REPORTED TO THE COMMISSION ON JUDICIAL QUALIFICATIONS AND THE SUPREME COURT FOR SUCH ACTION AS MAY BE DETERMINED PURSUANT TO ARTICLE 6.1, CONSTITUTION OF ARIZONA.

G. COMPLAINTS ALLEGING A VIOLATION OF ARTICLE 1 OF THIS CHAPTER BY A MEMBER OF THE LEGISLATURE SHALL BE REPORTED TO THE PRESIDENT OF THE SENATE OR THE SPEAKER OF THE HOUSE FOR APPROPRIATE ACTION BY THAT BODY'S LEGISLATIVE ETHICS COMMITTEE.

38-563. Education and information programs by board

THE ETHICS BOARD MAY RECOMMEND LEGISLATION RELATING TO ETHICS, CONFLICTS OF INTEREST, AND FINANCIAL DISCLOSURE, AND RENDER ADVISORY OPINIONS WITH REGARD

LAWS OF ARIZONA

TO QUESTIONS CONCERNING THESE MATTERS. THE BOARD SHALL PROVIDE A CONTINUING PROGRAM OF EDUCATION AND INFORMATION CONCERNING ETHICS, CONFLICTS OF INTEREST, AND FINANCIAL DISCLOSURE.

ARTICLE 3. LEGISLATIVE ETHICS COMMITTEE

38-581. **Legislative ethics committees; duties**

A. THERE SHALL BE A HOUSE OF REPRESENTATIVES ETHICS COMMITTEE APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND A SENATE ETHICS COMMITTEE APPOINTED BY THE PRESIDENT OF THE SENATE. EACH COMMITTEE SHALL BE COMPOSED OF FIVE MEMBERS, WITH AT LEAST TWO MEMBERS OF THE MAJORITY AND TWO MEMBERS OF THE MINORITY. EACH MEMBER SHALL SERVE AT THE PLEASURE OF THE APPOINTING AUTHORITY. A VACANCY IN EITHER COMMITTEE SHALL BE FILLED IN THE SAME MANNER AS AN ORIGINAL APPOINTMENT.

B. THE MEMBERS OF EACH COMMITTEE SHALL HAVE THOSE POWERS AND DUTIES PROVIDED BY THE RULES OF THE HOUSE OF REPRESENTATIVES OR THE SENATE, AS THE CASE MAY BE.

Sec. 6. **Repeal**

Title 41, chapter 7, article 12, Arizona Revised Statutes, is repealed.

Sec. 7. **Appropriation; purposes**

The sum of ten thousand dollars is appropriated to the ethics board to be used in administering the provisions of this act.

This bill having remained with the Governor 10 days, Sundays excluded, and the Legislature having adjourned, has become a law without his signature.

Filed in the Office of the Secretary of State—May 22, 1974

LAWS OF ARIZONA

CHAPTER 200

House Bill 2006

AN ACT

RELATING TO STATE GOVERNMENT; ESTABLISHING WITHIN THE DEPARTMENT OF ADMINISTRATION THE STATE WEIGHTS AND MEASURES DIVISION TO BE ADMINISTERED BY AN ASSISTANT DIRECTOR; PROVIDING FOR ADMINISTRATION OF WEIGHTS AND MEASURES REGULATION; PROVIDING FOR LICENSING OF PUBLIC WEIGHMASTERS, REGISTERED SERVICE AGENCIES, AND REGISTERED SERVICEMEN; REPEALING TITLE 44, CHAPTER 13, ARIZONA REVISED STATUTES; AMENDING SECTION 41-702, ARIZONA REVISED STATUTES, AND AMENDING TITLE 41, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 15, AND MAKING AN APPROPRIATION.

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

Section 1. Purpose

The purpose of this chapter is to establish within the department of administration the state weights and measures division and to establish statutory authority for the administration, regulation and enforcement of weights and measures requirements within the state. The objectives of state supervision of weights and measures under this chapter include the following:

1. Assuring that weights and measures in commercial service within the state are suitable for their intended use, properly installed, accurate and are so maintained by their owner or user.
2. Preventing unfair dealing by weight or measure in any commodity or service advertised, packaged, sold or purchased within the state.
3. Making available to all users of physical standards or weighing, measuring and counting equipment the precision calibration and related metrological certification capabilities of the weights and measures facilities of the state weights and measures division.

LAWS OF ARIZONA

4. Promoting uniformity, to the extent such conformance is practicable and desirable between weights and measures requirements of this state and those of other states and federal agencies.

5. Encouraging desirable economic growth while protecting the consumer through the adoption by rule of weights and measures requirements as necessary to ensure equity among buyers and sellers.

6. This act is not intended to preempt cities and towns in the enforcement of ordinances relating to the same subject matter but is intended to provide guidelines and standards for local enforcement of weights and measures requirements.

Sec. 2. Repeal

Title 44, chapter 13, Arizona Revised Statutes, is repealed.

Sec. 3. Section 41-702, Arizona Revised Statutes, is amended to read:

41-702. Administration divisions; assistant directors of department

A. The department of administration shall be organized into the following divisions:

1. Data processing.
2. Finance.
3. Library, archives and public records.
4. Personnel administration.
5. Public buildings maintenance.
6. Surplus property.
7. STATE WEIGHTS AND MEASURES.

B. The immediate direction and control of each division of the department of administration is the responsibility of the department of administration assistant director for each division.

LAWS OF ARIZONA

C. The director of the department of administration may reorganize the divisions and positions or organizational units within the divisions, subject to legislative appropriation, if in his judgment such modification of organization would make the operation of the department more efficient, effective or economical.

D. The director shall appoint with the approval of the governor an assistant director qualified to head each division and each such assistant director shall serve at the pleasure of the director. Compensation for the assistant directors shall be determined pursuant to section 38-611.

E. The department of administration succeeds to the powers and duties of the following:

1. The department of library and archives.
2. The department of public buildings maintenance.
3. The department of finance.
4. The state personnel commission, except as provided in subsection F.
5. The surplus property agency.
6. Board of history and archives.
7. Historical advisory commission.
8. THE STATE INSPECTOR OF WEIGHTS AND MEASURES.

F. The powers and duties relative to specified rule-making authority, the hearing and review of appeals relating to personnel status and the conduct of investigations regarding personnel matters shall be exercised by the personnel board.

Sec. 4. Title 41, Arizona Revised Statutes, is amended by adding chapter 15, articles 1 through 5, to read:

CHAPTER 15
STATE WEIGHTS AND MEASURES DIVISION
ARTICLE 1. GENERAL PROVISIONS

LAWS OF ARIZONA

41-2051. Definitions

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "ASSISTANT DIRECTOR" MEANS THE PERSON RESPONSIBLE FOR THE IMMEDIATE DIRECTION AND CONTROL OF THE STATE WEIGHTS AND MEASURES DIVISION, OF THE DEPARTMENT OF ADMINISTRATION.
2. "COMMODITY" MEANS ANY MERCHANDISE, PRODUCT OR SUBSTANCE PRODUCED OR DISTRIBUTED FOR SALE TO OR USE BY OTHERS.
3. "CORRECT" AS USED IN CONNECTION WITH WEIGHTS AND MEASURES MEANS CONFORMANCE TO ALL APPLICABLE REQUIREMENTS OF THIS CHAPTER.
4. "DIVISION" MEANS THE STATE WEIGHTS AND MEASURES DIVISION, OF THE DEPARTMENT OF ADMINISTRATION.
5. "INSPECTOR" MEANS STATE INSPECTORS OF WEIGHTS AND MEASURES.
6. "LIQUID-FUEL MEASURING DEVICE" MEANS ANY METER, PUMP, TANK, GAUGE OR APPARATUS USED FOR VOLUMETRICALLY DETERMINING THE QUANTITY OF ANY INTERNAL COMBUSTION ENGINE FUEL, LIQUIFIED PETROLEUM GAS OR LOW VISCOSITY HEATING OIL.
7. "PACKAGE" MEANS ANY COMMODITY PUT UP OR PACKAGED IN ANY MANNER IN ADVANCE OF SALE IN UNITS SUITABLE FOR EITHER WHOLESALE OR RETAIL TRADE.
8. "PERSON" MEANS BOTH PLURAL AND THE SINGULAR, AS THE CASE DEMANDS, AND INCLUDES INDIVIDUALS, PARTNERSHIPS, CORPORATIONS, COMPANIES, SOCIETIES AND ASSOCIATIONS.
9. "PRIMARY STANDARDS" MEANS THE PHYSICAL STANDARDS OF THE STATE WHICH SERVE AS THE LEGAL REFERENCE FROM WHICH ALL OTHER STANDARDS AND WEIGHTS AND MEASURES ARE DERIVED.

LAWS OF ARIZONA

10. "PUBLIC WEIGHMASTER" MEANS ANY PERSON WHO IS ENGAGED IN ANY OF THE FOLLOWING:

(a) THE BUSINESS OF WEIGHING FOR HIRE ANY OBJECT OR THING FOR THE PUBLIC GENERALLY AND ISSUING THEREFOR A WEIGHT CERTIFICATE INTENDED TO BE ACCEPTED AS AN ACCURATE WEIGHT UPON WHICH A PURCHASE OR SALE IS TO BE BASED.

(b) THE BUSINESS OF WEIGHING FOR HIRE MOTOR VEHICLES, TRAILERS OR SEMI-TRAILERS AND ISSUING WEIGHT CERTIFICATES INTENDED TO BE ACCEPTED AS AN ACCURATE WEIGHT FOR THE PURPOSE OF DETERMINING THE AMOUNT OF ANY TAX, FEE OR OTHER ASSESSMENT ON THE VEHICLES.

11. "REGISTERED SERVICE AGENCY" MEANS ANY AGENCY, FIRM, COMPANY OR CORPORATION WHICH, FOR HIRE, AWARD, COMMISSION OR ANY OTHER PAYMENT OF ANY KIND, INSTALLS, SERVICES, REPAIRS OR RECONDITIONS A COMMERCIAL WEIGHING, MEASURING, METERING OR COUNTING DEVICE, AND WHICH HAS BEEN GRANTED A CERTIFICATE OF REGISTRATION BY THE ASSISTANT DIRECTOR.

12. "REGISTERED SERVICEMAN" MEANS ANY INDIVIDUAL WHO FOR HIRE, AWARD, COMMISSION OR ANY OTHER PAYMENT OF ANY KIND, INSTALLS, SERVICES, REPAIRS OR RECONDITIONS A COMMERCIAL WEIGHING, MEASURING, METERING OR COUNTING DEVICE, AND WHO HAS BEEN GRANTED A CERTIFICATE OF REGISTRATION BY THE ASSISTANT DIRECTOR.

13. "SALE FROM BULK" MEANS THE SALE OF COMMODITIES WHEN THE QUANTITY IS DETERMINED AT THE TIME OF SALE.

14. "SECONDARY STANDARDS" MEANS THE PHYSICAL STANDARDS WHICH ARE TRACEABLE TO THE PRIMARY STANDARDS THROUGH COMPARISONS, USING ACCEPTABLE LABORATORY PROCEDURES, AND USED IN THE ENFORCEMENT OF WEIGHTS AND MEASURES LAWS AND REGULATIONS.

15. "WEIGHT" AS USED IN CONNECTION WITH ANY COMMODITY MEANS NET WEIGHT.

LAWS OF ARIZONA

16. "WEIGHTS" OR "MEASURES", OR BOTH, MEANS ALL WEIGHTS, MEASURES, METERS OR COUNTERS OF EVERY KIND, INSTRUMENTS AND DEVICES FOR WEIGHING, MEASURING, METERING, OR COUNTING AND ANY APPLIANCE AND ACCESSORIES ASSOCIATED WITH ANY OR ALL SUCH INSTRUMENTS AND DEVICES.

41-2052. State weights and measures division

A STATE WEIGHTS AND MEASURES DIVISION IS ESTABLISHED WITHIN THE DEPARTMENT OF ADMINISTRATION. THE DIVISION SHALL BE ADMINISTERED BY AN ASSISTANT DIRECTOR OF THE DEPARTMENT.

41-2053. Assistant director of weights and measures division; appointment; term; compensation; city sealer; appointment

A. THERE SHALL BE AN ASSISTANT DIRECTOR OF THE STATE WEIGHTS AND MEASURES DIVISION WHO SHALL BE APPOINTED AS PROVIDED IN SECTION 41-702.

B. THERE MAY BE A CITY SEALER OF WEIGHTS AND MEASURES IN ANY INCORPORATED CITY OR TOWN HAVING A POPULATION OF FIVE HUNDRED THOUSAND OR OVER, TO BE APPOINTED BY THE GOVERNING BODY OF SUCH CITY OR TOWN WITH THE WRITTEN CONSENT OF THE ASSISTANT DIRECTOR. THE CITY SEALER, WITHIN HIS JURISDICTION, SHALL HAVE THE SAME POWERS AND DUTIES AS PRESCRIBED FOR THE ASSISTANT DIRECTOR EXCEPT AS TO STATE INSTITUTIONS LOCATED THEREIN, AND SHALL FOLLOW THE POLICIES SET FORTH BY THIS CHAPTER. THE CITY SEALER SHALL NOT IMPOSE OR COLLECT ANY FEES IN THE PERFORMANCE OF HIS POWERS AND DUTIES PURSUANT TO THIS SUBSECTION. THE PROVISIONS OF THIS SUBSECTION SHALL EXPIRE EFFECTIVE DECEMBER 31, 1976.

ARTICLE 2. STATE
ADMINISTRATION OF WEIGHTS AND MEASURES

41-2061. Administration of chapter

THE ASSISTANT DIRECTOR SHALL ADMINISTER, FOR THE DEPARTMENT OF ADMINISTRATION, THE PROVISIONS OF THIS CHAPTER.

LAWS OF ARIZONA

41-2062. **Standard weights and measures**

THE SYSTEM OF WEIGHTS AND MEASURES IN CUSTOMARY USE IN THE UNITED STATES AND THE METRIC SYSTEM OF WEIGHTS AND MEASURES ARE JOINTLY RECOGNIZED, AND EITHER ONE OR BOTH OF SUCH SYSTEMS SHALL BE USED FOR ALL COMMERCIAL PURPOSES IN THE STATE. THE DEFINITIONS OF BASIC UNITS OF WEIGHT AND MEASURE, THE TABLES OF WEIGHT AND MEASURE, AND WEIGHTS AND MEASURES EQUIVALENTS, AS PUBLISHED BY THE NATIONAL BUREAU OF STANDARDS ARE RECOGNIZED AND SHALL GOVERN WEIGHING AND MEASURING EQUIPMENT AND TRANSACTIONS IN THE STATE.

41-2063. **Physical standards**

WEIGHTS AND MEASURES THAT ARE TRACEABLE TO THE UNITED STATES PROTOTYPE STANDARDS SUPPLIED BY THE FEDERAL GOVERNMENT, OR APPROVED AS BEING SATISFACTORY BY THE NATIONAL BUREAU OF STANDARDS, SHALL BE THE STATE PRIMARY STANDARDS OF WEIGHTS AND MEASURES, AND SHALL BE MAINTAINED IN SUCH CALIBRATION AS PRESCRIBED BY THE NATIONAL BUREAU OF STANDARDS. ALL SECONDARY STANDARDS MAY BE PRESCRIBED BY THE ASSISTANT DIRECTOR AND SHALL BE VERIFIED UPON THEIR INITIAL RECEIPT AND AS OFTEN THEREAFTER AS DEEMED NECESSARY BY THE ASSISTANT DIRECTOR.

41-2064. **Technical requirements for commercial devices**

THE SPECIFICATIONS, TOLERANCES, AND OTHER TECHNICAL REQUIREMENTS FOR COMMERCIAL WEIGHING AND MEASURING DEVICES AS ADOPTED BY THE NATIONAL CONFERENCE ON WEIGHTS AND MEASURES AND PUBLISHED IN NATIONAL BUREAU OF STANDARDS HANDBOOK 44, "SPECIFICATIONS, TOLERANCES, AND OTHER TECHNICAL REQUIREMENTS FOR COMMERCIAL WEIGHING AND MEASURING DEVICES" AND SUPPLEMENTS THERETO OR REVISIONS THEREOF, SHALL APPLY TO COMMERCIAL WEIGHING AND MEASURING DEVICES IN THE STATE, EXCEPT INSOFAR AS MODIFIED OR REJECTED BY REGULATION.

LAWS OF ARIZONA

41-2065. Duties of assistant director

A. THE ASSISTANT DIRECTOR SHALL:

1. MAINTAIN CUSTODY OF THE STATE STANDARDS OF WEIGHT AND MEASURE THAT ARE TRACEABLE TO THE UNITED STATES PROTOTYPE STANDARDS AND THAT ARE SUPPLIED TO THE STATES BY THE FEDERAL GOVERNMENT OR THAT ARE OTHERWISE APPROVED AS BEING SATISFACTORY BY THE NATIONAL BUREAU OF STANDARDS.

2. KEEP THE STATE PRIMARY STANDARDS IN A SAFE AND SUITABLE PLACE IN THE METROLOGY LABORATORY OF THE DIVISION AND INSURE THAT THEY SHALL NOT BE REMOVED FROM THE LABORATORY EXCEPT FOR REPAIRS OR FOR CALIBRATION AS MAY BE PRESCRIBED BY THE NATIONAL BUREAU OF STANDARDS.

3. KEEP ACCURATE RECORDS OF ALL STANDARDS AND EQUIPMENT.

4. MAKE ANY RULES NECESSARY TO CARRY OUT THE PROVISIONS OF THIS CHAPTER AND ISSUE REASONABLE REGULATIONS FOR THE ENFORCEMENT OF THIS CHAPTER, WHICH REGULATIONS SHALL HAVE THE FORCE AND EFFECT OF LAW. SUCH RULES AND REGULATIONS SHALL BE ISSUED PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT, TITLE 41, CHAPTER 6, ARIZONA REVISED STATUTES. IN MAKING SUCH RULES AND REGULATIONS, THE ASSISTANT DIRECTOR SHALL CONSIDER, SO FAR AS IS PRACTICABLE, THE REQUIREMENTS ESTABLISHED BY OTHER STATES AND BY AUTHORITY OF THE UNITED STATES, EXCEPT THAT NO RULES AND REGULATIONS SHALL BE MADE IN CONFLICT WITH THE PROVISIONS OF THIS ACT.

5. PUBLISH SUCH RULES AND REGULATIONS PROMULGATED PURSUANT TO THIS CHAPTER AND ISSUE COPIES TO ALL APPLICANTS FOR LICENSE AND CERTIFICATION. UPDATED COPIES OF THE RULES AND REGULATIONS SHALL BE DISTRIBUTED TO ALL CURRENT LICENSEES AND CERTIFICATION HOLDERS WHEN THERE IS A CHANGE IN THE RULES AND REGULATIONS.

LAWS OF ARIZONA

6. INVESTIGATE COMPLAINTS MADE TO THE DEPARTMENT CONCERNING VIOLATIONS OF THE PROVISIONS OF THIS CHAPTER AND, UPON HIS OWN INITIATIVE, CONDUCT SUCH INVESTIGATIONS AS HE DEEMS APPROPRIATE TO DEVELOP INFORMATION RELATING TO PREVAILING PROCEDURES IN COMMERCIAL QUANTITY DETERMINATION AND RELATING TO POSSIBLE VIOLATIONS OF THIS CHAPTER, AND IN ORDER TO PROMOTE THE GENERAL OBJECTIVE OF ACCURACY IN THE DETERMINATION AND REPRESENTATION OF QUANTITY IN COMMERCIAL TRANSACTIONS.

7. ESTABLISH LABELING STANDARDS, ESTABLISH STANDARDS FOR THE PRESENTATION OF COST-PER-UNIT INFORMATION, ESTABLISH STANDARDS OF WEIGHT, MEASURE, OR COUNT, AND REASONABLE STANDARDS OF FILL FOR ANY PACKAGED COMMODITY, AND MAY ESTABLISH STANDARDS FOR OPEN DATING INFORMATION.

8. GRANT, PURSUANT TO THIS CHAPTER, EXEMPTIONS FROM THE LICENSING PROVISIONS OF THIS CHAPTER FOR COMMERCIAL WEIGHING AND MEASURING INSTRUMENTS WHEN THE OWNERSHIP AND USE OF THE INSTRUMENT OR DEVICE IS LIMITED TO FEDERAL, STATE OR LOCAL GOVERNMENT AGENCIES IN THE PERFORMANCE OF OFFICIAL FUNCTIONS.

9. DELEGATE TO APPROPRIATE PERSONNEL ANY OF THE RESPONSIBILITIES OF THE ASSISTANT DIRECTOR FOR THE PROPER ADMINISTRATION OF THIS CHAPTER.

10. TEST ANNUALLY THE STANDARDS OF WEIGHT AND MEASURE USED BY ANY CITY OR TOWN WITHIN THE STATE, AND APPROVE THE SAME WHEN FOUND TO BE CORRECT.

11. INSPECT AND TEST WEIGHTS AND MEASURES KEPT, OFFERED, OR EXPOSED FOR SALE.

12. INSPECT AND TEST TO ASCERTAIN IF THEY ARE CORRECT, WEIGHTS AND MEASURES COMMERCIALY USED:

(a) IN DETERMINING THE WEIGHT, MEASURE OR COUNT OF COMMODITIES OR THINGS SOLD, OR OFFERED OR EXPOSED FOR SALE, ON THE BASIS OF WEIGHT, MEASURE OR COUNT, OR

LAWS OF ARIZONA

(b) IN COMPUTING THE BASIC CHARGE OR PAYMENT FOR SERVICES RENDERED ON THE BASIS OF WEIGHT, MEASURE OR COUNT.

13. TEST ALL WEIGHTS AND MEASURES USED IN CHECKING THE RECEIPT OR DISBURSEMENT OF SUPPLIES IN EVERY INSTITUTION, FOR THE MAINTENANCE OF WHICH FUNDS ARE APPROPRIATED BY THE LEGISLATURE.

14. APPROVE FOR USE, AND MAY MARK, SUCH WEIGHTS AND MEASURES AS HE FINDS TO BE CORRECT, AND SHALL REJECT AND MARK AS REJECTED SUCH WEIGHTS AND MEASURES AS HE FINDS TO BE INCORRECT. WEIGHTS AND MEASURES THAT HAVE BEEN REJECTED MAY BE SEIZED IF NOT CORRECTED WITHIN THE TIME SPECIFIED OR IF USED OR DISPOSED OF IN A MANNER NOT SPECIFICALLY AUTHORIZED. THE ASSISTANT DIRECTOR SHALL CONDEMN AND MAY SEIZE WEIGHTS AND MEASURES FOUND TO BE INCORRECT THAT ARE NOT CAPABLE OF BEING MADE CORRECT.

15. ISSUE WEIGHING AND MEASURING INSTRUCTIONS AND REGULATIONS, IN ADDITION TO THE CERTIFICATE OF APPROVAL, TO BE POSTED ON ALL APPROVED WEIGHING AND MEASURING DEVICES FOR THE INFORMATION OF CONSUMERS AND THE OPERATORS OF SUCH DEVICES.

16. WEIGH, MEASURE OR INSPECT PACKAGED COMMODITIES KEPT, OFFERED OR EXPOSED FOR SALE, SOLD OR IN THE PROCESS OF DELIVERY, TO DETERMINE WHETHER THEY CONTAIN THE AMOUNTS REPRESENTED AND WHETHER THEY ARE KEPT, OFFERED OR EXPOSED FOR SALE IN ACCORDANCE WITH THIS CHAPTER OR REGULATIONS PROMULGATED PURSUANT THERETO. IN CARRYING OUT THE PROVISIONS OF THIS SECTION, THE DIRECTOR SHALL EMPLOY RECOGNIZED SAMPLING PROCEDURES, SUCH AS ARE DESIGNATED IN APPROPRIATE NATIONAL BUREAU OF STANDARDS HANDBOOKS AND SUPPLEMENTS THERETO.

17. PRESCRIBE BY REGULATION THE APPROPRIATE TERM OR UNIT OF WEIGHT OR MEASURE TO BE USED, WHENEVER HE DETERMINES IN THE CASE OF A SPECIFIC COMMODITY THAT AN

LAWS OF ARIZONA

EXISTING PRACTICE OF DECLARING THE QUANTITY BY WEIGHT, MEASURE, NUMERICAL COUNT OR COMBINATION THEREOF, DOES NOT FACILITATE VALUE COMPARISONS BY CONSUMERS, OR OFFERS AN OPPORTUNITY FOR CONSUMER CONFUSION.

18. ALLOW REASONABLE VARIATIONS FROM THE STATED QUANTITY OF CONTENTS ONLY AFTER A COMMODITY HAS ENTERED INTRASTATE COMMERCE. SUCH VARIATIONS SHALL INCLUDE THOSE CAUSED BY LOSS OR GAIN OF MOISTURE DURING THE COURSE OF GOOD DISTRIBUTION PRACTICE OR BY UNAVOIDABLE DEVIATIONS IN GOOD MANUFACTURING PRACTICE.

19. PROVIDE FOR THE WEIGHTS AND MEASURES TRAINING OF INSPECTION PERSONNEL AND SHALL ESTABLISH MINIMUM TRAINING REQUIREMENTS WHICH SHALL BE MET BY ALL STATE WEIGHTS AND MEASURES INSPECTION PERSONNEL IN THE STATE.

20. PRESCRIBE THE STANDARDS OF WEIGHT AND MEASURE, AND ADDITIONAL EQUIPMENT METHODS OF TEST AND INSPECTION TO BE EMPLOYED IN THE ENFORCEMENT OF THIS CHAPTER. THE ASSISTANT DIRECTOR MAY PRESCRIBE OR PROVIDE OR PRESCRIBE AND PROVIDE THE OFFICIAL TEST AND INSPECTION FORMS TO BE USED IN THE ENFORCEMENT OF THIS CHAPTER.

21. APPLY TO ANY COURT OF COMPETENT JURISDICTION FOR A TEMPORARY OR PERMANENT INJUNCTION RESTRAINING ANY PERSON FROM VIOLATING ANY PROVISION OF THIS CHAPTER.

22. REPORT TO THE GOVERNOR ON JUNE 1 EACH YEAR AND AT SUCH OTHER TIMES AS MAY BE REQUIRED ON THE WORK ACCOMPLISHED BY THE DIVISION.

23. EMPLOY SUCH PERSONNEL AS NEEDED TO ASSIST IN ADMINISTERING THE PROVISIONS OF THIS CHAPTER.

B. THE ASSISTANT DIRECTOR MAY PROVIDE FOR THE PERIODIC EXAMINATION AND INSPECTION OF METERING DEVICES OF UTILITY COMPANIES, INCLUDING BUT NOT LIMITED TO SUCH DEVICES UTILIZED TO MEASURE USAGE OF ELECTRICITY, NATURAL GAS OR WATER BY A CONSUMER.

LAWS OF ARIZONA

41-2066. Enforcement powers of the assistant director and inspectors

A. WHEN NECESSARY FOR THE ENFORCEMENT OF THIS CHAPTER AND RULES OR REGULATIONS ADOPTED AND PROMULGATED PURSUANT THERETO, THE ASSISTANT DIRECTOR AND INSPECTORS MAY:

1. ENTER ANY COMMERCIAL PREMISES DURING NORMAL BUSINESS HOURS, EXCEPT THAT IF SUCH PREMISES ARE NOT OPEN TO THE PUBLIC, HE SHALL FIRST PRESENT HIS CREDENTIALS AND OBTAIN CONSENT BEFORE MAKING ENTRY THERETO, UNLESS AN INSPECTION WARRANT HAS PREVIOUSLY BEEN OBTAINED.

2. ISSUE STOP-USE, HOLD AND REMOVAL ORDERS WITH RESPECT TO ANY WEIGHTS AND MEASURES COMMERCIALY USED, AND STOP-SALE, HOLD AND REMOVAL ORDERS WITH RESPECT TO ANY PACKAGED COMMODITIES OR BULK COMMODITIES KEPT, OFFERED OR EXPOSED FOR SALE.

3. SEIZE FOR USE AS EVIDENCE, WITHOUT FORMAL WARRANT, ANY INCORRECT OR UNAPPROVED WEIGHT, MEASURE, PACKAGE OR COMMODITY FOUND TO BE USED, RETAINED, OFFERED OR EXPOSED FOR SALE OR SOLD IN VIOLATION OF THE PROVISIONS OF THIS CHAPTER OR REGULATIONS ADOPTED AND PROMULGATED PURSUANT THERETO.

4. STOP ANY COMMERCIAL VEHICLE UPON REASONABLE CAUSE TO BELIEVE THAT THE VEHICLE CONTAINS EVIDENCE OF A VIOLATION OF ANY PROVISION OF THIS CHAPTER AND, AFTER PRESENTMENT OF HIS CREDENTIALS, INSPECT THE CONTENTS, REQUIRE THAT THE PERSON IN CHARGE OF THE VEHICLE PRODUCE ANY DOCUMENTS IN HIS POSSESSION CONCERNING THE CONTENTS AND REQUIRE HIM TO PROCEED WITH THE VEHICLE TO SOME SPECIFIED PLACE FOR INSPECTION.

B. WITH RESPECT TO THE ENFORCEMENT OF THIS CHAPTER, THE ASSISTANT DIRECTOR OR INSPECTORS ARE VESTED WITH THE AUTHORITY TO ISSUE A CITATION TO ANY VIOLATORS OF THIS CHAPTER IN ACCORDANCE WITH THE PROVISIONS OF SECTION 13-1422.

LAWS OF ARIZONA

C. THE ASSISTANT DIRECTOR OR AN INSPECTOR MAY APPLY FOR A SPECIAL INSPECTION WARRANT FOR INSPECTION OF REAL OR PERSONAL PROPERTY FOR THE PURPOSE OF ENFORCEMENT OF THIS CHAPTER. SUCH A SPECIAL INSPECTION WARRANT SHALL BE ISSUED IN THE SAME MANNER AND IN THE SAME FORM AS A SPECIAL INSPECTION WARRANT FOR AIR POLLUTION AS PROVIDED IN SECTION 36-1708.01.

41-2067. **Operation of state metrology laboratory**

A. THE ASSISTANT DIRECTOR SHALL ESTABLISH AND OPERATE WITHIN THE DEPARTMENT THE STATE METROLOGY LABORATORY.

B. NO WEIGHT, MEASURE, METER, COUNTER OR OTHER DEVICE SHALL BE APPROVED FOR USE IN THE STATE UNLESS THE DESIGN AND CONSTRUCTION COMPLIES WITH NATIONAL BUREAU OF STANDARDS REQUIREMENTS.

C. ALL WEIGHTS, MEASURES, METERS, COUNTERS OR OTHER DEVICES APPROVED AND CERTIFIED SHALL MEET THE TOLERANCE, DESIGN AND CONSTRUCTION REQUIREMENTS PRESCRIBED BY THE NATIONAL BUREAU OF STANDARDS.

D. ALL WEIGHTS, MEASURES, METERS, COUNTERS OR OTHER DEVICES DETERMINED UNFIT FOR APPROVAL SHALL BE REJECTED WITHOUT TESTING.

E. ALL WEIGHTS, WEIGHT SETS, MEASURES, METERS, COUNTERS OR OTHER DEVICES, USED BY REGISTERED SERVICEMEN OF WEIGHING OR MEASURING DEVICES, SHALL SHOW INDICATION OF APPROVAL DATE AND JURISDICTION ISSUING APPROVAL.

F. ALL PERSONS WHO INSTALL, SERVICE OR REPAIR WEIGHING, MEASURING, METERING OR COUNTING DEVICES IN THIS STATE SHALL SUBMIT THE TEST EQUIPMENT USED TO THE DEPARTMENT'S METROLOGY LABORATORY FOR APPROVAL DURING EACH CALENDAR YEAR. A CERTIFICATE OF APPROVAL WHICH SPECIFICALLY IDENTIFIES THE TEST EQUIPMENT ISSUED BY ANOTHER STATE LABORATORY MAY BE ACCEPTED IN LIEU OF SUBMITTING EQUIPMENT.

LAWS OF ARIZONA

G. ALL WEIGHTS, MEASURES, METERS, COUNTERS OR OTHER DEVICES SHALL BE TESTED IN THE ORDER THEY ARE RECEIVED IN THE LABORATORY UNLESS ARRANGEMENTS FOR TESTING HAVE BEEN MADE IN ADVANCE.

H. WORK COMPLETED IN THE METROLOGY LABORATORY SHALL BE PAID FOR PURSUANT TO THE FEES PRESCRIBED IN THIS CHAPTER.

41-2068. **License fees to general fund**

THE ASSISTANT DIRECTOR SHALL REMIT ALL FEES COLLECTED TO THE STATE TREASURER TO BE DEPOSITED IN THE GENERAL FUND.

ARTICLE 3. METHOD OF SALE OF
COMMODITIES AND SERVICES

41-2081. **Sale of commodities**

A. NO PERSON MAY SELL, OFFER OR EXPOSE FOR SALE LESS THAN THE QUANTITY HE REPRESENTS, NOR, AS A BUYER, TAKE ANY MORE THAN THE QUANTITY HE REPRESENTS WHEN HE FURNISHES THE WEIGHT OR MEASURE BY MEANS OF WHICH THE QUANTITY IS DETERMINED.

B. NO PERSON MAY MISREPRESENT THE PRICE OF ANY COMMODITY OR SERVICE SOLD, OFFERED, EXPOSED OR ADVERTISED FOR SALE BY WEIGHT, MEASURE OR COUNT, NOR REPRESENT THE PRICE IN ANY MANNER CALCULATED OR TENDING TO MISLEAD OR IN ANY WAY DECEIVE A PERSON.

C. EXCEPT AS OTHERWISE PROVIDED BY THE ASSISTANT DIRECTOR, COMMODITIES IN LIQUID FORM SHALL BE SOLD BY LIQUID MEASURE OR BY WEIGHT, AND COMMODITIES NOT IN LIQUID FORM SHALL BE SOLD ONLY BY WEIGHT, BY MEASURE OR BY COUNT, SO LONG AS THE METHOD OF SALE PROVIDES ACCURATE QUANTITY INFORMATION.

D. WHEN THE QUANTITY IS DETERMINED BY THE SELLER, BULK SALES IN EXCESS OF TWENTY DOLLARS SHALL BE ACCOMPANIED BY A DELIVERY TICKET CONTAINING THE FOLLOWING INFORMATION.

LAWS OF ARIZONA

1. THE NAME AND ADDRESS OF THE VENDOR AND PURCHASER.
 2. THE DATE DELIVERED.
 3. THE QUANTITY DELIVERED AND THE QUANTITY UPON WHICH THE PRICE IS BASED, IF THIS DIFFERS FROM THE DELIVERED QUANTITY.
 4. THE IDENTITY IN THE MOST DESCRIPTIVE TERMS COMMERCIALY PRACTICABLE, INCLUDING ANY QUALITY REPRESENTATION MADE IN CONNECTION WITH THE SALE.
 5. THE COUNT OF INDIVIDUALLY WRAPPED PACKAGES, IF MORE THAN ONE.
- E. EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER OR BY REGULATIONS PROMULGATED PURSUANT THERETO, ANY PACKAGE KEPT FOR THE PURPOSE OF SALE OR OFFERED OR EXPOSED FOR SALE SHALL BEAR ON THE OUTSIDE OF THE PACKAGE A DEFINITE, PLAIN, AND CONSPICUOUS DECLARATION OF:
1. THE IDENTITY OF THE COMMODITY IN THE PACKAGE, UNLESS THE SAME CAN EASILY BE IDENTIFIED THROUGH THE WRAPPER OR CONTAINER.
 2. THE QUANTITY OF CONTENTS IN TERMS OF WEIGHT, MEASURE OR COUNT.
 3. THE NAME AND PLACE OF BUSINESS OF THE MANUFACTURER, PACKER OR DISTRIBUTOR, IN THE CASE OF ANY PACKAGE KEPT, OFFERED OR EXPOSED FOR SALE, OR SOLD IN ANY PLACE OTHER THAN ON THE PREMISES WHERE PACKED.
- F. IN ADDITION TO THE DECLARATIONS REQUIRED BY SUBSECTION E OF THIS SECTION, ANY PACKAGE BEING ONE OF A LOT CONTAINING RANDOM WEIGHTS OF THE SAME COMMODITY AND BEARING THE TOTAL SELLING PRICE OF THE PACKAGE SHALL BEAR ON THE OUTSIDE OF THE PACKAGE A PLAIN AND CONSPICUOUS DECLARATION OF THE PRICE PER SINGLE UNIT OF WEIGHT.

LAWS OF ARIZONA

G. WHEN A PACKAGED COMMODITY IS ADVERTISED IN ANY MANNER WITH THE RETAIL PRICE STATED, THERE SHALL BE CLOSELY AND CONSPICUOUSLY ASSOCIATED WITH THE RETAIL PRICE A DECLARATION OF QUANTITY AS IS REQUIRED BY LAW OR REGULATION TO APPEAR ON THE PACKAGE. WHERE A DUAL DECLARATION IS REQUIRED, ONLY THE DECLARATION THAT SETS FORTH THE QUANTITY IN TERMS OF THE SMALLER UNIT OF WEIGHT OR MEASURE NEED APPEAR IN THE ADVERTISEMENT.

H. THE PACKAGER OF A SHORT WEIGHTED ITEM OFFERED FOR SALE SHALL BE HELD LIABLE UNDER THIS CHAPTER.

ARTICLE 4. LICENSING, TESTING
AND CERTIFICATION

41-2091. **Licensing or certifying devices used for commercial purposes; authorization to test devices used for all other purposes**

A. NO PERSON MAY USE ANY WEIGHING OR MEASURING DEVICE COMMERCIALY IN DETERMINING THE WEIGHT, MEASURE OR COUNT OF COMMODITIES OR THINGS SOLD, OR OFFERED OR EXPOSED FOR SALE, ON THE BASIS OF WEIGHT, MEASURE OR COUNT, NOR USE ANY SUCH DEVICE IN COMPUTING THE BASIC CHARGE OR PAYMENT FOR SERVICES RENDERED ON THE BASIS OF WEIGHT, MEASURE OR COUNT UNLESS SUCH DEVICE IS LICENSED OR CERTIFIED AS PROVIDED IN THIS CHAPTER.

B. SUCH LICENSE OR CERTIFICATION SHALL BE OBTAINED ANNUALLY FROM THE DIVISION BY MAKING APPLICATION THEREFOR TO THE ASSISTANT DIRECTOR DURING DECEMBER PRECEDING THE CALENDAR YEAR FOR WHICH THE LICENSE OR CERTIFICATION IS TO BE ISSUED, ON FORMS PRESCRIBED AND FURNISHED BY THE ASSISTANT DIRECTOR, WHICH SHALL BE ACCOMPANIED BY THE FEE PRESCRIBED IN THIS CHAPTER. A LICENSE OR CERTIFICATION SHALL BE OBTAINED NOT LATER THAN THE FIRST DAY OF COMMERCIAL USE FOR ORIGINAL INSTALLATIONS. LICENSES SHALL NOT BE TRANSFERABLE.

LAWS OF ARIZONA

C. ANY LICENSE OR CERTIFICATION ISSUED UNDER THE PROVISIONS OF THIS CHAPTER APPLIES ONLY TO THE INSTRUMENT OR DEVICE SPECIFIED IN THE LICENSE OR CERTIFICATION, EXCEPT THAT THE ASSISTANT DIRECTOR MAY PERMIT SUCH LICENSE OR CERTIFICATION TO BE APPLICABLE TO A REPLACEMENT FOR THE ORIGINAL INSTRUMENT OR DEVICE.

D. NONCOMMERCIAL DEVICES MAY BE TESTED BY THE DIVISION PURSUANT TO THIS CHAPTER.

E. NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, CERTIFICATION FEES IN SECTION 41-2092, SUBSECTION A, PARAGRAPHS 5 AND 6 SHALL BE COLLECTED ONLY ONCE UPON CERTIFICATION.

41-2092. **Fees for licensing, certification and testing**

A. THE FOLLOWING FEES SHALL BE PAID TO THE STATE WEIGHTS AND MEASURES DIVISION AS LICENSE OR CERTIFICATION FEES FOR DEVICES USED FOR COMMERCIAL PURPOSES:

SCHEDULES OF FEES

1. **WEIGHING DEVICES:**

0 – 399 POUNDS CAPACITY	\$ 5.00
400 – 1159 POUNDS CAPACITY	8.00
1160 – 7499 POUNDS CAPACITY	15.00
7500 – 59,999 POUNDS CAPACITY	50.00
60,000 POUNDS CAPACITY AND OVER	75.00

2. **LIQUID METERING DEVICES:**

RACK LOADING

BELOW 50 GALLONS PER MINUTE	30.00
50 GPM to 99 GALLONS PER MINUTE	38.00
100 GPM TO 499 GALLONS PER MINUTE	48.00
500 GPM TO 999 GALLONS PER MINUTE	58.00
1000 GPM AND OVER	72.00

VEHICLE TANK

BELOW 50 GALLONS PER MINUTE	30.00
50 GPM TO 99 GALLONS PER MINUTE	38.00

LAWS OF ARIZONA

100 GPM TO 499 GALLONS PER MINUTE	48.00
500 GPM TO 999 GALLONS PER MINUTE	58.00
1000 GPM AND OVER	72.00
OTHER METERS	
BELOW 20 GALLONS PER MINUTE	7.00
20 GPM TO 149 GALLONS PER MINUTE	15.00
150 GPM AND OVER	24.00
3. DISPENSERS, RETAIL LEVEL OR IN COMMERCIAL USAGE:	
SINGLE HOSE AND NOZZLE	5.00
DOUBLE HOSE AND NOZZLE	10.00
FIXED ORIFICE BLENDERS WITH SINGLE HOSE AND NOZZLE	8.00
FIXED ORIFICE BLENDERS WITH DOUBLE HOSE AND NOZZLE	15.00
REMOTE INDICATION OR CONTROL	24.00
KEY LOCK, LIMITED ACCESS, WITH ACCUMULATORS	30.00
CURRENCY READER OPERATED/ CREDIT CARD OPERATED	45.00
SNORKEL, AUTOMATIC OR ATTENDANTLESS	45.00
4. LIQUEFIED PETROLEUM GAS, HIGH PRESSURE LIQUID METERS, AND GAS MEASURING DEVICES:	
INSPECTION AND TESTING OF SMALL BOTTLE FILL DISPENSERS, EACH	20.00
INSPECTION AND TESTING OF CYLINDER FILLING PLANTS, EACH	72.00
AMMONIA METERS (NH ³), EACH	96.00
AMMONIA METERS (TEMP. CONTROL), EACH	130.00
L.P.G. METERS – 3/4" AND 1", EACH	24.00
L.P.G. METERS – 1 1/4", 1 1/2" AND 1 3/4", EACH	30.00
L.P.G. METERS – 2" AND LARGER, EACH	48.00
L.P.G. METERS, TEMPERATURE COMPENSATING – 1 1/4" AND 1 1/2", EACH	38.00
L.P.G. METERS, TEMPERATURE COMPENSATING – 2" TO 2 7/8", EACH	75.00
– 3" AND LARGER, EACH	240.00
VAPOR METERS, FIELD TESTED IN GROUPS OF 10 DELIVERED TO CENTRAL LOCATIONS	
VAPOR (SMALL AND MEDIUM), EACH	20.00
VAPOR (LARGE), EACH	96.00

LAWS OF ARIZONA

	VAPOR (LARGE H.P. METERS INCLUDING CHECK AND REGULATOR CHECK), EACH	200.00
	REGULATOR CHECK ONLY, EACH	63.00
	VAPOR METERS, LABORATORY TESTED DELIVERED TO THE LABORATORY AND PICKED UP BY OWNER OR SEALER AFTER TESTING	
	VAPOR (SMALL AND MEDIUM), EACH	12.00
	VAPOR (LARGE), EACH	24.00
5.	TANKS, STATIONARY, DISPENSED BY GRADATION ONLY (CERTIFICATION):	
	UNDER 999 GALLONS	10.00
	1,000 GALLONS TO 2,499 GALLONS	24.00
	2,500 GALLONS TO 4,999 GALLONS	48.00
	5,000 GALLONS TO 24,999 GALLONS	145.00
	25,000 GALLONS AND OVER	EIGHT-TENTHS OF ONE CENT PER GALLON OF CONTENT
6.	TANKS, VEHICLE, USED AS MEASURES (CERTIFICATION):	
	UNDER 999 GALLONS	10.00
	1,000 GALLONS TO 2,499 GALLONS	24.00
	2,500 GALLONS TO 4,999 GALLONS	48.00
	5,000 GALLONS TO 24,999 GALLONS	145.00
	25,000 GALLONS AND OVER	EIGHT-TENTHS OF ONE CENT PER GALLON OF CONTENT
7.	LINEAR MEASURES, AUTOMATIC:	
	TAXIMETERS (TAXICABS)	\$ 5.00
	ODOMETERS (RENTAL CARS AND OTHERS)	5.00
	UP TO 12 METERS	7.00
	OVER 12 METERS	15.00
8.	LINEAR MEASURES, NONAUTOMATIC:	
	UNDER ONE METER	5.00
	UNDER ONE METER, IMBEDDED TYPE	10.00
	1 METER TO 25 METERS	10.00
	OVER 25 METERS TO 100 METERS	20.00
	OVER 100 METERS TO 500 METERS	38.00
	OVER 500 METERS	72.00

LAWS OF ARIZONA

9. STANDARDS CERTIFICATION; MASS STANDARDS:
 DIRECT WEIGHING:
- | | |
|--|-------|
| UP TO AND INCLUDING 5 POUNDS | 2.00 |
| OVER 5 POUNDS AND INCLUDING 50 POUNDS | 3.00 |
| OVER 50 POUNDS AND INCLUDING 250 POUNDS | 10.00 |
| OVER 250 POUNDS AND INCLUDING 500 POUNDS | 20.00 |
| OVER 500 POUNDS AND INCLUDING 1000 POUNDS | 30.00 |
| OVER 1000 POUNDS AND INCLUDING 2500 POUNDS | 38.00 |
| OVER 2500 POUNDS AND INCLUDING 5000 POUNDS | 48.00 |
- B. THE FOLLOWING TESTING FEES SHALL BE PAID TO THE STATE WEIGHTS AND MEASURES DIVISION AS CERTIFICATION FEES BY SUCH PERSONS WHO MAY DESIRE SUCH CERTIFICATION:
- TEST KIT FEES FOR CLASS C, F AND T WEIGHTS,
 FOR EACH WEIGHT 1.20
 - TEST KIT FEES FOR CLASS A, B, J, M, P,
 O, S AND S1 WEIGHTS, FOR EACH WEIGHT 1.20
 - STANDARDS CERTIFICATION; VOLUMETRIC:
- | | |
|---|--------|
| UP TO AND INCLUDING 4 LITERS | 2.00 |
| OVER 4 LITERS, INCLUDING 15 LITERS | 5.00 |
| OVER 15 LITERS, INCLUDING 50 LITERS | 10.00 |
| OVER 50 LITERS, INCLUDING 100 LITERS | 20.00 |
| OVER 100 LITERS, INCLUDING 500 LITERS | 50.00 |
| OVER 500 LITERS, INCLUDING 1000 LITERS | 72.00 |
| OVER 1000 LITERS, INCLUDING 5000 LITERS | 168.00 |
| OVER 5000 LITERS, EACH LITER | .05 |
- CERTIFICATION, LENGTH STANDARD:
- | | |
|--|-------|
| UP TO ONE METER | 4.00 |
| OVER ONE METER, UP TO AND INCLUDING
25 METERS | 15.00 |
| OVER 25 METERS, UP TO AND INCLUDING
100 METERS | 30.00 |
| OVER 100 METERS, UP TO AND INCLUDING
500 METERS | 72.00 |
- CERTIFICATION, THERMOMETERS:
- | | |
|---|------|
| DIGITAL TYPE, 0°C UP TO 100°C | 2.50 |
| ANALOG TYPE, MAXIMUM READING INDICATION
TYPE 0°C UP TO 100°C | 2.50 |

LAWS OF ARIZONA

ANALOG TYPE, NONMAXIMUM READING INDICATION TYPE 0°C UP TO 100°C	12.00
DIGITAL TYPE, ABOVE 100°C UP TO AND INCLUDING 250°C	24.00
ANALOG TYPE, MAXIMUM READING INDICATION TYPE ABOVE 100°C UP TO AND INCLUDING 250°C	24.00
ANALOG TYPE, NONMAXIMUM READING INDICATION TYPE ABOVE 100°C UP TO AND INCLUDING 250°C	38.00
DIGITAL TYPE, 0°C DOWN TO -80°C	38.00
ANALOG TYPE, MAXIMUM READING INDICATION TYPE 0°C DOWN TO -80°C	38.00
ANALOG TYPE, NONMAXIMUM READING INDICATION TYPE 0°C DOWN TO -80°C	72.00
6. ELECTRIC CURRENT METERS AND TIMING DEVICES:	
SOCKET TYPE	6.00
“A” BASE TYPE (NEW INSTALLATION)	8.00
“A” BASE TYPE (HOMEMADE INSTALLATION)	
POLYPHASE METER	15.00
TRANSFORMER RATED METER	20.00
MECHANICAL DEMAND METER	24.00
THERMAL DEMAND METER	34.00
ALL OTHER TIMING DEVICES	12.00
C. ISSUANCE OR RENEWAL OF LICENSE AS:	
1. PUBLIC WEIGHMASTER,	40.00
2. REGISTERED SERVICE AGENCY,	20.00
3. REGISTERED SERVICE MAN,	4.00
D. THE FEES SET FORTH IN THIS SECTION ARE THE MAXIMUM AMOUNTS WHICH MAY BE CHARGED, BUT THE ASSISTANT DIRECTOR MAY, AT HIS DISCRETION, REDUCE SUCH FEES TO ANY AMOUNT HE DEEMS NECESSARY.	
41-2093. License as public weighmaster required; application; fee; renewal; exemptions	
A. NO PERSON MAY SERVE AS A PUBLIC WEIGHMASTER UNLESS HE IS ISSUED A LICENSE AS SUCH BY THE ASSISTANT DIRECTOR IN ACCORDANCE WITH PRACTICES AND PROCEDURES TO BE ESTABLISHED BY THE ASSISTANT DIRECTOR.	
B. AN APPLICATION FOR SUCH LICENSE SHALL BE SUBMITTED TO THE ASSISTANT DIRECTOR ON A FORM PRESCRIBED AND	

LAWS OF ARIZONA

FURNISHED BY THE ASSISTANT DIRECTOR AND SHALL BE ACCOMPANIED BY THE LICENSE FEE PRESCRIBED BY THE ASSISTANT DIRECTOR. EACH LICENSE SHALL EXPIRE ONE YEAR FROM THE DATE OF ISSUANCE.

C. IF A LICENSEE SUBMITS A LICENSE RENEWAL APPLICATION TO THE DIVISION ON OR BEFORE THE FIFTEENTH DAY PRECEDING THE DATE OF EXPIRATION OF THE CURRENT LICENSE TOGETHER WITH THE RENEWAL FEE PRESCRIBED BY THE ASSISTANT DIRECTOR, THE EXISTING LICENSE SHALL BE VALID FOR THIRTY DAYS FOLLOWING ITS EXPIRATION DATE, OR UNTIL ISSUANCE OF THE RENEWAL LICENSE, WHICHEVER OCCURS FIRST.

D. EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, PUBLIC WEIGHING OF ANY PROPERTY, LIVESTOCK OR COMMODITY SHALL BE PERFORMED ONLY BY A PUBLIC WEIGHMASTER. THE FOLLOWING PERSONS ARE NOT REQUIRED TO OBTAIN LICENSES AS PUBLIC WEIGHMASTERS:

1. A PERSON WEIGHING PROPERTY, LIVESTOCK OR COMMODITY THAT HE OR HIS EMPLOYER IS EITHER BUYING OR SELLING FOR HIS OWN ACCOUNT.

2. A PERSON WEIGHING PROPERTY, LIVESTOCK OR COMMODITY IN CONJUNCTION WITH OR ON BEHALF OF A PUBLICLY SPONSORED OR NONPROFIT ORGANIZATION SPONSORED EXPOSITION, FAIR OR SHOW EVENT.

3. THE OFFICIAL WEIGHING OF VEHICLES OR CONVEYANCES BY ANY EMPLOYEE OF A CITY, COUNTY OR STATE AGENCY FOR WEIGHT-CONTROL REGULATORY PURPOSES UPON PUBLIC HIGHWAYS, ROADS OR STREETS DOES NOT CONSTITUTE PUBLIC WEIGHING. THE DIVISION MAY, UPON REQUEST AND WITHOUT CHARGE, ISSUE A LIMITED WEIGHMASTER LICENSE TO ANY QUALIFIED OFFICER OR EMPLOYEE OF A CITY, COUNTY, OR THE STATE, AUTHORIZING SUCH OFFICER OR EMPLOYEE TO ACT AS A PUBLIC WEIGHMASTER ONLY WITHIN THE SCOPE OF HIS OFFICIAL EMPLOYMENT AND DUTIES IN ENFORCING LOCAL ORDINANCES SUBSTANTIALLY COMPLYING WITH THE REQUIREMENTS OF THIS CHAPTER.

LAWS OF ARIZONA

E. THE ASSISTANT DIRECTOR SHALL APPROVE ALL FORMS, CERTIFICATES, SEALS AND OTHER DOCUMENTS TOGETHER WITH PRACTICES, PROCEDURES AND EQUIPMENT USED BY PUBLIC WEIGHMASTERS IN THE PERFORMANCE OF THEIR DUTIES. A PUBLIC WEIGHMASTER SHALL KEEP FOR SUCH PERIOD AS THE DIVISION BY RULE MAY REQUIRE, A LEGIBLE COPY OF EACH WEIGHT CERTIFICATE ISSUED BY HIM. COPIES OF WEIGHT CERTIFICATES SHALL BE AVAILABLE AT ALL REASONABLE TIMES FOR INSPECTION BY THE DIVISION.

41-2094. **License required as registered service agency or registered serviceman; qualifications; application; fees; renewal**

A. NO PERSON MAY OPERATE AS A REGISTERED SERVICE AGENCY NOR AS A REGISTERED SERVICEMAN UNTIL HE IS LICENSED AS SUCH BY THE ASSISTANT DIRECTOR AS PROVIDED IN THIS SECTION. THE ASSISTANT DIRECTOR SHALL ISSUE A LICENSE TO AN AGENCY AS A REGISTERED SERVICE AGENCY OR TO AN INDIVIDUAL AS A REGISTERED SERVICEMAN IF THE APPLICANT FOR EITHER SUCH LICENSE PROVIDES EVIDENCE SATISFACTORY TO THE DIVISION THAT THE APPLICANT:

1. IS QUALIFIED TO INSTALL, SERVICE, REPAIR, OR RECONDITION COMMERCIAL WEIGHING, MEASURING, METERING AND COUNTING DEVICES.
2. HAS A THOROUGH WORKING KNOWLEDGE OF ALL APPROPRIATE WEIGHTS AND MEASURES LAWS, ORDERS, RULES AND REGULATIONS.
3. HAS POSSESSION OF, OR AVAILABLE FOR USE, WEIGHTS AND TESTING EQUIPMENT APPROPRIATE IN DESIGN AND ADEQUATE IN AMOUNT.

B. AN APPLICATION FOR SUCH LICENSE SHALL BE SUBMITTED BY THE APPLICANT TO THE ASSISTANT DIRECTOR ON A FORM PRESCRIBED AND FURNISHED BY THE ASSISTANT DIRECTOR AND SHALL BE ACCOMPANIED BY THE FEE PRESCRIBED BY THE ASSISTANT DIRECTOR FOR A LICENSE AS A REGISTERED SERVICE AGENCY OR THE PRESCRIBED FEE FOR A LICENSE AS A REGISTERED SERVICEMAN, OR BOTH. EACH LICENSE SHALL BE

LAWS OF ARIZONA

ISSUED BY THE ASSISTANT DIRECTOR FOR THE CALENDAR YEAR FOR WHICH SUCH LICENSE IS REQUESTED AND IT SHALL CONTAIN, AMONG OTHER INFORMATION, A LICENSE NUMBER.

C. IF A LICENSEE SUBMITS AN APPLICATION TO THE DIVISION DURING THE MONTH OF DECEMBER FOR RENEWAL OF SUCH LICENSE, TOGETHER WITH THE REQUIRED FEE, THE EXISTING LICENSE SHALL BE VALID FOR THIRTY DAYS FOLLOWING ITS EXPIRATION, OR UNTIL ISSUANCE OF THE RENEWAL LICENSE, WHICHEVER OCCURS FIRST.

D. THE ASSISTANT DIRECTOR SHALL PUBLISH, FROM TIME TO TIME AS HE DEEMS APPROPRIATE, AND MAY SUPPLY UPON REQUEST, LISTS OF REGISTERED SERVICEMEN AND REGISTERED SERVICE AGENCIES.

ARTICLE 5. REGULATION

41-2111. **Unlawful use of device; authorization to prevent such use; seizure; violation**

A. WHEN ANY OF THE WEIGHING, MEASURING, METERING AND COUNTING INSTRUMENTS OR DEVICES SPECIFIED IN THIS CHAPTER ARE IN COMMERCIAL USE AND A VALID LICENSE FOR SUCH INSTRUMENTS OR DEVICES HAS NOT BEEN PROCURED BY THE OWNER, HIS AGENT OR THE OPERATOR THEREOF, THE DIVISION, AFTER GIVING NOTICE OF SUCH REQUIREMENTS TO THE OWNER, HIS AGENT OR THE OPERATOR, IS AUTHORIZED TO PROHIBIT THE FURTHER COMMERCIAL USE OF THE UNLICENSED INSTRUMENTS OR DEVICES UNTIL THE PROPER LICENSE HAS BEEN ISSUED. THE DIVISION MAY EMPLOY AND ATTACH TO THE INSTRUMENTS OR DEVICES SUCH FORMS, NOTICES OR SECURITY SEALS AS IT CONSIDERS NECESSARY TO PREVENT THE CONTINUED UNAUTHORIZED USE OF THE INSTRUMENTS OR DEVICES.

B. A REGISTERED SERVICEMAN AS DEFINED IN THIS CHAPTER MAY ALSO:

1. WITH APPROVAL OF THE ASSISTANT DIRECTOR, REMOVE AN OFFICIAL REJECTION TAG OR MARK PLACED ON A WEIGHING, MEASURING OR COUNTING DEVICE.

LAWS OF ARIZONA

2. PLACE IN SERVICE, UNTIL SUCH TIME AS AN OFFICIAL EXAMINATION CAN BE MADE, A WEIGHING, MEASURING, METERING OR COUNTING DEVICE THAT HAS BEEN OFFICIALLY REJECTED.

3. PLACE IN SERVICE, UNTIL SUCH TIME AS AN OFFICIAL EXAMINATION CAN BE MADE, A NEW OR USED WEIGHING, MEASURING OR COUNTING DEVICE.

C. THE OWNER OF ANY BUSINESS WHO HAS NOT APPLIED FOR AND HAS NOT BEEN ISSUED A LICENSE FOR THE RIGHT TO DO BUSINESS, INVOLVING THE USE OF WEIGHING, MEASURING, METERING OR COUNTING DEVICES, BY THE ASSISTANT DIRECTOR AND WHO IS FOUND SELLING OR OFFERING FOR SALE OR DELIVERING OR DISTRIBUTING TO A CONSUMER IS GUILTY OF A MISDEMEANOR, AND ANY SUCH WEIGHING, MEASURING, METERING OR COUNTING DEVICE OR ANY VEHICLE TANK, OR VEHICLE TANK AND METER, OR ANY OTHER SUCH MEASURING DEVICE USED BY SUCH BUSINESS FOR SUCH SALE, DELIVERY OR DISTRIBUTION MAY BE CONFISCATED AND SEIZED AS EVIDENCE BY THE ASSISTANT DIRECTOR.

D. THE ASSISTANT DIRECTOR AND ANY OTHER AUTHORIZED PERSONNEL SHALL NOT BE LIABLE TO THE OWNER OR ANY OTHER PERSONS, FIRMS, COPARTNERSHIPS, CORPORATIONS, TRUSTS OR AGENCIES FOR DAMAGES, DIRECTLY OR INDIRECTLY, CAUSED BY OR RESULTING FROM SUCH SEIZURE.

E. IF AN INSTRUMENT OR DEVICE LICENSED PURSUANT TO THIS CHAPTER IS USED CONTRARY TO ANY PROVISION OF THIS CHAPTER OR ANY RULE OR REGULATION ADOPTED PURSUANT TO THIS CHAPTER, THE ASSISTANT DIRECTOR MAY, IN ADDITION TO ANY OTHER PENALTY IMPOSED BY THIS CHAPTER, SUSPEND, REVOKE OR REFUSE TO RENEW SUCH LICENSE.

41-2112. **Revocation or suspension of certain licenses; procedure; review**

A. EXCEPT AS OTHERWISE PROVIDED BY THIS SECTION, ANY PROCEEDING TO REVOKE OR SUSPEND A LICENSE ISSUED PURSUANT TO THIS CHAPTER SHALL BE CONDUCTED IN ACCORDANCE WITH THE PROVISIONS OF TITLE 41, CHAPTER 6, ARTICLE 1.

LAWS OF ARIZONA

B. THE ASSISTANT DIRECTOR MAY INITIATE PROCEEDINGS FOR REVOCATION OR SUSPENSION OF A LICENSE ISSUED PURSUANT TO THIS CHAPTER UPON HIS OWN MOTION OR UPON A VERIFIED COMPLAINT FOR NONCOMPLIANCE WITH OR VIOLATION OF THIS CHAPTER OR OF ANY RULE OR REGULATION ADOPTED AND PROMULGATED PURSUANT TO THIS CHAPTER.

C. IF, AFTER HAVING BEEN SERVED WITH THE NOTICE OF HEARING AS PROVIDED FOR IN THIS SECTION, SUCH PERSON FAILS TO APPEAR AT THE HEARING AND DEFEND, THE ASSISTANT DIRECTOR MAY PROCEED TO HEAR EVIDENCE AGAINST HIM AND MAY ENTER SUCH ORDER AS SHALL BE JUSTIFIED BY THE EVIDENCE, WHICH ORDER SHALL BE FINAL UNLESS HE PETITIONS FOR A REVIEW THEREOF AS PROVIDED IN THIS SECTION, EXCEPT THAT WITHIN THIRTY DAYS FROM THE DATE OF ANY ORDER, UPON A SHOWING OF GOOD CAUSE FOR FAILING TO APPEAR AND DEFEND, THE ASSISTANT DIRECTOR MAY REOPEN THE PROCEEDINGS AND MAY PERMIT SUCH PERSON TO SUBMIT EVIDENCE IN HIS BEHALF.

D. AT ALL HEARINGS THE ATTORNEY GENERAL OF THIS STATE, ONE OF HIS ASSISTANTS, OR A SPECIAL ASSISTANT DESIGNATED BY HIM, SHALL APPEAR AND REPRESENT THE DIVISION.

E. AN APPEAL FOR REVIEW OF ANY FINAL ADMINISTRATIVE DECISION MADE PURSUANT TO THIS CHAPTER SHALL BE GOVERNED BY THE PROVISIONS OF TITLE 12, CHAPTER 7, ARTICLE 6.

41-2113. Violations

A. A PERSON IS GUILTY OF A MISDEMEANOR WHO:

1. HINDERS, INTERFERES WITH OR OBSTRUCTS IN ANY WAY THE ASSISTANT DIRECTOR OR ANY OF HIS INSPECTORS OR AGENTS IN ENTERING THE PREMISES WHERE A WEIGHING, MEASURING, METERING OR COUNTING DEVICE MAY BE KEPT FOR INSPECTING OR TESTING OR IN THE PERFORMANCE OF HIS OFFICIAL DUTIES.

LAWS OF ARIZONA

2. IMPERSONATES IN ANY WAY THE ASSISTANT DIRECTOR OR ANY ONE OF HIS INSPECTORS, BY THE USE OF HIS SEAL, OR A COUNTERFEIT OF HIS SEAL, OR IN ANY OTHER MANNER.

3. BY HIMSELF, OR BY HIS SERVANT OR AGENT, OR AS THE SERVANT OR AGENT OF ANOTHER PERSON, PERFORMS ANY ONE OF THE FOLLOWING:

(a) USES, OR HAS IN POSSESSION FOR THE PURPOSE OF USING FOR ANY COMMERCIAL PURPOSE, SELLS, OFFERS OR EXPOSES FOR SALE OR HIRE, OR HAS IN POSSESSION FOR THE PURPOSE OF SELLING OR HIRING, AN INCORRECT WEIGHT OR MEASURE OR ANY DEVICE OR INSTRUMENT USED TO OR CALCULATED TO FALSIFY ANY WEIGHT OR MEASURE.

(b) USES, OR HAS IN POSSESSION FOR THE PURPOSE OF CURRENT USE FOR ANY COMMERCIAL PURPOSE, A WEIGHT OR MEASURE THAT DOES NOT BEAR A SEAL OR MARK OF APPROVAL BASED ON INSPECTION AND TEST AS PROVIDED IN SECTION 41-2065, SUBSECTION A, PARAGRAPH 13, UNLESS SUCH WEIGHT OR MEASURE HAS BEEN EXEMPTED FROM TESTING BY ORDER OF THE ASSISTANT DIRECTOR, OR UNLESS THE DEVICE HAS BEEN PLACED IN SERVICE AS PROVIDED IN THIS CHAPTER. ANY PERSON OR PERSONS MAKING USE OF WEIGHING, METERING, MEASURING OR COUNTING DEVICES SUBJECT TO THIS CHAPTER SHALL REPORT TO THE ASSISTANT DIRECTOR, HIS DEPUTIES OR INSPECTORS, IN WRITING, THE NUMBER AND LOCATION OF SUCH WEIGHING, METERING, MEASURING OR COUNTING DEVICES AND SHALL PROMPTLY REPORT THE INSTALLATION OF ANY NEW WEIGHING, METERING, MEASURING OR COUNTING DEVICE.

(c) DISPOSES OF ANY REJECTED OR CONDEMNED WEIGHT OR MEASURE IN A MANNER CONTRARY TO LAW OR REGULATION.

(d) REMOVES FROM ANY WEIGHT OR MEASURE, CONTRARY TO LAW OR REGULATION, ANY TAG, SEAL OR MARK PLACED THEREON BY THE APPROPRIATE AUTHORITY PURSUANT TO THIS CHAPTER.

(e) SELLS, OR OFFERS OR EXPOSES FOR SALE, LESS THAN THE QUANTITY HE REPRESENTS OF ANY COMMODITY, THING OR SERVICE.

LAWS OF ARIZONA

(f) TAKES MORE THAN THE QUANTITY HE REPRESENTS OF ANY COMMODITY, THING OR SERVICE, WHEN, AS BUYER, HE FURNISHES THE WEIGHT OR MEASURE BY MEANS OF WHICH THE AMOUNT OF THE COMMODITY, THING OR SERVICE IS DETERMINED.

(g) KEEPS FOR THE PURPOSE OF SELLING, ADVERTISING, OR OFFERING OR EXPOSING FOR SALE, OR SELLS ANY COMMODITY, THING OR SERVICE IN A CONDITION OR MANNER CONTRARY TO LAW OR REGULATION.

(h) USES IN RETAIL TRADE, EXCEPT IN THE PREPARATION OF PACKAGES PUT UP IN ADVANCE OF SALE AND OF MEDICAL PRESCRIPTIONS, A WEIGHT OR MEASURE THAT IS SO POSITIONED THAT ITS INDICATIONS MAY NOT BE ACCURATELY READ AND THE WEIGHING, METERING, MEASURING OR COUNTING OPERATION OBSERVED FROM SOME POSITION WHICH MAY REASONABLY BE ASSUMED BY A CUSTOMER.

(i) VIOLATES ANY PROVISION OF THIS CHAPTER OR OF THE RULES OR REGULATIONS ADOPTED AND PROMULGATED UNDER THE PROVISIONS OF THIS CHAPTER.

B. THE PROVISIONS OF THIS SECTION ARE IN ADDITION TO AND NOT IN LIMITATION OF ANY OTHER PROVISION OF LAW.

41-2114. **Presumptive evidence of use**

WHEN A WEIGHT, MEASURE, METER, OR COUNTER OR WEIGHING, MEASURING, METERING OR COUNTING DEVICE IS IN OR ABOUT ANY PLACE IN WHICH OR FROM WHICH BUYING OR SELLING IS COMMONLY CARRIED ON, THERE SHALL BE A REBUTTAL PRESUMPTION THAT SUCH WEIGHT, MEASURE, METER, OR COUNTER OR WEIGHING, MEASURING, METERING OR COUNTING DEVICE IS REGULARLY USED FOR THE BUSINESS PURPOSE OF SUCH PLACE.

Sec. 5. Effective date

The provisions of articles 3, 4 and 5 of section 4 of this act shall not become effective until January 1, 1975.

LAWS OF ARIZONA

Sec. 6. Transfer of records, funds and personnel

There shall be transferred upon the effective date of this act, all records, furnishings, property, equipment, unexpended and unencumbered funds and personnel of the state department of weights and measures to the state weights and measures division in the department of administration.

Sec. 7. Appropriation; purpose

The sum of three hundred five thousand seven hundred dollars is appropriated to the director of the department of administration for the purpose of hiring ten additional weights and measures inspectors and for additional operating costs related to the provisions of this act.

Approved by the Governor—May 22, 1974

Filed in the Office of the Secretary of State—May 22, 1974

CHAPTER 201

House Bill 2055

AN ACT

MAKING APPROPRIATIONS TO THE ARIZONA BOARD OF REGENTS FOR THE CONSTRUCTION, ADDITIONS TO, ALTERATIONS, REMODELING AND EXPANSION OF BUILDINGS AND OTHER FACILITIES, THE PURCHASE AND INSTALLATION OF EQUIPMENT, THE ACQUISITION AND PREPARATION OF LANDS, AND FOR THE GENERAL IMPROVEMENT AND DEVELOPMENT OF THE GROUNDS AND OTHER PROPERTY OF THE UNIVERSITY OF ARIZONA, ARIZONA STATE UNIVERSITY AND NORTHERN ARIZONA UNIVERSITY.

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

Section 1. Appropriations; purposes

LAWS OF ARIZONA

There is appropriated to the Arizona Board of Regents for the fiscal year beginning July 1, 1974:

1. The sum of three million nine hundred ninety-one thousand four hundred dollars for all or any part of the following purposes and improvements at or for the University of Arizona: additions to and extensions of campus utilities, including construction of utility tunnels, and purchase and installation of equipment incidental thereto, as well as electrical and mechanical lines; completion of the university library; and land acquisitions, including the improvements on such lands, the demolition of buildings, and the preparation of lands for use and planning money for a new law school facility.

2. The sum of three million nine hundred ninety-one thousand four hundred dollars for all or any part of the following purposes and improvements at or for Arizona State University: completion of physical sciences building; campus improvements including streets, walks, lighting, tunneling, and landscaping; and land acquisitions including the improvements on such lands, the demolition of buildings, and the preparation of lands for use.

3. The sum of one million seven hundred ninety-eight thousand six hundred dollars for all or any part of the following purposes and improvements at or for Northern Arizona University: construction of an office building including site improvements, fixtures, furniture and equipment.

Sec. 2. Lapsing of appropriations

The appropriations made in section 1 shall not lapse until the purposes for which the appropriations are made are accomplished or abandoned, unless the appropriations stand until January 1, 1979, without an expenditure therefrom or encumbrance thereon.

Sec. 3. Source of appropriations

The appropriations made in section 1 shall come only from the federal revenue sharing trust fund, account 34-140-801, which consists of monies received by and for the state as revenue sharing funds from the federal government.

LAWS OF ARIZONA

Sec. 4. **Emergency**

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor--May 22, 1974

Filed in the Office of the Secretary of State--May 22, 1974

CHAPTER 202

House Bill 2349

AN ACT

RELATING TO APPROPRIATIONS FOR LAND, BUILDINGS AND IMPROVEMENTS FOR THE DIFFERENT DEPARTMENTS OF THE STATE AND FOR STATE INSTITUTIONS.

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

Section 1. Subject to applicable laws, the sums or sources of revenue herein set forth are appropriated for the fiscal year beginning July 1, 1974, for the purposes and objects herein specified:

Subdivision 1. DEPARTMENT OF ADMINISTRATION

From the capital outlay stabilization fund, account number 34-168-900, there is appropriated:

Tucson state office building	\$ 2,500,000.00
Capitol complex development program-record retention center	<u>1,000,000.00</u>
Total - capital outlay stabilization fund	\$ 3,500,000.00
From the federal revenue sharing trust fund, there is appropriated:	
Capitol complex development program Land and improvements	2,500,000.00

LAWS OF ARIZONA

Addition to registrar of contractors building	160,000.00
Capitol annex office building renovation	500,000.00
Total - capitol complex development program	\$ 3,160,000.00
Public buildings maintenance division	
Refrigerated "after coolers"	\$ 3,500.00
Soft Water system - capitol	2,000.00
Airconditioning controls - house and senate	30,000.00
Freight elevator - commerce and education buildings	50,000.00
Grounds shop and yard	75,000.00
Remodeling and partitioning	35,000.00
Landscaping	25,000.00
Security system - capitol building	250,000.00
Repair leaks in tunnel - house and senate	30,000.00
Contingency allowance	25,000.00
Total - public buildings maintenance division	\$ 525,500.00
Total - federal revenue sharing trust fund	\$ 3,685,500.00
Total appropriation - department of administration	\$ 7,185,500.00

Subdivision 2. LEGISLATURE

From the federal revenue sharing trust fund, there is appropriated:

Remodel house wing	\$ 2,000,000.00
Remodel senate wing	1,500,000.00
Total appropriation	\$ 3,500,000.00*

*These funds are exempt from lapsing for two years.

Subdivision 3. DEPARTMENT OF ECONOMIC SECURITY

From the federal revenue sharing trust fund, there is appropriated:

Mental retardation

Arizona training program - Tucson

Landscaping	\$ 2,000.00
Kitchen and dining area expansion	47,000.00

Total - Arizona training program - Tucson \$ 49,000.00

Arizona training program - Coolidge

Re-roofing buildings	\$ 10,200.00
Floor and ceiling tile	39,000.00
Replumb buildings RE, RW and portion of infirmary	8,000.00

LAWS OF ARIZONA

Renovation of well no. 3	8,900.00
Unbreakable windows	5,500.00
Roads and sidewalks	29,200.00
Laundry hot water tank, heat exchanger and accessories	5,700.00
Elimination of architectural barriers	8,300.00
Sheltered workshop (greenhouse)	13,900.00
Replacement of hot water heaters	<u>2,100.00</u>
Total - Arizona training program - Coolidge	\$ <u>130,800.00</u>
Total - mental retardation	\$ <u>179,800.00</u>
Total appropriation - department of economic security	\$ <u><u>179,800.00</u></u>

Subdivision 4. DEPARTMENT OF HEALTH SERVICES

From the federal revenue sharing trust fund, there is appropriated:

Environmental health

Phoenix emissions lab improvements \$ 8,600.00

Behavioral health services

Replacement of fixed equipment \$ 9,700.00

Replace utility tunnel 20,000.00

Floor covering replacements 15,000.00

Roofing replacements 49,500.00

Total - behavioral health services \$ 94,200.00

Pioneers' home

Conformance to fire and safety standards \$ 5,200.00

General improvements 25,000.00

Total - pioneers' home \$ 30,200.00

Total appropriation - department of health services \$ 133,000.00

Subdivision 5. AGRICULTURE AND HORTICULTURE COMMISSION

From the state general fund, there is appropriated:

Ehrenberg multi-purpose inspection station \$ 321,000.00

Subdivision 6. CORPORATION COMMISSION

From the state general fund, there is appropriated:

Motor carrier, tariff and rates

Ehrenberg inspection station \$ 55,700.00

LAWS OF ARIZONA

Subdivision 7. PRESCOTT HISTORICAL SOCIETY

From the federal revenue sharing trust fund, there is appropriated:

Completion of Fremont House	\$ 24,400.00
Land acquisition	75,000.00
Multi-purpose building	35,000.00
Fencing	4,000.00
Landscaping	2,000.00
Sidewalks	3,100.00
Underground wiring	<u>5,000.00</u>

Total appropriation \$ 148,500.00

Subdivision 8. ARIZONA STATE SCHOOL FOR THE DEAF AND THE BLIND

From the federal revenue sharing trust fund, there is appropriated:

Tucson school

Replace infirmary door \$ 2,500.00

Phoenix day school

Cafetorium/administration building \$ 432,500.00

Classroom and playground improvements 2,000.00

Special fire equipment 18,000.00

Total - Phoenix day school \$ 452,500.00

Total appropriation - Arizona state school for the deaf and the blind \$ 455,000.00

Subdivision 9. ARIZONA BOARD OF REGENTS

From the federal revenue sharing trust fund, there is appropriated:

Facilities for the handicapped \$ 796,200.00

Subdivision 10. DEPARTMENT OF CORRECTIONS

From the federal revenue sharing trust fund, there is appropriated:

Institutions

Prison - main line kitchen \$ 25,500.00

Prison - yard office 122,300.00

Fort Grant training center - creek water line 21,800.00

Youth center - special programs building 419,800.00

Prison - remodel administration building 323,400.00

Prison - water system improvements 55,000.00

Prison - industries warehouse 10,900.00

LAWS OF ARIZONA

Youth center - remodel lights - two cottages	15,000.00
Alpine conservation center - footings under buildings	9,300.00
Youth center - roof repair	20,000.00
Alpine conservation center - sewage treating plant enclosure	3,000.00
Prison - elevated water tank	<u>19,000.00</u>
Total appropriation	<u>\$ 1,045,000.00</u>

Subdivision 11. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

From the federal revenue sharing trust fund, there is appropriated:

Military affairs division

Facilities maintenance	\$ 101,300.00
Demolition of old warehouse	<u>10,000.00</u>

Total - federal revenue sharing trust fund \$ 111,300.00

From the state general fund, there is appropriated:

Military affairs division

Tucson armory expansion	\$ <u>16,300.00</u>
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Total appropriation \$ 127,600.00

Subdivision 12. DEPARTMENT OF PUBLIC SAFETY

From the state highway fund, in compliance with section 18-191, Arizona Revised Statutes, there is appropriated to the Arizona highway patrol fund the sum of \$843,368.00.

From the federal revenue sharing trust fund there is appropriated the sum of \$210,842.00 to the Arizona highway patrol fund.

The sums appropriated above shall be deposited in a joint account for the following purposes:

Administration

Land acquisition	\$ 647,000.00
Computer power supply system	<u>200,000.00</u>

Total - administration \$ 847,000.00

LAWS OF ARIZONA

Technical communications

Flagstaff radio shop	\$ 98,400.00
Purchase and install fixed radio stations	<u>79,710.00</u>

Total - technical communications	\$ 178,110.00
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Arizona highway patrol

Helicopter pad and storage, district 2	\$ <u>29,100.00</u>
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Total appropriation - department of public safety	<u>\$ 1,054,210.00</u>
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Twenty percent of the funds remaining in the joint account, June 30, 1977, shall revert to the federal revenue sharing trust fund, the balance shall revert to the Arizona highway patrol fund.

Subdivision 13. DEPARTMENT OF TRANSPORTATION

From the state aviation fund, the following is appropriated:

Aeronautics

Grand Canyon airport runway improvement	\$ 113,400.00
Airport manager residence	<u>18,500.00</u>

Total - aeronautics	\$ 131,900.00
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From the state highway fund, the following is appropriated:

Highway division

Durango yard sewer connections	\$ 10,000.00
New district laboratory - district VII	310,000.00
Mobile home slabs (3) - Oak Creek Rim camp, district V	10,000.00
Needles Mountain maintenance camp - additions district VI	52,000.00
Cordes Junction maintenance camp - district VI	14,200.00
Wikieup maintenance camp - district VI	20,500.00
Santa Maria maintenance camp - district VI	33,000.00
Port of entry trailers	100,000.00
Holbrook equipment shed - district IV	32,000.00
Grant road facilities - Tucson - district III	62,500.00
Miscellaneous maintenance yard improvements, district IV	13,100.00
Oracle maintenance camp - district II	24,600.00
Camp Verde maintenance camp - district VI	63,000.00
Seligman maintenance camp - district VI	17,000.00
Chambers maintenance yard storage shed - district IV	24,000.00

LAWS OF ARIZONA

Relocate Springerville yard - district VII	5,500.00
Miscellaneous maintenance yard improvements - district I	4,000.00
Administration building - district VII	228,000.00
Inspection station - Ehrenberg	933,900.00
Sewage plant improvement - San Simon	<u>15,000.00</u>
Total - highway division	\$ <u>1,972,300.00</u>
Total appropriation - department of transportation	\$ <u><u>2,104,200.00</u></u>

Subdivision 14. ARIZONA GAME AND FISH DEPARTMENT

From the game and fish protection fund the following is appropriated:

Rifle range fund	\$ 5,000.00
Key wildlife areas	<u>1,600.00*</u>
Total appropriation	\$ <u><u>6,600.00</u></u>

*Land acquisition is subject to the approval of the joint legislative budget committee.

Subdivision 15. STATE LAND DEPARTMENT - forestry

From the federal revenue sharing trust fund, there is appropriated:

Greenhouses	\$ <u><u>38,100.00</u></u>
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Subdivision 16. ARIZONA STATE PARKS BOARD

From the state general fund the following is appropriated:

Dead Horse ranch state park - facility development	\$ 163,700.00
Alamo Lake state park - new well and campsites	80,500.00
Alamo Lake state park - road repairs	<u>72,200.00</u>
Total - general fund	\$ 316,400.00

From the federal revenue sharing trust fund, there is appropriated:

Dead Horse ranch state park - land acquisition	\$ 100,000.00
Jerome state historic park - structural repairs	29,500.00
Roper Lake state park - initial facility development	85,100.00
Purchase and development of Dankworth property	200,000.00

LAWS OF ARIZONA

Lake Havasu state park - landscaping, paving, flood control	11,000.00
Fort Verde state historic park - land acquisition	57,000.00
Tombstone Courthouse state historic park - repairs, parking and fencing	<u>16,800.00</u>
Total - federal revenue sharing trust fund	\$ <u>499,400.00</u>
Total appropriation - Arizona state parks board	\$ <u><u>815,800.00</u></u>

Sec. 2. **Lapsing of appropriations**

The appropriations made in section 1 shall not lapse until the purpose for which the appropriation is made is accomplished or abandoned unless the appropriation stands until July 1, 1977 without an expenditure therefrom or an encumbrance thereon.

Funds appropriated in this act from the federal revenue sharing trust fund are allocated, subject to the availability of such funds and upon approval of the department of administration.

Approved by the Governor—May 22, 1974

Filed in the Office of the Secretary of State—May 22, 1974

CHAPTER 203

House Bill 2350

AN ACT

RELATING TO APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE STATE, FOR STATE INSTITUTIONS, AND FOR PUBLIC SCHOOLS

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

Section 1. Subject to applicable laws, the sums or sources of revenue herein set forth are appropriated for the fiscal year beginning July 1, 1974, for the purposes and objects herein specified:

LAWS OF ARIZONA

Subdivision 1. DEPARTMENT OF ADMINISTRATION

Director's office

Personal services	\$ 46,300.00
Employee related expenditures	4,700.00
Travel - state	500.00
Travel - out of state	700.00
Other operating expenditures	10,600.00
Capital outlay - equipment	1,000.00
Total - director's office	\$ 63,800.00

Management and administrative services division

Personal services	\$ 396,700.00
Employee related expenditures	53,500.00
Professional and outside services	8,700.00
Travel - state	10,700.00
Travel - out of state	700.00
Other operating expenditures	149,500.00
Capital outlay - equipment	11,850.00
Total - management and administrative services division	\$ 631,650.00

Finance division**Assistant director's office**

Personal services	\$ 136,700.00
Employee related expenditures	15,700.00
Professional and outside services	20,000.00
Travel - state	6,100.00
Travel - out of state	1,000.00
Other operating expenditures	18,100.00
Total - assistant director's office	\$ 197,600.00

Accounting office

Personal services	\$ 433,800.00
Employee related expenditures	61,400.00
Professional and outside services	582,300.00
Travel - state	400.00
Travel - out of state	500.00
Other operating expenditures	204,000.00
Capital outlay - equipment	4,400.00
Total - accounting office	\$ 1,286,800.00

Budget office

Personal services	\$ 248,400.00
Employee related expenditures	29,100.00
Professional and outside services	12,000.00

LAWS OF ARIZONA

Travel - state	2,600.00
Travel - out of state	2,500.00
Other operating expenditures	31,700.00
Capital outlay - equipment	<u>3,200.00</u>
Total - budget office	\$ 329,500.00
Planning office	
Personal services	\$ 134,900.00
Employee related expenditures	16,500.00
Professional and outside services	5,000.00
Travel - state	9,900.00
Travel - out of state	1,100.00
Other operating expenditures	11,300.00
Capital outlay - equipment	<u>1,100.00</u>
Total - planning office	\$ 179,800.00
Purchasing office	
Personal services	\$ 249,200.00
Employee related expenditures	32,700.00
Professional and outside services	30,800.00
Travel - state	2,600.00
Travel - out of state	1,300.00
Other operating expenditures	44,300.00
Capital outlay - equipment	<u>2,700.00</u>
Total - purchasing office	\$ 363,600.00
Total - finance division	\$ 2,357,300.00
Library, archives and public records division	
Administration	
Personal services	\$ 31,300.00
Employee related expenditures	3,800.00
Travel - state	300.00
Travel - out of state	900.00
Other operating expenditures	<u>3,500.00</u>
Total - administration	\$ 39,800.00
Research library	
Personal services	\$ 180,700.00
Employee related expenditures	26,000.00
Travel - state	500.00
Travel - out of state	600.00
Other operating expenditures	110,800.00

LAWS OF ARIZONA

Capital outlay	
Equipment	33,800.00
Library acquisitions	<u>100,000.00</u>
Total - research library	\$ 452,400.00
Library extension service	
Personal services	\$ 233,100.00
Employee related expenditures	33,600.00
Travel - state	28,300.00
Travel - out of state	3,300.00
Other operating expenditures	54,200.00
Capital outlay - library acquisitions	35,400.00
Grants-in-aid	<u>250,000.00</u>
Total - library extension service	\$ 637,900.00
Library for the blind and physically handicapped	
Personal services	\$ 92,900.00
Employee related expenditures	13,800.00
Travel - state	1,100.00
Travel - out of state	800.00
Other operating expenditures	32,400.00
Capital outlay	
Equipment	5,100.00
Library acquisitions	<u>8,500.00</u>
Total - library for the blind and physically handicapped	\$ 154,600.00
Records management	
Personal services	\$ 14,000.00
Employee related expenditures	2,100.00
Travel - state	800.00
Travel - out of state	300.00
Other operating expenditures	<u>200.00</u>
Total - records management	\$ 17,400.00
Archives and public records	
Personal services	\$ 25,000.00
Employee related expenditures	3,800.00
Travel - state	300.00
Travel - out of state	300.00
Other operating expenditures	25,800.00
Capital outlay - equipment	<u>300.00</u>
Total - archives and public records	\$ 55,500.00

LAWS OF ARIZONA

Microfilming

Personal services	\$ 77,800.00
Employee related expenditures	11,300.00
Other operating expenditures	9,400.00
Capital outlay	
Equipment	1,500.00
Library acquisitions	<u>26,600.00</u>

Total - microfilming \$ 126,600.00

Total - library, archives and public records division \$ 1,484,200.00*

The foregoing appropriation is in addition to funds granted to the state by the federal government for library extension services.

Personnel administration division**Arizona state personnel board**

Personal services	\$ 1,800.00
Professional and outside services	8,600.00
Travel - state	1,100.00
Other operating expenditures	<u>19,500.00</u>

Total - Arizona state personnel board \$ 31,000.00

Administration

Personal services	\$ 125,200.00
Employee related expenditures	16,100.00
Professional and outside services	35,500.00
Travel - state	2,600.00
Travel - out of state	2,500.00
Other operating expenditures	18,400.00
Capital outlay - equipment	<u>300.00</u>

Total - administration \$ 200,600.00

Employment

Personal services	\$ 321,000.00
Employee related expenditures	42,200.00
Professional and outside services	15,100.00
Travel - state	2,700.00
Other operating expenditures	92,200.00
Capital outlay - equipment	<u>100.00</u>

Total - employment \$ 473,300.00

Personnel management

Personal services	\$ 274,400.00
Employee related expenditures	35,200.00
Professional and outside services	6,000.00
Travel - state	3,700.00

LAWS OF ARIZONA

Travel - out of state	500.00
Other operating expenditures	34,100.00
Capital outlay - equipment	<u>700.00</u>
Total - personnel management	\$ 354,600.00
Insurance	
Personal services	\$ 43,700.00
Employee related expenditures	5,500.00
Professional and outside services	22,500.00
Travel - state	1,900.00
Travel - out of state	600.00
Other operating expenditures	<u>15,900.00</u>
Total - insurance	\$ 90,100.00
Training	
Personal services	\$ 79,500.00
Employee related expenditures	10,100.00
Professional and outside services	800.00
Travel - state	1,300.00
Other operating expenditures	27,900.00
Capital outlay - equipment	<u>800.00</u>
Total - training	\$ 120,400.00
Total - personnel administration division	\$ 1,270,000.00
Public buildings maintenance division	
Personal services	\$ 1,435,900.00
Employee related expenditures	271,900.00
Travel - state	7,900.00
Other operating expenditures	1,198,700.00
Capital outlay - equipment	57,900.00
Other	<u>70,000.00</u>
Total - public buildings maintenance division	\$ 3,042,300.00
Surplus property division	\$ 26,400.00
Total appropriation - department of administration	<u>\$ 8,875,650.00</u>

Subdivision 2. ATTORNEY GENERAL - DEPARTMENT OF LAW

Administration

Personal services	\$ 225,500.00
Employee related expenditures	33,700.00
Travel - state	4,600.00
Travel - out of state	7,100.00

LAWS OF ARIZONA

Other operating expenditures	118,600.00
Capital outlay - equipment	<u>7,600.00</u>
Total - administration	\$ 397,100.00
Civil	
Personal services	\$ 416,800.00
Employee related expenditures	49,300.00
Professional and outside services	30,000.00
Travel - state	5,700.00
Travel - out of state	4,300.00
Other operating expenditures	<u>19,300.00</u>
Total - civil	\$ 525,400.00
Civil rights	
Personal services	\$ 96,300.00
Employee related expenditures	12,900.00
Travel - state	11,300.00
Travel - out of state	1,500.00
Other operating expenditures	<u>19,700.00</u>
Total - civil rights	\$ 141,700.00**
**Upon passage of senate bill 1161, \$75,000.00 is to be added.	
Consumer protection and antitrust	
Personal services	\$ 131,500.00
Employee related expenditures	16,869.00
Travel - state	9,900.00
Travel - out of state	1,200.00
Other operating expenditures	10,500.00
Capital outlay - equipment	<u>3,800.00</u>
Total - consumer protection and antitrust	\$ 173,769.00
Criminal	
Personal services	\$ 273,400.00
Employee related expenditures	33,600.00
Professional and outside services	8,000.00
Travel - state	22,400.00
Travel - out of state	7,000.00
Other operating expenditures	<u>26,500.00</u>
Total - criminal	\$ 370,900.00
Tucson office	
Personal services	\$ 72,800.00
Employee related expenditures	9,100.00

LAWS OF ARIZONA

Travel - state	3,300.00
Travel - out of state	1,500.00
Other operating expenditures	11,200.00
Capital outlay - equipment	<u>700.00</u>
Total - Tucson office	\$ 98,600.00
Property tax litigation	\$ 100,000.00*
Income tax litigation	<u>100,000.00*</u>
Total appropriation - attorney general	<u>\$ 1,907,469.00</u>

Subdivision 3. ARIZONA COLISEUM AND EXPOSITION CENTER BOARD

All collections paid into the state treasury are appropriated for personal services, operating expenditures and capital outlay.

Subdivision 4. COMMISSION ON JUDICIAL QUALIFICATIONS

Lump sum appropriation \$ 10,000.00

Subdivision 5. COURT OF APPEALS

Division I

Personal services	\$ 652,500.00
Employee related expenditures	55,100.00
Professional and outside services	1,000.00
Travel - state	36,300.00
Travel - out of state	4,500.00
Other operating expenditures	121,500.00
Capital outlay	
Equipment	31,800.00
Library and reference facilities	<u>7,500.00</u>

Total - division I \$ 910,200.00

Division II

Personal services	\$ 232,200.00
Employee related expenditures	19,900.00
Professional and outside services	500.00
Travel	11,300.00
Other operating expenditures	35,000.00
Capital outlay	
Equipment	1,300.00
Library and reference facilities	<u>10,000.00</u>

Total - division II \$ 310,200.00

Total appropriation - court of appeals \$ 1,220,400.00

LAWS OF ARIZONA

Subdivision 6. SUPERIOR COURTS

Personal services - salaries of judges	\$ 976,000.00
Employee related expenditures	13,600.00
Professional and outside services	500.00
Judicial assistance	<u>30,000.00</u>

Total appropriation \$ 1,020,100.00

Subdivision 7. SUPREME COURT

Personal services	\$ 512,700.00
Employee related expenditures	42,500.00
Professional and outside services	5,000.00
Travel	9,400.00
Other operating expenditures	135,000.00
Capital outlay	
Equipment	60,000.00
Library and reference facilities	71,000.00
Publishing Arizona reports	<u>50,300.00</u>

Total appropriation \$ 885,900.00

Subdivision 8. GOVERNOR

Personal services	\$ 236,700.00
Employee related expenditures	34,000.00
Professional and outside services	10,000.00
Travel	5,000.00
Other operating expenditures	153,500.00
Capital outlay - equipment	3,000.00
Fuel and energy office	257,300.00
Four Corners regional commission	31,300.00**
Arizona advisory council on intergovernmental relations	<u>35,700.00</u>

Total appropriation \$ 766,500.00

**To reimburse any state agency participating in the Four Corners regional commission.

Subdivision 9. GOVERNOR - OFFICE OF ECONOMIC PLANNING
AND DEVELOPMENT

Administration

Personal services	\$ 129,900.00
Employee related expenditures	16,300.00

LAWS OF ARIZONA

Professional and outside services	1,200.00
Travel - state	8,800.00
Travel - out of state	4,400.00
Other operating expenditures	<u>64,800.00</u>
Total - administration	\$ 225,400.00
Development	
Personal services	\$ 280,700.00
Employee related expenditures	35,600.00
Professional and outside services	15,500.00
Travel - state	25,300.00
Travel - out of state	17,800.00
Other operating expenditures	141,600.00
Media advertising	133,400.00
Capital outlay - equipment	<u>7,800.00</u>
Total - development	\$ 657,700.00**
**Of this amount, \$82,600.00 is for motion picture industry and shall be matched in an equal amount by industry.	
Planning	
Personal services	\$ 150,400.00
Employee related expenditures	17,500.00
Professional and outside services	22,800.00
Travel - state	7,000.00
Travel - out of state	5,700.00
Other operating expenditures	<u>37,600.00</u>
Total - planning	\$ <u>241,000.00</u>
Total appropriation - Governor - office of economic planning and development	\$ <u><u>1,124,100.00</u></u>
 Subdivision 10. LAW ENFORCEMENT MERIT SYSTEM COUNCIL	
Lump sum appropriation	\$ <u><u>16,300.00</u></u>
 Subdivision 11. LEGISLATURE	
Senate	\$ 1,554,200.00
House of Representatives	2,058,300.00
Legislative council	850,100.00*
Joint legislative budget committee	323,400.00
Auditor general	
Personal services	\$ 1,013,705.00
Employee related expenditures	126,400.00

LAWS OF ARIZONA

Professional and outside services	155,000.00
Travel - state	123,500.00
Travel - out of state	7,000.00
Other operating expenditures	54,000.00
Capital outlay - equipment	<u>5,300.00</u>
Total - auditor general	\$ <u>1,484,905.00</u>
Total appropriation - legislature	\$ <u><u>6,270,905.00</u></u>

Subdivision 12. STATE RETIREMENT SYSTEM

From the state retirement system board administration fund, the following is appropriated:

Lump sum appropriation	\$ 929,300.00
Data processing centralization cost	<u>53,000.00</u>
Total appropriation	\$ <u><u>982,300.00</u></u> **

**In addition to the lump sum appropriation the state retirement system may use for administrative expenses any additional amounts received under the provisions of section 38-756, Arizona Revised Statutes.

From the state general fund, the following is appropriated:

Prior service funding	\$ 762,400.00**
Plan transfer	<u>410,000.00***</u>
Total appropriation	\$ <u><u>1,172,400.00*</u></u>

**This amount is the thirteenth of twenty annual payments to amortize the total liability of the state for funding prior service credit pensions for state employees and for former members of the Arizona teachers' retirement system who became members of the Arizona state retirement system under the provisions of section 38-747, Arizona Revised Statutes.

***This amount is the second of eleven annual payments to amortize the liability of the state for funding benefits of retired system members transferred to the plan as provided by section 38-781.35, Arizona Revised Statutes.

Subdivision 13. DEPARTMENT OF REVENUE

Office of director	\$ 100,000.00
State tax commission	
Administration	
Personal services	\$ 1,180,800.00
Employee related expenditures	183,700.00
Professional and outside services	2,500.00
Travel - state	10,400.00
Travel - out of state	6,800.00

LAWS OF ARIZONA

Other operating expenditures	477,700.00
Data processing equipment rental	121,000.00**
Capital outlay - equipment	<u>15,060.00</u>
Total - administration	\$ 1,997,960.00
**Subject to joint legislative budget committee approval.	
Income tax	
Personal services	\$ 1,077,300.00
Employee related expenditures	151,900.00
Professional and outside services	800.00
Travel - state	54,700.00
Travel - out of state	48,300.00
Other operating expenditures	355,900.00
Capital outlay - equipment	<u>22,320.00</u>
Total - income tax	\$ 1,711,220.00
Luxury tax	
Personal services	\$ 66,900.00
Employee related expenditures	9,400.00
Travel - state	9,900.00
Travel - out of state	1,100.00
Other operating expenditures	<u>88,500.00</u>
Total - luxury tax	\$ 175,800.00
Sales and use tax	
Personal services	\$ 1,029,400.00
Employee related expenditures	145,800.00
Professional and outside services	2,000.00
Travel - state	110,200.00
Travel - out of state	34,900.00
Other operating expenditures	96,500.00
Capital outlay - equipment	<u>10,060.00</u>
Total - sales and use tax	\$ 1,428,860.00
Total - state tax commission	\$ 5,313,840.00
Estate tax commissioner	
Personal services	\$ 112,900.00
Employee related expenditures	16,200.00
Professional and outside services	1,000.00
Travel - state	400.00
Travel - out of state	700.00
Other operating expenditures	21,500.00
Capital outlay - equipment	<u>800.00</u>
Total - estate tax commissioner	\$ 153,500.00

LAWS OF ARIZONA

Department of property valuation	
Administration	
Personal services	\$ 306,200.00
Employee related expenditures	38,900.00
Professional and outside services	15,000.00
Travel - state	10,000.00
Travel - out of state	2,300.00
Other operating expenditures	123,200.00
Capital outlay - equipment	<u>11,900.00</u>
Total - administration	\$ 507,500.00
Valuation	
Personal services	\$ 696,500.00
Employee related expenditures	91,900.00
Professional and outside services	15,000.00
Travel - state	51,700.00
Travel - out of state	1,200.00
Other Operating expenditures	<u>4,500.00</u>
Total - valuation	\$ 860,800.00
Data systems	
Personal services	\$ 165,900.00
Employee related expenditures	23,100.00
Professional and outside services	20,000.00
Travel - state	600.00
Travel - out of state	400.00
Other operating expenditures	<u>249,900.00</u>
Total - data systems	\$ 459,900.00
Arizona resources information system	<u>\$ 358,400.00</u>
Total - department of property valuation	<u>\$ 2,186,600.00</u>
Total appropriation - department of revenue	<u><u>\$ 7,753,940.00</u></u>
Subdivision 14. DEPARTMENT OF STATE	
Administration	\$ 109,100.00
Commercial services	113,300.00
Governmental services	
Lump sum appropriation	\$ 311,900.00
Publication of rules and regulations	<u>100,000.00</u>
Total - governmental services	<u>\$ 411,900.00</u>
Total appropriation - department of state	<u><u>\$ 634,300.00</u></u>

LAWS OF ARIZONA

Subdivision 15. STATE BOARD OF TAX APPEALS

Lump sum appropriation	\$ <u>342,000.00</u>
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Subdivision 16. STATE TREASURER

Personal services	\$ 150,800.00
Employee related expenditures	23,500.00
Professional and outside services	35,400.00
Travel - state	2,000.00
Travel - out of state	1,600.00
Other operating expenditures	34,600.00
Capital outlay - equipment	2,100.00
Family counseling	<u>250,000.00</u>

Total appropriation	\$ <u>500,000.00</u>
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Subdivision 17. ARIZONA COMMISSION ON UNIFORM STATE LAWS

Lump sum appropriation	\$ <u>9,700.00</u>
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Subdivision 18. GOVERNOR - ARIZONA RANGER'S PENSION

Pension	\$ <u>2,400.00</u>
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Subdivision 19. DEPARTMENT OF ECONOMIC SECURITY

Office of director - administration

Personal services	\$ 134,000.00
Employee related expenditures	14,100.00
Travel - state	14,900.00
Travel - out of state	4,900.00
Other operating expenditures	<u>296,000.00</u>

Total - office of director - administration	\$ 463,900.00
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Employment and training**Special group services**

Personal services	\$ 385,700.00
Employee related expenditures	51,900.00
Travel - state	22,000.00
Travel - out of state	3,600.00
Other operating expenditures	31,000.00
Ex-offender stipends	<u>36,000.00</u>

Total - special group services	\$ 530,200.00
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LAWS OF ARIZONA

Veterans' services	
Personal services	\$ 199,600.00
Employee related expenditures	28,300.00
Travel - state	18,600.00
Travel - out of state	900.00
Other operating expenditures	22,900.00
Other	<u>7,500.00</u>
Total - veterans' services	\$ <u>277,800.00</u>
Total - employment and training	\$ 808,000.00
Income maintenance	
Administration	\$ 6,850,400.00
Aid to the blind	26,400.00
Aid to dependent children	11,331,300.00
Aid to permanently and totally disabled	187,800.00
Emergency relief	660,000.00
General assistance	3,063,900.00
Medical assistance for the aged	1,636,900.00
Old age assistance	2,745,600.00
Tuberculosis control	57,000.00
Food stamp program	
Personal services	\$ 3,464,800.00
Employee related expenditures	505,500.00
Professional and outside services	248,600.00
Travel - state	114,900.00
Travel - out of state	800.00
Other operating expenditures	313,900.00
Capital outlay - equipment	<u>2,500.00</u>
Total - food stamp program	\$ <u>4,651,000.00</u>
Total - income maintenance	\$31,210,300.00
Rehabilitation services	
Arizona industries for the blind	\$ 121,000.00
General vocational rehabilitation	1,345,880.00**
Blind rehabilitative services	
Blind services - federal matching	\$ 212,700.00
Sight conservation	203,000.00
Talking book program	<u>31,100.00</u>
Total - blind rehabilitative services	\$ <u>446,800.00</u>
Total - rehabilitation services	\$ 1,913,680.00

**Funds cannot be used unless matched by federal funds.

LAWS OF ARIZONA

Social services	
Administration	
Personal services	\$ 3,374,500.00
Employee related expenditures	466,700.00
Professional and outside services	52,900.00
Travel - state	263,940.00
Travel - out of state	7,000.00
Other operating expenditures	232,300.00
Capital outlay - equipment	<u>25,200.00</u>
Total - administration	\$ 4,422,540.00
Family services	
Personal services	\$ 50,100.00
Employee related expenditures	7,000.00
Professional and outside services	15,000.00
Travel - state	2,500.00
Other operating expenditures	1,000.00
Day care cost	2,039,700.00
Medical examination	65,800.00
Family planning	28,900.00
Manpower service costs	<u>300,000.00</u>
Total - family services	\$ 2,510,000.00
Child welfare services	
Personal services	\$ 1,059,700.00
Employee related expenditures	143,500.00
Professional and outside services	190,000.00
Travel - state	117,000.00
Travel - out of state	3,900.00
Other operating expenditures	74,600.00
Capital outlay - equipment	5,200.00
Day treatment	36,000.00
Sheltered care	150,500.00
Foster care	6,589,400.00
Medical and dental care	1,209,300.00
Special education	<u>85,600.00</u>
Total - child welfare services	\$ 9,664,700.00
Older Americans' services	<u>63,900.00</u>
Total - social services	\$ 16,661,140.00
Mental retardation	
Central office	
Personal services	\$ 192,600.00

LAWS OF ARIZONA

Employee related expenditures	29,500.00
Professional and outside services	6,700.00
Travel - state	17,300.00
Travel - out of state	1,200.00
Other operating expenditures	55,700.00
Capital outlay - equipment	3,200.00
Assistance to others	25,000.00
Purchase of care	750,000.00
Outside living placement	<u>40,300.00</u>
Total - central office	\$ 1,121,500.00
Arizona training program - Tucson	
Personal services	\$ 2,283,800.00
Employee related expenditures	408,900.00
Professional and outside services	76,600.00
Travel - state	25,700.00
Travel - out of state	2,800.00
Food	178,900.00
Other operating expenditures	337,900.00
Capital outlay - equipment	53,700.00
Sheltered workshop	61,600.00
Indigent allowance	<u>2,500.00</u>
Total - Arizona training program - Tucson	\$ 3,432,400.00
Arizona training program - Coolidge	
Personal services	\$ 4,779,600.00
Employee related expenditures	830,300.00
Professional and outside services	99,100.00
Travel - state	19,000.00
Travel - out of state	3,800.00
Food	587,700.00
Other operating expenditures	510,500.00
Capital outlay - equipment	100,000.00
Trainee stipend	64,000.00
Indigent allowance	<u>7,800.00</u>
Total - Arizona training program - Coolidge	\$ 7,001,800.00
Arizona training program - Phoenix	
Personal services	\$ 1,833,900.00
Employee related expenditures	322,300.00
Professional and outside services	53,100.00
Travel - state	10,900.00

LAWS OF ARIZONA

Travel - out of state	1,200.00
Food	118,500.00
Other operating expenditures	293,100.00
Capital outlay - equipment	<u>146,000.00</u>
Total - Arizona training program - Phoenix	\$ <u>2,779,000.00</u>
Total - mental retardation	\$ <u>14,334,700.00</u>
Total appropriation - department of economic security	\$ <u>65,391,720.00</u>

The public welfare appropriation with the exception of administration is in addition to funds granted to the state by the federal government for the same purposes, but shall be deemed to include the sums deposited in the state treasury to the credit of the department of economic security, pursuant to the provisions of section 42-1341, Arizona Revised Statutes.

Administration is the total appropriation with the exception of funds granted to the state by the federal government for child welfare services, day care costs, and vocational rehabilitation for the blind, which shall be available to the department of economic security, in addition to the appropriations for child welfare services, day care costs, and for blind services and for the administration thereof.

Subdivision 20. DEPARTMENT OF HEALTH SERVICES

Personal services	\$ 15,611,400.00
Employee related expenditures	2,537,400.00
Professional and outside services	3,339,800.00
Travel - state	290,000.00
Travel - out of state	46,700.00
Food	758,900.00
Other operating expenditures	2,989,400.00
Capital outlay - equipment	237,100.00
Direct grants to counties	481,500.00**
Reimbursement to counties for local health	648,000.00***
Water pollution treatment grant	1,200,000.00
Hospital care for tuberculosis treatment	1,000,000.00
Local health - tuberculosis control	450,000.00
Kidney treatment centers	350,000.00
Nutrition subventions	109,500.00
Breathalyzer project	6,500.00
Mental health grants	1,500,000.00****

LAWS OF ARIZONA

Alcohol abuse subventions	1,700,000.00*****
Drug abuse subventions	<u>973,000.00*****</u>
Total appropriation	<u>\$34,229,200.00</u>

**This appropriation is for local health work and is to be divided equally among the 14 counties on a non-matching basis. All funds received by a county under this appropriation which are not used for the prescribed purposes shall revert to the state general fund.

***This appropriation is to provide matching funds to counties for local health work on a 50-50 matching basis and shall be distributed to each county on an equal per capita basis as determined by the 1970 federal decennial census.

****This appropriation is to provide funds on a 50-50 matching basis.

*****Fifty percent or more match in kind, subject to being reduced to twenty-five percent match in kind in case of a finding of financial hardship within a political subdivision, subject to the approval of the health services department director.

*****Up to five percent may be used for evaluation of the program, and \$40,000.00 may be used for drug addiction research.

The director of health services may contract with the department of economic security for services to mental retardation patients.

Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the constitution for the state hospital, pioneer's home and the hospital for disabled miners.

The foregoing appropriation shall be deemed to include all of the monies received from parents or guardians for the care of children in the crippled childrens' hospital and shall be deposited in the state general fund pursuant to the provisions of subsection 7 of section 46-503, Arizona Revised Statutes.

The foregoing appropriation shall include all funds granted to the department of health services by the federal government except for funds from bloc grants, formula grants, project grants, categorical grants-in-aid, contracts and agreements.

LAWS OF ARIZONA

Subdivision 20. ARIZONA COMMISSION OF INDIAN AFFAIRS

Personal services	\$	52,200.00
Employee related expenditures		6,700.00
Travel - state		11,200.00
Travel - out of state		800.00
Other operating expenditures		<u>9,700.00</u>
Total appropriation	\$	<u><u>80,600.00</u></u>

Subdivision 21. STATE BOARD OF ACCOUNTANCY

From the board of accountancy fund, the following is appropriated:

Lump sum appropriation	\$	<u><u>79,200.00</u></u>
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Subdivision 22. AGRICULTURAL EMPLOYMENT RELATIONS BOARD

Personal services	\$	86,800.00
Employee related expenditures		10,400.00
Professional and outside services		15,200.00
Travel - state		11,600.00
Travel - out of state		1,100.00
Other operating expenditures		<u>14,600.00</u>
Total appropriation	\$	<u><u>139,700.00</u></u>

Subdivision 23. AGRICULTURE AND HORTICULTURE COMMISSION

Administration

Personal services	\$	187,300.00
Employee related expenditures		24,800.00
Travel - state		5,400.00
Travel - out of state		4,400.00
Other operating expenditures		58,200.00
Capital outlay - equipment		<u>5,700.00</u>
Total - administration	\$	285,800.00

Compliance

Personal services	\$	68,400.00
Employee related expenditures		<u>10,800.00</u>
Total - compliance	\$	79,200.00

LAWS OF ARIZONA

Pest control

Personal services	\$ 239,800.00
Employee related expenditures	31,700.00
Travel - state	27,200.00
Other operating expenditures	6,900.00
Capital outlay - equipment	<u>4,400.00</u>

Total - pest control \$ 310,000.00

Quarantine

Personal services	\$ 1,219,300.00
Employee related expenditures	195,300.00
Travel - state	19,700.00
Other operating expenditures	45,700.00
Capital outlay - equipment	<u>6,400.00</u>

Total - quarantine \$ 1,486,400.00

Total appropriation - agriculture
and horticulture commission \$ 2,161,400.00

Subdivision 24. ARIZONA STATE ATHLETIC COMMISSION

Ninety percent of all collections paid into the state treasury is appropriated to the Arizona state athletic commission.

Subdivision 25. ATOMIC ENERGY COMMISSION

Nuclear development

Personal services	\$ 66,800.00
Employee related expenditures	8,200.00
Professional and outside services	2,500.00
Travel - state	4,600.00
Travel - out of state	3,200.00
Other operating expenditures	18,900.00
Capital outlay - equipment	<u>200.00</u>

Total - nuclear development \$ 104,400.00

Radiation control

Personal services	\$ 106,600.00
Employee related expenditures	13,400.00
Professional and outside services	2,500.00
Travel - state	8,200.00
Travel - out of state	1,700.00
Other operating expenditures	20,900.00

LAWS OF ARIZONA

Capital outlay - equipment	<u>2,700.00</u>
Total - radiation control	\$ <u>156,000.00</u>
Total appropriation - atomic energy commission	\$ <u>260,400.00</u>

Subdivision 26. BANKING DEPARTMENT

Personal services	\$ 338,600.00
Employee related expenditures	45,300.00
Travel - state	35,300.00
Travel - out of state	7,200.00
Other operating expenditures	30,800.00
Capital outlay - equipment	<u>3,800.00</u>
Total appropriation	\$ <u>461,000.00</u>

Subdivision 27. BOARD OF BARBER EXAMINERS

From the board of barber examiners fund the following is appropriated:

Lump sum appropriation	\$ <u>55,800.00</u>
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Subdivision 28. STATE BOARD OF CHIROPRACTIC EXAMINERS

Ninety percent of all collections paid into the state treasury is appropriated to the state board of chiropractic examiners.

Subdivision 29. REGISTRAR OF CONTRACTORS

From the contractors' license fund the following is appropriated:

Lump sum appropriation	\$ <u>805,700.00</u>
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Subdivision 30. REGISTRAR OF CONTRACTORS - DIVISION OF BUILDING CODES

Lump sum appropriation	\$ <u>297,800.00</u>
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Subdivision 31. CORPORATION COMMISSION

Administration

Personal services	\$ 324,600.00
Employee related expenditures	55,400.00
Professional and outside services	6,800.00
Travel - state	11,300.00
Travel - out of state	2,500.00

LAWS OF ARIZONA

Other operating expenditures	88,600.00
Capital outlay - equipment	<u>3,000.00</u>
Total - administration	\$ 492,200.00
Incorporating	
Personal services	\$ 175,400.00
Employee related expenditures	25,200.00
Other operating expenditures	49,300.00
Capital outlay - equipment	<u>5,200.00</u>
Total - incorporating	\$ 255,100.00
Motor carrier, tariff and rates	
Personal services	\$ 594,000.00
Employee related expenditures	94,300.00
Professional and outside services	43,600.00
Travel - state	77,700.00
Travel - out of state	2,700.00
Other operating expenditures	54,400.00
Capital outlay - equipment	<u>35,500.00</u>
Total - motor carrier, tariff and rates	\$ 902,200.00
Securities	
Personal services	\$ 183,400.00
Employee related expenditures	25,100.00
Travel - state	19,100.00
Travel - out of state	2,000.00
Other operating expenditures	19,500.00
Capital outlay - equipment	<u>1,300.00</u>
Total - securities	\$ 250,400.00
Utilities	
Personal services	\$ 261,000.00
Employee related expenditures	35,500.00
Professional and outside services	150,000.00
Travel - state	21,200.00
Travel - out of state	3,500.00
Other operating expenditures	63,100.00
Capital outlay - equipment	<u>1,500.00</u>
Total - utilities	\$ <u>535,800.00</u>
Total appropriation - corporation commission	\$ <u><u>2,435,700.00</u></u>

Subdivision 32. BOARD OF COSMETOLOGY

From the board of cosmetology fund, the following is appropriated:

Lump sum appropriation	\$ <u><u>135,400.00</u></u>
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LAWS OF ARIZONA

Subdivision 33. DAIRY COMMISSIONER

Personal services	\$	79,800.00
Employee related expenditures		11,100.00
Professional and outside services		79,800.00
Travel - state		11,900.00
Travel - out of state		700.00
Other operating expenditures		11,100.00
Capital outlay - equipment		<u>300.00</u>
Total appropriation	\$	<u>194,700.00</u>

Subdivision 34. STATE DENTAL BOARD

From the state dental board fund, the following is appropriated:

Lump sum appropriation	\$	<u>42,800.00</u>
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Subdivision 35. STATE BOARD OF DISPENSING OPTICIANS

Ninety percent of all collections paid into the state treasury is appropriated to the state board of dispensing opticians.

Subdivision 36. STATE EGG INSPECTION BOARD

From the state egg inspection board fund, the following is appropriated:

Lump sum appropriation	\$	<u>91,400.00</u>
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Subdivision 37. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS

Ninety percent of all collections paid into the state treasury is appropriated to the state board of funeral directors and embalmers.

Subdivision 38. INDUSTRIAL COMMISSION

Administration

Personal services	\$	343,600.00
Employee related expenditures		40,000.00
Professional and outside services		75,900.00
Travel - state		7,100.00
Travel - out of state		1,700.00
Other operating expenditures		<u>76,800.00</u>
Total - administration	\$	545,100.00

Claims

Personal services	\$	469,400.00
Employee related expenditures		69,000.00

LAWS OF ARIZONA

Professional and outside services	42,000.00
Travel - state	11,100.00
Other operating expenditures	84,000.00
Capital outlay - equipment	<u>2,000.00</u>
Total - claims	\$ 677,500.00
Hearings	
Personal services	\$ 536,000.00
Employee related expenditures	64,300.00
Professional and outside services	154,800.00
Travel - state	19,800.00
Travel - out of state	2,200.00
Other operating expenditures	309,800.00
Capital outlay - equipment	<u>3,500.00</u>
Total - hearings	\$ 1,090,400.00
Labor	
Personal services	\$ 62,000.00
Employee related expenditures	8,700.00
Travel - state	6,600.00
Travel - out of state	400.00
Other operating expenditures	<u>16,300.00</u>
Total - labor	\$ 94,000.00
Occupational safety and health	
Personal services	\$ 318,900.00
Employee related expenditures	41,600.00
Professional and outside services	32,600.00
Travel - state	43,400.00
Travel - out of state	8,400.00
Other operating expenditures	65,500.00
Capital outlay - equipment	<u>1,000.00</u>
Total - occupational safety and health	\$ 511,400.00
Special fund	
Personal services	\$ 40,500.00
Employee related expenditures	5,600.00
Professional and outside services	11,200.00
Travel - state	200.00
Other operating expenditures	9,800.00
Capital outlay - equipment	<u>1,200.00</u>
Total - special fund	\$ 68,500.00

LAWS OF ARIZONA

Fire marshal

Personal services	\$ 99,400.00
Employee related expenditures	13,200.00
Professional and outside services	12,750.00
Travel - state	16,700.00
Travel - out of state	600.00
Other operating expenditures	20,500.00
Capital outlay - equipment	1,400.00
Less balance forward on S.B. 1074, Laws 1972	<u>(10,000.00)</u>
Total - fire marshal	\$ <u>154,550.00</u>
Total appropriation - industrial commission	\$ <u><u>3,141,450.00</u></u>

Subdivision 39. DEPARTMENT OF INSURANCE

Personal services	\$ 563,700.00
Employee related expenditures	76,700.00
Professional and outside services	30,000.00
Travel - state	5,300.00
Travel - out of state	3,300.00
Other operating expenditures	130,400.00
Capital outlay - equipment	<u>4,800.00</u>
Total appropriation	\$ <u><u>814,200.00</u></u>

Subdivision 40. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

Personal services	\$ 136,200.00
Employee related expenditures	17,600.00
Professional and outside services	10,800.00
Travel - state	8,400.00
Travel - out of state	1,200.00
Other operating expenditures	56,700.00
Capital outlay - equipment	<u>9,200.00</u>
Total appropriation	\$ <u><u>240,100.00</u></u>

Subdivision 41. LIVESTOCK SANITARY BOARD

Administration

Personal services	\$ 1,061,000.00
Employee related expenditures	150,900.00
Professional and outside services	1,800.00

LAWS OF ARIZONA

Travel - state	138,000.00
Travel - out of state	1,300.00
Other operating expenditures	58,600.00
Capital outlay - equipment	148,000.00
Predatory animal and rodent control	30,900.00**
Screwworm eradication	<u>20,000.00</u>
Total - administration	\$ 1,610,500.00
State veterinarian	
Lump sum appropriation	\$ 112,700.00
Tuberculosis and brucellosis	20,000.00***
Indemnities for reactor animals	\$ <u>2,000.00***</u>
Total - state veterinarian	\$ 134,700.00
Meat and poultry inspection	
Lump sum appropriation	\$ <u>558,800.00</u>
Total appropriation - livestock sanitary board	\$ <u>2,304,000.00</u>

**This appropriation is made to enable the state to cooperate with the federal wildlife department for the eradication of predatory animals and control of rodents. No part of this appropriation shall be used to pay bounty fees.

***These appropriations are made to enable the state to cooperate with the animal health division, agricultural research service, United States department of agriculture, for the eradication of disease among animals as provided for in section 24-107, Arizona Revised Statutes.

Subdivision 42. BOARD OF MEDICAL EXAMINERS

From the board of medical examiners fund, the following is appropriated:

Lump sum appropriation	\$ <u>152,000.00</u>
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Subdivision 43. STATE MINE INSPECTOR

Personal services	\$ 272,300.00
Employee related expenditures	37,600.00
Professional and outside services	3,600.00
Travel - state	56,400.00
Travel - out of state	1,200.00
Other operating expenditures	12,300.00
Capital outlay - equipment	<u>27,800.00</u>
Total appropriation - state mine inspector	\$ <u>411,200.00</u>

LAWS OF ARIZONA

Subdivision 44. NATUROPATHIC BOARD OF EXAMINERS

Ninety percent of all collections paid into the state treasury is appropriated to the naturopathic board of examiners.

Subdivision 45. STATE BOARD OF NURSING

From the nursing board fund, the following is appropriated:

Lump sum appropriation \$ 273,500.00

Subdivision 46. STATE BOARD OF OPTOMETRY

Ninety percent of all collections paid into the state treasury is appropriated to the state board of optometry.

Subdivision 47. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS

From the Arizona board of osteopathic examiners fund, the following is appropriated:

Lump sum appropriation \$ 35,600.00

Subdivision 48. BOARD OF PESTICIDE CONTROL

From the pesticide control fund there is appropriated to the board of pesticide control \$23,400.00 and from the general fund there is appropriated \$25,000.00.

Subdivision 49. ARIZONA STATE BOARD OF PHARMACY

From the Arizona state board of pharmacy fund, the following is appropriated:

Lump sum appropriation \$ 174,100.00

Subdivision 50. BOARD OF PHYSICAL THERAPY EXAMINERS

Ninety percent of all collections paid into the state treasury is appropriated to the board of physical therapy examiners.

Subdivision 51. STATE BOARD OF PODIATRY EXAMINERS

Ninety per cent of all collections paid into the state treasury is appropriated to the state board of podiatry examiners.

Subdivision 52. BOARD OF PSYCHOLOGIST EXAMINERS

Ninety percent of all collections paid into the state treasury is appropriated to the board of psychologist examiners.

LAWS OF ARIZONA

Subdivision 53. STATE BOARD OF PRIVATE TECHNICAL AND BUSINESS SCHOOLS

From the private technical and business school fund, the following is appropriated:

Lump sum appropriation	\$	<u>35,400.00</u>
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Subdivision 54. ARIZONA RACING COMMISSION

Personal services	\$	278,600.00
Employee related expenditures		37,800.00
Professional and outside services		89,700.00
Travel - state		33,200.00
Travel - out of state		3,200.00
Other operating expenditures		24,900.00
Capital outlay - equipment		<u>4,600.00</u>
Total	\$	472,000.00

County fair racing

Personal services	\$	55,700.00
Employee related expenditures		7,600.00
Professional and outside services		8,400.00
Travel - state		<u>26,500.00</u>
Total - county fair racing	\$	<u>98,200.00</u>

Total appropriation - Arizona racing commission	\$	<u>570,200.00</u>
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Subdivision 55. REAL ESTATE DEPARTMENT

From the real estate board fund, the following is appropriated:

Personal services	\$	378,200.00
Employee related expenditures		52,800.00
Professional and outside services		700.00
Travel - state		11,900.00
Travel - out of state		2,700.00
Other operating expenditures		123,700.00
Capital outlay - equipment		<u>6,300.00</u>

Total appropriation	\$	<u>576,300.00</u>
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Subdivision 56. STRUCTURAL PEST CONTROL BOARD

Ninety percent of all collections paid into the state treasury is appropriated to the structural pest control board.

LAWS OF ARIZONA

Subdivision 57. STATE BOARD OF TECHNICAL REGISTRATION

From the state board of technical registration fund, the following is appropriated:

Lump sum appropriation	\$ <u>136,900.00</u>
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Subdivision 58. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

Ninety percent of all collections paid into the state treasury is appropriated to the Arizona state veterinary medical examining board.

Subdivision 59. INSPECTOR OF WEIGHTS AND MEASURES

Personal services	\$ 120,800.00
Employee related expenditures	16,800.00
Travel - state	38,200.00
Travel - out of state	1,600.00
Other operating expenditures	6,700.00
Capital outlay - equipment	<u>62,600.00</u>
Total appropriation	\$ <u>246,700.00</u>

Subdivision 60. ARIZONA COMMISSION ON THE ARTS AND HUMANITIES

Personal services	\$ 54,600.00
Employee related expenditures	7,600.00
Travel - state	5,300.00
Travel - out of state	600.00
Other operating expenditures	12,900.00
Capital outlay - equipment	<u>1,500.00</u>
Total appropriation	\$ <u>82,500.00</u>

Subdivision 61. STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES

Board expense

Personal services	\$ 115,300.00
Employee related expenditures	12,400.00
Professional and outside services	18,000.00
Travel - state	24,800.00
Travel - out of state	2,500.00
Other operating expenditures	23,600.00
Capital outlay - equipment	<u>300.00</u>
Total - board expense	\$ 196,900.00

LAWS OF ARIZONA

Cochise county community college district	
Academic grant	\$ 922,000.00
Technical - vocational grant	141,400.00
Capital outlay grant	<u>209,300.00</u>
Total - Cochise county community college district	\$ 1,272,700.00
Graham county community college district	
Academic grant	\$ 951,500.00
Technical - vocational grant	137,100.00
Capital outlay grant	218,300.00
Equalization aid	<u>226,500.00</u>
Total - Graham county community college district	\$ 1,533,400.00
Maricopa county community college district	
Academic grant	\$ 9,664,400.00
Technical - vocational grant	1,126,300.00
Capital outlay grant	<u>2,891,500.00</u>
Total - Maricopa county community college district	\$ 13,682,200.00
Mohave county community college district	
Academic grant	\$ 289,000.00
Technical - vocational grant	40,500.00
Capital outlay grant	<u>57,400.00</u>
Total - Mohave county community college district	\$ 386,900.00
Navajo county community college district	
Academic grant	\$ 238,000.00
Technical - vocational grant	28,550.00
Capital outlay grant	<u>47,250.00</u>
Total - Navajo county community college district	\$ 313,800.00
Pima county community college district	
Academic grant	\$ 3,540,000.00
Technical - vocational grant	610,800.00
Capital outlay grant	<u>1,012,500.00</u>
Total - Pima county community college district	\$ 5,163,300.00
Pinal county community college district	
Academic grant	\$ 1,384,000.00
Technical - vocational grant	342,400.00
Capital outlay grant	<u>351,000.00</u>
Total - Pinal county community college district	\$ 2,077,400.00

LAWS OF ARIZONA

Yavapai county community college district	
Academic grant	\$ 812,000.00
Technical - vocational grant	108,800.00
Capital outlay grant	<u>175,500.00</u>
Total - Yavapai county community college district	\$ 1,096,300.00
Yuma county community college district	
Academic grant	\$ 1,054,000.00
Technical - vocational grant	129,200.00
Capital outlay grant	<u>249,700.00</u>
Total - Yuma county community college district	\$ <u>1,432,900.00</u>
Total appropriation - state board of directors for community colleges	\$ <u><u>27,155,800.00</u></u>
Subdivision 62. ARIZONA HISTORICAL SOCIETY	
Personal services	\$ 340,200.00
Employee related expenditures	46,700.00
Professional and outside services	14,900.00
Travel - state	3,800.00
Travel - out of state	700.00
Other operating expenditures	73,700.00
Capital outlay - equipment	32,500.00
Assistance to historical societies	48,000.00
Journal of Arizona history	<u>10,000.00</u>
Total appropriation	\$ <u><u>570,500.00</u></u>
Subdivision 63. PRESCOTT HISTORICAL SOCIETY	
Personal services	\$ 75,500.00
Employee related expenditures	12,100.00
Professional and outside services	900.00
Travel - state	900.00
Other operating expenditures	15,900.00
Capital outlay - equipment	<u>1,100.00</u>
Total appropriation	\$ <u><u>106,400.00</u></u>
Subdivision 64. STATE BOARD OF EDUCATION AND SUPERINTENDENT OF PUBLIC INSTRUCTION	
As provided by law, the following is appropriated:	

LAWS OF ARIZONA

Administration

Personal services	\$ 536,800.00
Employee related expenditures	74,700.00
Travel - state	17,600.00
Travel - out of state	4,600.00
Other operating expenditures	227,800.00
Capital outlay - equipment	<u>21,700.00</u>

Total - administration \$ 883,200.00

Adult education

Lump sum appropriation \$ 334,300.00

Alcohol and drug education

Lump sum appropriation 229,700.00

Basic state support aid

Lump sum appropriation \$314,276,200.00**

**This is deemed to include all monies in the state school fund, as defined in section 15-1602, Arizona Revised Statutes.

The above appropriation provides basic state support to school districts for maintenance and operations funding as provided by section 15-1212, Arizona Revised Statutes.

Excess cost for special education

Lump sum appropriation \$ 10,300,000.00

This appropriation is made to enable the state to carry out the requirements of section 15-1017, Arizona Revised Statutes.

Assistance to public school districts for children of state employees

Lump sum appropriation \$ 216,000.00

For the assistance of school districts in educating the children of certain state employees as prescribed by section 15-1214, Arizona Revised Statutes.

State levy - night school

Lump sum appropriation \$ 10,500.00

For each student who attends and satisfactorily completes a specific course, each district operating a night school shall be reimbursed by the state in the amount of ten dollars for each such course in a night, operated at hours other than those during which the regular school is in session.

LAWS OF ARIZONA

Aid to bilingual students

Lump sum appropriation	\$ 700,000.00
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For the education of students in grades k through 4 enrolled in special English training as provided by section 15-1097, Arizona Revised Statutes.

Certificate of educational convenience

Lump sum appropriation	\$ 1,000,000.00
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For the reimbursement of school districts that have students enrolled on certificates of educational convenience as provided by section 15-304, Arizona Revised Statutes.

State aid - gifted children

Lump sum appropriation	\$ 200,000.00
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Aid in the amount of fifty dollars for each gifted student enrolled in a special education program, as provided by section 15-1017, Arizona Revised Statutes.

Voucher for special education

Lump sum appropriation	\$ 435,500.00
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For the education of those students whose district of residence does not provide special education, upon the approval of the division of special education in accordance with Laws 1973, chapter 181, section 7.

Career education

Lump sum appropriation	\$ 4,789,800.00
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Certification

Personal services	\$ 155,200.00
Employee related expenditures	20,900.00
Professional and outside services	17,500.00
Travel - state	500.00
Other operating expenditures	74,700.00
Capital outlay - equipment	<u>1,000.00</u>

Total - certification	\$ 269,800.00
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Education for crippled children

Lump sum appropriation	\$ 51,500.00
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For the education of crippled children as provided by section 15-1001, Arizona Revised Statutes.

Extended school year

Personal services	\$ 86,400.00
Employee related expenditures	10,700.00
Professional and outside services	11,400.00
Travel - state	4,700.00

LAWS OF ARIZONA

Travel - out of state	3,800.00
Other operating expenditures	5,700.00
Capital outlay - equipment	<u>2,500.00</u>
Total - extended school year	\$ 125,200.00
Food and nutrition program - matching fund	
Lump sum appropriation	\$ 75,800.00
General education	
Personal services	\$ 229,400.00
Employee related expenditures	28,439.00
Professional and outside services	112,800.00
Travel - state	11,200.00
Travel - out of state	1,400.00
Other operating expenditures	<u>63,500.00</u>
Total - general education	\$ 446,739.00
Data processing	
Personal services	\$ 188,200.00
Employee related expenditures	27,100.00
Professional and outside services	11,500.00
Travel - state	200.00
Travel - out of state	700.00
Other operating expenditures	152,900.00
Capital outlay - equipment	<u>2,900.00</u>
Total - data processing	\$ 383,500.00
Driver and safety education	
Lump sum appropriation	\$ 81,700.00
Vocational education	
Personal services	\$ 197,700.00
Employee related expenditures	25,700.00
Professional and outside services	18,000.00
Travel - state	18,000.00
Travel - out of state	1,400.00
Other operating expenditures	20,800.00
Reimbursement for vocational education	2,588,450.00
Manpower act of 1965 - matching money	<u>75,000.00</u>
Total - vocational education	\$ 2,945,050.00

This appropriation is made to enable the state to cooperate with the federal government in carrying out the provisions of an act of congress

LAWS OF ARIZONA

approved February 23, 1917, and acts amendatory or supplementary thereto, providing for the promotion and development of cooperative vocational education.

Arizona teacher's	
retirement system - accrued liability	
Lump sum appropriation	\$ <u>277,000.00</u>

This appropriation is made to enable the state to carry out the provisions of section 15-1421 and section 15-1439, Arizona Revised Statutes.

Total appropriation - state board of education and superintendent of public instruction	<u>\$338,031,489.00</u>
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All additional monies, required by law, from any other source, shall be placed in the state school fund to the credit of the state board of education and disbursed as provided by law.

Subdivision 65. ARIZONA STATE SCHOOL FOR THE DEAF AND THE BLIND

Tucson school

Personal services	\$ 1,866,300.00
Employee related expenditures	269,300.00
Professional and outside services	42,500.00
Travel - state	5,400.00
Travel - out of state	1,700.00
Food	155,000.00
Other operating expenditures	207,600.00
Capital outlay - equipment	<u>19,000.00</u>

Total - Tucson school	\$ 2,566,800.00
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Phoenix day school

Personal services	\$ 298,000.00
Employee related expenditures	41,900.00
Professional and outside services	100.00
Travel - state	6,100.00
Other operating expenditures	37,000.00
Capital outlay - equipment	<u>12,900.00</u>

Total - Phoenix day school	\$ 396,000.00
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LAWS OF ARIZONA

Deaf - blind program

Personal services	\$ 41,000.00
Employee related expenditures	6,000.00
Food	4,600.00
Other operating expenditures	10,600.00
Capital outlay - equipment	<u>2,400.00</u>
Total - deaf - blind program	\$ 64,600.00

Emotionally disturbed children

Personal services	\$ 65,700.00
Employee related expenditures	10,000.00
Professional and outside services	300.00
Travel - state	700.00
Food	6,100.00
Other operating expenditures	<u>4,800.00</u>
Total - emotionally disturbed children	\$ <u>87,600.00</u>

Total appropriation - Arizona state school
for the deaf and the blind \$ 3,115,000.00

In conformity with the education institution act of 1934, collections received during the fiscal year when paid into the state treasury are appropriated for operating expenditures. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the constitution.

Subdivision 66. ARIZONA BOARD OF REGENTS

Lump sum appropriation \$ 422,400.00

Subdivision 67. ARIZONA STATE UNIVERSITY

Lump sum appropriation \$ 42,099,900.00**

**For salaries and wages; for operation, including dues, assessments or membership fees in societies, associations and organizations; for travel to attend meetings, conferences and for other university purposes; for capital investment; for repairs and replacements. No part of this appropriation shall be expended for life insurance or supplemental retirement.

Any unencumbered balance remaining in the collections account on June 30, 1974, and all collections received by the university during the fiscal

LAWS OF ARIZONA

year, when paid into the state treasury are appropriated for personal services, operating expenditures, capital outlay, and fixed charges; earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the constitution. No part of this appropriation shall be expended for life insurance or supplemental retirement.

Subdivision 68. NORTHERN ARIZONA UNIVERSITY

Lump sum appropriation	<u>\$ 14,768,700.00</u> **
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**For salaries and wages; for operation, including dues, assessments or membership fees in societies, associations and organizations; for travel to attend meetings, conferences and for other university purposes; for capital investment; for repairs and replacements. No part of this appropriation shall be expended for life insurance or supplemental retirement.

Any unencumbered balance remaining in the collections account on June 30, 1974, and all collections received by the university during the fiscal year, when paid into the state treasury are appropriated for personal services, operating expenditures, capital outlay, and fixed charges; earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the constitution. No part of this appropriation shall be expended for life insurance or supplemental retirement.

Subdivision 69. UNIVERSITY OF ARIZONA

Main campus	\$ 54,478,200.00
College of medicine	8,924,800.00
University hospital	<u>9,329,200.00</u> ***
Total appropriation	<u>\$ 72,732,200.00</u> **

**For salaries and wages; for operation, including dues, assessments or membership fees in societies, associations and organizations; for travel to attend meetings, conferences and for other university purposes; for capital investment; for repairs and replacements. No part of this appropriation shall be expended for life insurance or supplemental retirement.

***Of this amount, \$146,600.00 shall be for the family and community medicine - rural program.

LAWS OF ARIZONA

All collections received by the university during the said fiscal year when paid into the state treasury are appropriated for personal services, operating expenditures, capital outlay and fixed charges; earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the constitution. No part of this appropriation shall be expended for life insurance or supplemental retirement.

Subdivision 70. ARIZONA BOARD OF REGENTS - WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION

Commission expenses	\$	8,900.00
Western interstate commission		28,000.00
Medical, dental, veterinary, and dental hygiene student subsidies		<u>546,400.00</u>
Total appropriations	\$	<u><u>583,300.00</u></u>

This appropriation shall include all unexpended balances remaining to the credit of the western interstate commission for higher education on June 30, 1974.

Subdivision 71. DEPARTMENT OF CORRECTIONS

Central office - administration

Personal services	\$	500,000.00
Employee related expenditures		68,900.00
Professional and outside services		53,000.00
Travel - state		24,800.00
Travel - out of state		3,700.00
Other operating expenditures		228,600.00
Capital outlay - equipment		3,700.00
Federal grant matching funds		<u>15,000.00</u>
Total - central office - administration	\$	897,700.00

Community services

Administration

Personal services	\$	992,600.00
Employee related expenditures		159,800.00
Professional and outside services		906,500.00
Travel - state		96,700.00

LAWS OF ARIZONA

Travel - out of state	4,600.00
Other operating expenditures	78,900.00
Capital outlay - equipment	<u>11,500.00</u>
Total - administration	\$ 2,250,600.00
Community correctional centers	
Personal services	\$ 400,600.00
Employee related expenditures	70,900.00
Professional and outside services	17,600.00
Travel - state	26,500.00
Travel - out of state	500.00
Food	51,300.00
Other operating expenditures	63,300.00
Capital outlay - equipment	<u>1,100.00</u>
Total - community correctional centers	\$ 631,800.00
Bureau of preventive services	
Personal services	\$ 86,600.00
Employee related expenditures	11,700.00
Professional and outside services	1,900.00
Travel - state	3,900.00
Travel - out of state	700.00
Other operating expenditures	10,500.00
Capital outlay - equipment	<u>1,500.00</u>
Total - bureau of preventive services	\$ <u>116,800.00</u> **
**State funds are to be used only if federal funds for the continuation of the program are not received. In the event federal funds are received, only the state's share of the program is to be expended from this appropriation.	
Total - community services	\$ 2,999,200.00
Institutions	
Administration	
Personal services	\$ 156,500.00
Employee related expenditures	20,500.00
Travel - state	9,000.00
Travel - out of state	1,500.00
Other operating expenditures	<u>3,000.00</u>
Total - administration	\$ 190,500.00
Adobe Mountain school	
Personal services	\$ 1,195,300.00

LAWS OF ARIZONA

Employee related expenditures	206,300.00
Professional and outside services	41,600.00
Travel - state	11,200.00
Travel - out of state	800.00
Food	119,200.00
Other operating expenditures	216,800.00
Capital outlay - equipment	43,700.00
Assistance to others	1,900.00
Federal grant matching funds	<u>50,000.00</u>
Total - Adobe Mountain school	\$ 1,886,800.00

Fort Grant training center

Personal services	\$ 1,043,300.00
Employee related expenditures	175,500.00
Professional and outside services	114,800.00
Travel - state	8,200.00
Travel - out of state	900.00
Food	169,000.00
Other operating expenditures	329,000.00
Capital outlay - equipment	48,400.00
Assistance to others	<u>62,800.00</u>

Total - Fort Grant training center \$ 1,951,900.00**

**Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the constitution.

Arizona state prison

Personal services	\$ 4,913,200.00
Employee related expenditures	933,000.00
Professional and outside services	295,000.00
Travel - state	2,200.00
Travel - out of state	800.00
Food	1,041,700.00
Other operating expenditures	907,700.00
Capital outlay - equipment	121,100.00
Assistance to others	<u>213,000.00</u>

Total - Arizona state prison \$ 8,427,700.00**

**Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the constitution.

LAWS OF ARIZONA

Arizona youth center	
Personal services	734,400.00
Employee related expenditures	126,700.00
Professional and outside services	45,500.00
Travel - state	7,500.00
Travel - out of state	500.00
Food	84,100.00
Other operating expenditures	92,300.00
Capital outlay - equipment	<u>12,800.00</u>
Total - Arizona youth center	\$ 1,103,800.00
Alpine conservation center	
Personal services	\$ 400,800.00
Employee related expenditures	68,600.00
Professional and outside services	19,300.00
Travel - state	6,700.00
Travel - out of state	400.00
Food	68,700.00
Other operating expenditures	124,900.00
Capital outlay - equipment	<u>19,400.00</u>
Total - Alpine conservation center	\$ 708,800.00
Safford conservation center	
Personal services	\$ 311,000.00
Employee related expenditures	57,800.00
Professional and outside services	17,500.00
Travel - state	5,200.00
Travel - out of state	400.00
Food	115,600.00
Other operating expenditures	115,500.00
Capital outlay - equipment	1,300.00
Assistance to others	32,100.00
Forestry camp	<u>55,200.00</u>
Total - Safford conservation center	\$ <u>711,600.00</u>
Total - institutions	\$ <u>14,981,100.00</u>
Total appropriation - department of corrections	\$ <u><u>18,878,000.00</u></u>

LAWS OF ARIZONA

Subdivision 71. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

Emergency services

Personal services	\$ 65,500.00
Employee related expenditures	8,625.00
Travel - state	6,300.00
Travel - out of state	1,400.00
Other operating expenditures	32,400.00
Capital outlay - equipment	<u>1,200.00</u>

Total - emergency services \$ 115,425.00

Military affairs

Personal services	\$ 444,000.00
Employee related expenditures	71,200.00
Professional and outside services	500.00
Travel - state	20,300.00
Travel - out of state	4,100.00
Other operating expenditures	417,100.00
Capital outlay - equipment	38,600.00
Service contracts	193,300.00
National guard rifle team	<u>1,200.00</u>

Total - military affairs \$ 1,190,300.00

Total appropriation - department of emergency and military affairs \$ 1,305,725.00

Subdivision 72. ARIZONA STATE JUSTICE PLANNING AGENCY

Personal services and operating expenditures	\$ 49,000.00
Federal grant matching funds	<u>1,312,000.00</u> **

Total appropriation \$ 1,361,000.00

**Funds shall lapse after two years

Subdivision 73. BOARD OF PARDONS AND PAROLES

Personal services	\$ 78,800.00
Employee related expenditures	9,900.00
Travel - state	13,900.00
Travel - out of state	1,400.00
Other operating expenditures	<u>10,500.00</u>

Total appropriation \$ 114,500.00

LAWS OF ARIZONA

Subdivision 74. DEPARTMENT OF PUBLIC SAFETY

From the state highway fund, in compliance with section 18-191, Arizona Revised Statutes, there is appropriated to the Arizona highway patrol fund the sum of \$20,843,300.00.

From the general fund there is appropriated the sum of \$5,210,825.00.

The sums appropriated above shall be deposited in a joint account for the following purposes:

Administration

Lump sum appropriation	\$ 7,803,600.00
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Criminal investigation

Personal services	\$ 2,250,800.00
Employee related expenditures	465,300.00
Professional and outside services	2,500.00
Travel - state	133,600.00
Travel - out of state	12,300.00
Other operating expenditures	229,900.00
Capital outlay - equipment	<u>246,600.00</u>

Total - criminal investigation	\$ 3,341,000.00
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Technical communications

Personal services	\$ 876,500.00
Employee related expenditures	168,600.00
Professional and outside services	15,000.00
Travel - state	51,300.00
Travel - out of state	2,300.00
Other operating expenditures	333,400.00
Capital outlay - equipment	472,225.00
Anticipated receipts	<u>(82,700.00)</u>

Total - technical communications	\$ 1,836,625.00
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Criminal identification

Personal services	\$ 380,700.00
Employee related expenditures	69,800.00
Travel - state	1,500.00
Travel - out of state	1,400.00
Other operating expenditures	63,400.00
Capital outlay - equipment	<u>16,300.00</u>

Total - criminal identification	\$ 533,100.00
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LAWS OF ARIZONA

Crime laboratory

Personal services	\$ 416,400.00
Employee related expenditures	53,900.00
Professional and outside services	1,400.00
Travel - state	4,000.00
Travel - out of state	2,300.00
Other operating expenditures	46,900.00
Capital outlay - equipment	<u>7,700.00</u>

Total - crime laboratory \$ 532,600.00

Highway patrol

Personal services	\$ 7,509,800.00
Employee related expenditures	1,697,700.00
Travel - state	395,900.00
Travel - out of state	8,000.00
Other operating expenditures	65,600.00
Capital outlay - equipment	<u>1,269,200.00</u>

Total - highway patrol \$ 10,946,200.00

Emergency medical services

Lump sum appropriation	\$ <u>1,061,000.00</u>
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Total appropriation - department of public safety \$ 26,054,125.00

Twenty percent of the funds remaining in the joint account, June 30, 1975, will revert to the state general fund, the balance will revert to the Arizona highway patrol fund.

In addition to the funds appropriated above, any balances and receipts received under section 18-191, Arizona Revised Statutes, are appropriated for the use of the Arizona highway patrol.

Subdivision 75. DEPARTMENT OF TRANSPORTATION

From the unencumbered balance remaining in the state highway fund, as of June 30, 1974, there is appropriated \$60,396,087.00 for the following:

Director

Personal services	\$ 545,500.00
Employee related expenditures	71,100.00
Professional and outside services	8,000.00
Travel - state	34,700.00
Travel - out of state	12,270.00

LAWS OF ARIZONA

Other operating expenditures	63,100.00
Capital outlay - equipment	1,700.00
Transportation board reserve	250,000.00
Salary contingency	<u>100,000.00</u> **

Total - director \$ 1,086,370.00

**No funds are to be encumbered or expended without the approval of the joint legislative budget committee and the division of finance.

Governor's highway safety

Personal services	\$ 118,900.00
Employee related expenditures	16,600.00
Professional and outside services	25,000.00
Travel - state	6,400.00
Travel - out of state	3,900.00
Other operating expenditures	28,300.00
Capital outlay - equipment	<u>500.00</u>

Total - governor's highway safety \$ 199,600.00

Department of law services

Lump sum appropriation \$ 404,400.00**

**This appropriation is for the purpose of reimbursing the department of law for expenditures made pursuant to the provisions of section 41-192, Arizona Revised Statutes.

Department of law services shall be paid through claims presented and authorized by the attorney general.

Administrative services

Lump sum appropriation	\$ 8,176,300.00
Educational training	30,000.00
Warehouse revolving fund	<u>80,000.00</u>

Total - administrative services \$ 8,286,300.00

Highway division administration

Lump sum appropriation \$ 317,900.00

Highway development

Personal services	\$ 7,094,000.00
Employee related expenditures	974,200.00
Travel - state	349,200.00
Travel - out of state	14,840.00

LAWS OF ARIZONA

Other operating expenditures	524,900.00
Capital outlay - equipment	<u>65,500.00</u>
Total - highway development	\$ 9,022,640.00
Motor vehicle	
Lump sum appropriation	\$ 8,719,580.00
License plates and tabs	<u>450,000.00</u>
Total - motor vehicle	\$ 9,169,580.00
Highway maintenance program performance controlled system - PECOS	
Lump sum appropriation	\$ 18,881,497.00**
**Not more than \$150,000 shall be used from this appropriation for edge striping.	
Headquarters maintenance	
Lump sum appropriation	\$ 492,900.00
Traffic engineering	
Lump sum appropriation	\$ 3,225,000.00
Construction internal	
Lump sum appropriation	\$ 2,562,400.00
Highway operations - engineering districts	
Lump sum appropriation	\$ 4,353,000.00
Highway operations - traffic safety	
Lump sum appropriation	\$ 400,500.00
Plant and improvements	
Lump sum appropriation	\$ 183,100.00
Public transit	
Lump sum appropriation	\$ 36,400.00
Transportation planning	
Planning and programming	
Personal services	\$ 767,300.00
Employee related expenditures	107,900.00
Travel - state	73,000.00
Travel - out of state	2,600.00
Other operating expenditures	119,800.00
Capital outlay - equipment	<u>5,400.00</u>
Total - planning and programming	\$ 1,076,000.00
Maricopa association of governments and Pima association of governments	
Personal services	\$ 484,200.00

LAWS OF ARIZONA

Employee related expenditures	67,100.00
Professional and outside services	68,500.00
Travel - state	1,600.00
Travel - out of state	3,500.00
Other operating expenditures	71,800.00
Capital outlay - equipment	<u>1,800.00</u>
Total - Maricopa association of governments and Pima association of governments	\$ <u>698,500.00</u>
Total - transportation planning	\$ <u>1,774,500.00</u>
Total - state highway fund	\$ 60,396,087.00
Aeronautics	
From the state aviation fund, there is appropriated \$555,800 for the following:	
Administration and airport development	
Personal services	\$ 96,100.00
Employee related expenditures	17,900.00
Professional and outside services	3,800.00
Travel - state	13,000.00
Travel - out of state	1,500.00
Other operating expenditures	22,000.00
Capital outlay - equipment	500.00
Airport development grants	<u>300,000.00</u>
Total - administration and airport development	\$ 454,800.00
Grand Canyon national park airport	
Personal services	\$ 42,800.00
Employee related expenditures	7,500.00
Professional and outside services	12,000.00
Travel - state	1,100.00
Travel - out of state	500.00
Other operating expenditures	32,300.00
Capital outlay - equipment	<u>4,800.00</u>
Total - Grand Canyon national park airport	\$ <u>101,000.00</u>
Total - aeronautics	\$ 555,800.00
Air search and rescue	
From the state general fund the following is appropriated:	
Lump sum appropriation	\$ <u>50,000.00</u>
Total appropriation - department of transportation	\$ <u><u>61,001,887.00</u></u>

LAWS OF ARIZONA

Any balances and collections in the state highway fund in excess of the specific amounts set forth above for the purposes designated, are appropriated exclusively for construction of state highways, including (1) national system of interstate highways within Arizona, (2) state primary system, (3) state secondary system, (4) county secondary or primary system, (5) urban area routes; the acquisition of right of way; the cost of field administration, field engineering on construction projects.

Subdivision 76. ARIZONA COPPER TARIFF BOARD

Lump sum appropriation	\$ <u>3,000.00</u>
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Subdivision 77. ARIZONA GAME AND FISH DEPARTMENT

From the game and fish protection fund, the following is appropriated:

Commission and director

Personal services	\$ 121,600.00
Employee related expenditures	19,800.00
Travel - state	8,700.00
Travel - out of state	7,700.00
Other operating expenditures	6,200.00
Capital outlay - equipment	200.00
Dingell-Johnson act for fish restoration	80,000.00**
Pittman-Robertson act for wildlife restoration	383,000.00**
Commercial fisheries	3,000.00**
Commissioners' reserve	<u>25,000.00</u>
Total - commission and director	\$ 655,200.00

Operations

Personal services	\$ 1,475,300.00
Employee related expenditures	468,800.00
Professional and outside services	27,200.00
Travel - state	145,800.00
Other operating expenditures	311,300.00
Capital outlay - equipment	55,800.00
Cooperative wildlife research unit	15,000.00**
Cooperative fishery research unit	<u>9,000.00**</u>
Total - operations	\$ 2,508,200.00

Services

Personal services	\$ 577,800.00
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LAWS OF ARIZONA

Employee related expenditures	85,000.00
Professional and outside services	99,200.00
Travel - state	176,100.00
Other operating expenditures	407,200.00
Capital outlay - equipment	<u>119,400.00</u>
Total - services	\$ <u>1,464,700.00</u>
Total appropriation - Arizona game and fish department	\$ <u><u>4,628,100.00</u></u>

**Any part of this appropriation may be used for the purpose of matching federal funds. This appropriation is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing appropriations.

Subdivision 78. ARIZONA OUTDOOR RECREATION COORDINATING COMMISSION

From the state lake improvement fund, the following is appropriated:

Personal services	\$ 19,200.00
Employee related expenditures	2,900.00
Professional and outside services	3,000.00
Travel - state	600.00
Other operating expenditures	<u>2,800.00</u>
Total appropriation	\$ <u><u>28,500.00</u></u>

Subdivision 79. STATE LAND DEPARTMENT

Administrative services

Personal services	\$ 195,600.00
Employee related expenditures	27,900.00
Travel - state	1,100.00
Travel - out of state	800.00
Other operating expenditures	121,900.00
Capital outlay - equipment	<u>5,900.00</u>
Total - administrative services	\$ 353,200.00

Contract audit and review

Personal services	\$ 273,600.00
Employee related expenditures	37,100.00
Travel - state	4,800.00
Travel - out of state	1,200.00

LAWS OF ARIZONA

Other operating expenditures	11,100.00
Capital outlay - equipment	<u>1,900.00</u>
Total - contract audit and review	\$ 329,700.00
Planning and research	
Personal services	\$ 217,600.00
Employee related expenditures	28,500.00
Travel - state	9,200.00
Travel - out of state	600.00
Other operating expenditures	12,000.00
Capital outlay - equipment	<u>6,300.00</u>
Total - planning and research	\$ 274,200.00
Natural resource management	
Personal services	\$ 201,000.00
Employee related expenditures	27,100.00
Professional and outside services	29,000.00
Travel - state	18,700.00
Travel - out of state	1,000.00
Other operating expenditures	11,500.00
Capital outlay - equipment	14,600.00
Natural resource conservation districts	<u>91,800.00</u>
Total - natural resource management	\$ 394,700.00
Forestry management	
Personal services	\$ 49,500.00
Employee related expenditures	6,600.00
Travel - state	1,100.00
Other operating expenditures	10,600.00
Capital outlay - equipment	<u>9,900.00</u>
Total - forestry management	\$ 77,700.00
Board of appeals	
Lump sum appropriation	\$ <u>17,200.00</u>
Total appropriation - state land department	\$ <u>1,446,700.00</u>

Subdivision 80. DEPARTMENT OF MINERAL RESOURCES

Personal services	\$ 148,000.00
Employee related expenditures	19,800.00
Travel - state	11,000.00

LAWS OF ARIZONA

Travel - out of state	1,600.00
Other operating expenditures	14,400.00
Capital outlay - equipment	<u>3,300.00</u>
Total appropriation	\$ <u>198,100.00</u>

Subdivision 81. OIL AND GAS CONSERVATION COMMISSION

Lump sum appropriation	\$ <u>187,900.00</u>
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Subdivision 82. ARIZONA STATE PARKS BOARD

Administration

Personal services	\$ 271,100.00
Employee related expenditures	42,200.00
Professional and outside services	21,300.00
Travel - state	21,600.00
Travel - out of state	1,500.00
Other operating expenditures	54,600.00
Capital outlay - equipment	<u>3,800.00</u>
Total - administration	\$ 416,100.00

Alamo Lake state park

Personal services	\$ 47,000.00
Employee related expenditures	8,400.00
Travel - state	800.00
Other operating expenditures	25,600.00
Capital outlay - equipment	<u>2,100.00</u>
Total - Alamo Lake state park	\$ 83,900.00

Buckskin Mountain state park

Personal services	\$ 62,400.00
Employee related expenditures	10,300.00
Travel - state	700.00
Other operating expenditures	19,700.00
Capital outlay - equipment	<u>6,500.00</u>
Total - Buckskin Mountain state park	\$ 99,600.00

Dead Horse Ranch state park

Personal services	\$ 40,000.00
Employee related expenditures	7,200.00
Professional and outside services	3,000.00

LAWS OF ARIZONA

Travel - state		600.00
Other operating expenditures		18,200.00
Capital outlay - equipment		<u>8,700.00</u>
Total - Dead Horse Ranch state park	\$	77,700.00
Fort Verde state historic park		
Personal services	\$	36,400.00
Employee related expenditures		6,500.00
Travel - state		800.00
Other operating expenditures		10,300.00
Capital outlay - equipment		<u>3,500.00</u>
Total - Fort Verde state historic park	\$	57,500.00
Jerome state historic park		
Personal services	\$	28,700.00
Employee related expenditures		5,200.00
Travel - state		500.00
Other operating expenditures		<u>7,000.00</u>
Total - Jerome state historic park	\$	41,400.00
Lake Havasu state park		
Personal services	\$	159,100.00
Employee related expenditures		27,400.00
Professional and outside services		5,000.00
Travel - state		3,000.00
Other operating expenditures		31,900.00
Capital outlay - equipment		<u>28,100.00</u>
Total - Lake Havasu state park	\$	254,500.00
Lyman Lake state park		
Personal services	\$	28,500.00
Employee related expenditures		4,900.00
Travel - state		700.00
Other operating expenditures		7,300.00
Capital outlay - equipment		<u>700.00</u>
Total - Lyman Lake state park	\$	42,100.00
Painted Rocks state historic park		
Personal services	\$	7,800.00
Employee related expenditures		1,500.00
Travel - state		900.00

LAWS OF ARIZONA

Other operating expenditures		5,900.00
Capital outlay - equipment		<u>1,000.00</u>
Total - Painted Rocks state historic park	\$	17,100.00
Picacho Peak state park		
Personal services	\$	39,200.00
Employee related expenditures		6,900.00
Travel - state		500.00
Other operating expenditures		19,000.00
Capital outlay - equipment		<u>1,300.00</u>
Total - Picacho Peak state park	\$	66,900.00
Roper Lake state park		
Personal services	\$	24,800.00
Employee related expenditures		4,700.00
Travel - state		700.00
Other operating expenditures		9,400.00
Capital outlay - equipment		<u>5,400.00</u>
Total - Roper Lake State Park		45,000.00
Tombstone Courthouse state park		
Personal services	\$	31,200.00
Employee related expenditures		5,500.00
Travel - state		800.00
Other operating expenditures		<u>5,400.00</u>
Total - Tombstone Courthouse state park	\$	42,900.00
Tubac Presidio state historic park		
Personal services	\$	36,700.00
Employee related expenditures		6,500.00
Travel - state		600.00
Other operating expenditures		9,500.00
Capital outlay - equipment		<u>500.00</u>
Total - Tubac Presidio state historic park	\$	53,800.00
Yuma Territorial Prison		
Personal services	\$	57,800.00
Employee related expenditures		10,300.00
Travel - state		1,100.00
Other operating expenditures		10,500.00
Capital outlay - equipment		<u>2,500.00</u>
Total - Yuma Territorial Prison		<u>82,200.00</u>
Total appropriation - Arizona state parks board	\$	<u><u>1,380,700.00</u></u>

LAWS OF ARIZONA

Subdivision 83. ARIZONA WATER COMMISSION

Water resource planning

Personal services	\$	355,500.00
Employee related expenditures		43,300.00
Professional and outside services		141,700.00
Travel - state		23,500.00
Travel - out of state		13,000.00
Other operating expenditures		56,300.00
Capital outlay - equipment		1,300.00
Cooperative agreements with U.S. geological survey		<u>325,400.00</u>

Total - water resource planning \$ 960,000.00

Supervision of dam safety

Personal services	\$	105,600.00
Employee related expenditures		12,500.00
Professional and outside services		12,200.00
Travel - state		7,700.00
Travel - out of state		800.00
Other operating expenditures		10,900.00
Capital outlay - equipment		<u>4,500.00</u>

Total - supervision of dam safety \$ 154,200.00

Total appropriation - Arizona water commission \$ 1,114,200.00

Sec. 2. For the purposes of this act “*” means this appropriation is exempt from the provision of section 35-190, Arizona Revised Statutes, relating to lapsing appropriations.

Funds in this appropriation for law enforcement programs may be used to provide matching funds for programs and projects for law enforcement, as required by sections 301, 303 and 306 of the omnibus crime control and safe streets act of 1968 as amended by the omnibus crime control act of 1970.

Included in the appropriations for other operating expenditures for all applicable agencies are funds for rent as provided in section 41-800, Arizona Revised Statutes.

LAWS OF ARIZONA

Included in appropriations for employee related expenditures are funds for health and accident insurance at the rate of \$15.00 per month per employee receiving such coverage as authorized in section 38-651, Arizona Revised Statutes. The intent here being that under no circumstances shall the \$15.00 per month per employee be exceeded.

STATE OF ARIZONA

GENERAL FUND APPROPRIATIONS

1974 - 1975

General Government	\$ 32,509,664.00
Health and Welfare	99,703,920.00
Inspection and Regulation	13,703,550.00
Education	499,668,189.00
Protection and Safety	26,870,050.00
Transportation	50,000.00
Natural Resources	<u>4,330,600.00</u>
GRAND TOTAL	<u>\$676,835,973.00</u>

LAWS OF ARIZONA

CHAPTER 204

Senate Bill 1269

AN ACT

RELATING TO PROFESSIONS AND OCCUPATIONS; PROVIDING FOR CERTAIN LIMITED DISPENSING OF DRUGS BY PROFESSIONAL NURSE; PRESCRIBING FEE FOR INITIAL APPLICATION FOR CERTIFICATION IN EXTENDED NURSING PRACTICE IN SPECIALITY AREAS; PRESCRIBING AMOUNT THE STATE BOARD OF NURSING MAY RECEIVE FROM THE DIVISION OF FINANCE TO PROVIDE A REVOLVING FUND; AMENDING SECTIONS 32-1601 AND 32-1643, ARIZONA REVISED STATUTES; REPEALING SECTION 35-193, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1973, CHAPTER 123, SECTION 13 AND BY LAWS 1973, CHAPTER 158, SECTION 291, AND AMENDING SECTION 35-193, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1973, CHAPTER 173, SECTION 6.

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

Section 1. Section 32-1601, Arizona Revised Statutes, is amended to read:

32-1601. Definitions

In this chapter unless the context otherwise requires:

1. "Accreditation" means approval by the board of a school of nursing and its programs as meeting the minimum requirements established by the board for the educational preparation of professional and practical nurses for licensure in Arizona.
2. "Board" means the state board of nursing, and when used in connection with matters pertaining only to practical nurses or practical nursing, means the combined membership of the state board of nursing and the practical nurse committee provided for by this chapter.

LAWS OF ARIZONA

3. "Practical nurse" means a person who practices practical nursing as defined in paragraph 4 of this section.

4. "Practical nursing" means the performance for compensation or profit of services requiring technical skills acquired by means of a course in an accredited school of practical nursing or its equivalent, performed under the direction of a person licensed in this state to practice healing, or a professional nurse, requiring a knowledge of nursing procedures but not requiring the professional knowledge and skill required for professional nursing.

5. The "practice of professional nursing" means the performance for compensation of any act requiring substantial specialized knowledge, judgment and nursing skill based upon the principles of the biological, physical and social sciences in:

- (a) The maintenance of health or prevention of illness.
- (b) The nursing assessment, evaluation of the patient and the administration of care to the ill, injured or infirm.
- (c) The administration of medications and treatment as prescribed or authorized by a person licensed in this state to prescribe such medications and treatments.
- (d) The supervision and teaching of other personnel in the performance of any of the foregoing.
- (e) The performance of such additional acts under emergency or other conditions requiring education and training and which are recognized by the medical and nursing professions as proper to be performed by a professional nurse under such conditions and which are authorized by the board of nursing IN COLLABORATION WITH THE JOINT BOARD OF MEDICAL EXAMINERS AND OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY through its rules and regulations. THE PERFORMANCE OF ADDITIONAL ACTS MAY INCLUDE DISPENSING OF PREPACKAGED LABELED DRUGS FOR A SINGLE MEDICAL EPISODE UNDER THE DIRECT ORDER OF A PHYSICIAN IF:

LAWS OF ARIZONA

(i) THE NURSE DISPENSING IS EMPLOYED OR UNDER CONTRACT WITH A COUNTY HEALTH OFFICER, AND

(ii) THE DISPENSING IS IN RURAL AREAS OF EXCEPTIONAL MEDICAL NEED AS DEFINED BY THE BOARD OF MEDICAL EXAMINERS.

THE DEPARTMENT OF HEALTH SERVICES AND THE STATE BOARD OF PHARMACY SHALL ON OR BEFORE FEBRUARY 1, 1976, FILE A JOINT REPORT ON THE EFFECTIVENESS OF THE ACTS AUTHORIZED BY THIS SECTION.

6. "Registered nurse", "graduate nurse" or "professional nurse" means a person who practices professional nursing as defined in paragraph 5 of this section.

Sec. 2. Section 32-1643, Arizona Revised Statutes, is amended to read:

32-1643. **Fees**

The board shall collect in advance fees provided for in this chapter, but not to exceed the following:

1. INITIAL APPLICATION FOR CERTIFICATION FOR EXTENDED NURSING PRACTICE IN SPECIALITY AREAS, ONE HUNDRED DOLLARS.

~~1.~~ 2. Initial application for license as registered professional nurse or licensed practical nurse, fifty dollars.

~~2.~~ 3. Application for renewal before expiration, ten dollars.

~~3.~~ 4. Application for renewal after expiration, fifteen dollars.

~~4.~~ 5. Application for temporary permit, fifteen dollars.

~~5.~~ 6. Rewriting examination, twenty-five dollars.

~~6.~~ 7. Administering an examination to an applicant for a license in another state or country, twenty-five dollars.

LAWS OF ARIZONA

- ~~7.~~ 8. Issuance of duplicate original license, five dollars.
- ~~8.~~ 9. Copy of transcript, three dollars.
- ~~9.~~ 10. Issuance of duplicate renewal certificate, five dollars.

Sec. 3. **Repeal**

Section 35-193, Arizona Revised Statutes, as amended by Laws 1973, chapter 123, section 13 and by Laws 1973, chapter 158, section 291, is repealed.

Sec. 4. Section 35-193, Arizona Revised Statutes, as amended by Laws 1973, chapter 173, section 6, is amended to read:

35-193. **Revolving funds**

A. The supervisory official of a budget unit the activities of which require immediate cash outlays for postage, c.o.d. packages, travel or other minor disbursements which are proper as ultimate claims for payment from state funds, may apply to the assistant director for the division of finance to provide a revolving fund in any amount not to exceed one thousand dollars for any department except the university of Arizona and Arizona state university which shall not exceed twenty thousand dollars each, the state department of corrections which shall not exceed fifteen thousand dollars, northern Arizona university, the ~~state~~ department of health SERVICES, ~~state~~ department of economic security, and the state superintendent of public instruction-department of education, each of which shall not exceed ten thousand dollars, the ~~state tax commission~~ DEPARTMENT OF REVENUE, the state department of public safety and the department of administration which shall not exceed five thousand dollars each, the Arizona corporation commission, the office of economic planning and development and the state banking department which shall not exceed three thousand dollars each, the attorney general-department of law, ~~and~~ the auditor general AND THE STATE BOARD OF NURSING which shall not exceed two thousand five hundred dollars each. ~~and the state board of nursing which shall not exceed one thousand five hundred dollars.~~

LAWS OF ARIZONA

B. The application for a revolving fund shall state the purposes for which required, the amount deemed necessary and the particular person who shall have custody of and be charged with the handling and accounting of the fund.

C. The assistant director for the division of finance shall review the application and if in proper form, draw a warrant to the order of the officer applying therefor, and charge the amount thereof against the appropriation made to that budget unit.

D. The manner of accounting for a revolving fund shall be determined by the assistant director for the division of finance, and the officer applying therefor shall return the full amount of the revolving fund to the state treasurer on or before the close of the fiscal year in which the fund was established.

E. Any time during the fiscal year, at the request of the assistant director for the division of finance, the applicant shall return to the state treasurer the full amount of the revolving fund or amount requested and no claims for services of the officer applying therefor or the head of the budget unit shall be audited until such request has been complied with.

Sec. 5. Emergency

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor—May 22, 1974

Filed in the Office of the Secretary of State—May 22, 1974

LAWS OF ARIZONA

CHAPTER 205

Senate Bill 1322

AN ACT

RELATING TO STATE GOVERNMENT; PROVIDING DEPARTMENT OF ADMINISTRATION SHALL INSURE AGAINST LOSS CERTAIN STATE PROPERTY AND THE LIABILITY OF THE STATE AND ITS OFFICERS AND EMPLOYEES; PROVIDING REBATES AND SHARED COMMISSIONS BE PAID TO THE STATE; PROVIDING FOR REVOLVING FUND FOR UNINSURED LOSSES; PROVIDING FOR ESTABLISHMENT OF RISK MANAGEMENT AND LOSS PREVENTION PROGRAM; PRESCRIBING PROCEDURES, POWERS AND DUTIES; AMENDING TITLE 20, CHAPTER 2, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-460; REPEALING TITLE 38, CHAPTER 4, ARTICLE 3; AMENDING SECTIONS 41-621 AND 41-622, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 3.1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-623; AMENDING SECTIONS 41-729 AND 41-730, ARIZONA REVISED STATUTES, AND MAKING AN APPROPRIATION.

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

Section 1. Title 20, chapter 2, article 6, Arizona Revised Statutes, is amended by adding section 20-460, to read:

20-460. Rebates and shared commissions paid to state

NOTHING IN THIS TITLE SHALL PROHIBIT THE STATE OF ARIZONA FROM RECEIVING OR SHARING SALES COMMISSIONS, CONTINGENT COMMISSIONS, EXCESS PROFITS COMMISSIONS OR OTHER COMMISSIONS OR PAYMENTS THAT INSURANCE UNDERWRITERS, AGENCIES, BROKERS OR AGENTS MAY BE ENTITLED OR ELIGIBLE BY LAW TO RECEIVE.

Sec. 2. Repeal

LAWS OF ARIZONA

Title 38, chapter 4, article 3, Arizona Revised Statutes, is repealed.

Sec. 3. Section 41-621, Arizona Revised Statutes, is amended to read:

41-621. **Purchase of insurance; coverage**

A. The ~~governor~~ DEPARTMENT OF ADMINISTRATION shall OBTAIN INSURANCE AGAINST LOSS, TO THE EXTENT IT IS DETERMINED NECESSARY AND IN THE BEST INTERESTS OF THE STATE AS PROVIDED IN SUBSECTION B OF THIS SECTION, THE FOLLOWING: ~~insure those properties designated in subsection B which are owned by the state or its departments, agencies, boards or commissions against loss.~~

~~B.~~ 1. ~~Insurance shall be purchased to insure all~~ ALL state owned buildings, INCLUDING THOSE OF THE UNIVERSITIES AND COMMUNITY COLLEGES, AND whether financed in whole or in part by state monies and the contents thereof and to insure state owned contents in any buildings leased or rented in whole or in part by the state.

2. CONTENTS IN ANY BUILDINGS OWNED, LEASED OR RENTED, IN WHOLE OR IN PART, BY OR TO THE STATE.

3. THE STATE AND ITS DEPARTMENTS, AGENCIES, BOARDS AND COMMISSIONS AND ALL OFFICERS, AGENTS AND EMPLOYEES THEREOF, AGAINST LIABILITY FOR ACTS OR OMISSIONS OF ANY NATURE WHILE EMPLOYED IN GOVERNMENTAL OR PROPRIETARY CAPACITIES.

4. ALL PERSONAL PROPERTY, INCLUDING VEHICLES OWNED OR OPERATED BY THE STATE AND ITS DEPARTMENTS, AGENCIES, BOARDS AND COMMISSIONS.

5. THE STATE AND ITS DEPARTMENTS, AGENCIES, BOARDS AND COMMISSIONS AGAINST LOSS DUE TO THE INFIDELITY OF OFFICERS, AGENTS AND EMPLOYEES.

6. THE STATE AND ITS DEPARTMENTS, AGENCIES, BOARDS AND COMMISSIONS AGAINST CASUALTY AND LIABILITY LOSSES OF EVERY NATURE.

LAWS OF ARIZONA

~~C.~~ B. In carrying out the provisions of this section, the ~~governor may~~ DEPARTMENT OF ADMINISTRATION SHALL ESTABLISH A RISK MANAGEMENT SECTION TO PROVIDE THE STATE WITH SOME OR ALL OF THE NECESSARY RISK MANAGEMENT SERVICES, OR SHALL CONTRACT FOR RISK MANAGEMENT SERVICES AND SHALL purchase such insurance coverage, ~~as he determines serves the best interests of this state~~ PURSUANT TO THE PROVISIONS OF SECTION 41-730, AS THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION DEEMS NECESSARY IN THE BEST INTEREST OF THE STATE AFTER CONSULTATION WITH THE RISK MANAGER, and may, IN ADDITION TO OTHER SPECIFICATIONS OF SUCH COVERAGE AS DEEMED NECESSARY, determine deductibles to be established except that no deductible applicable to any one loss may exceed the sum of FIVE HUNDRED ~~one hundred~~ thousand dollars UNLESS APPROVED BY THE JOINT LEGISLATIVE BUDGET COMMITTEE.

~~D.~~ The division of finance shall collect premiums for coverage on a pro-rata basis from the agencies insured and shall distribute the monies as authorized by the governor.

C. NO SUCCESSFUL BIDDER FOR RISK MANAGEMENT SERVICES PURSUANT TO THIS SECTION SHALL BE ENTITLED TO RECEIVE DIRECTLY OR INDIRECTLY ANY SALES COMMISSION, CONTINGENT COMMISSION, EXCESS PROFIT COMMISSION, OR OTHER COMMISSIONS, OR ANYTHING OF VALUE, AS PAYMENT FOR THE RISK MANAGEMENT SERVICES EXCEPT THOSE AMOUNTS RECEIVED DIRECTLY FROM THE STATE OF ARIZONA AS PAYMENT FOR THE RISK MANAGEMENT SERVICES.

D. ALL CONTINGENT COMMISSIONS, EXCESS PROFITS COMMISSIONS OR OTHER COMMISSIONS THAT MAY BE BASED UPON LOSSES OR EXPERIENCE THAT A SUCCESSFUL BIDDER FOR THE SALE OF INSURANCE TO THE STATE MAY BE ELIGIBLE TO RECEIVE FROM INSURANCE CARRIERS OR UNDERWRITERS SHALL BE PAID BY SUCH SUCCESSFUL BIDDER TO THE STATE OF ARIZONA.

LAWS OF ARIZONA

E. THE DEPARTMENT OF ADMINISTRATION SHALL PAY RISK MANAGEMENT FEES AND PREMIUMS FOR INSURANCE ON STATE PROPERTY AND STATE LIABILITY PURSUANT TO PROVISIONS OF THIS CHAPTER AND SUBJECT TO LEGISLATIVE APPROPRIATIONS THEREFOR.

Sec. 4. Section 41-622, Arizona Revised Statutes, is amended to read:

41-622. Revolving fund for uninsured losses

A. There is established a permanent uninsured loss coverage revolving fund in the ~~office of the governor~~ DEPARTMENT OF ADMINISTRATION for the payment of uninsured losses. DEPARTMENTS, AGENCIES, BOARDS OR COMMISSIONS ~~to state property. Agencies~~ of this state may apply for monies therefrom to reimburse any uninsured property losses suffered by such DEPARTMENTS, AGENCIES, BOARDS OR COMMISSIONS ~~agency~~ which are deemed proper by the ~~governor~~ DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION as claims for payment from the revolving fund. The DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION, ~~governor~~ SUBJECT TO THE PROVISIONS OF SECTION 41-730, is authorized to disburse monies to contractors who rebuild state property as a result of uninsured losses or to persons who supply goods or services in replacing uninsured losses.

B. All monies recovered by the state, whether pursuant to litigation or otherwise, for damages relating to an uninsured loss for which monies from the revolving fund have been paid shall be deposited in the revolving fund.

C. All monies deposited in the revolving fund are appropriated to the ~~office of the governor~~ DEPARTMENT OF ADMINISTRATION for use as provided in this section and shall be exempt from the provisions of section 35-190, relating to lapsing of appropriations.

Sec. 5. Title 41, chapter 3.1, article 1, Arizona Revised Statutes, is amended by adding section 41-623, to read:

41-623. Risk management and loss prevention; planning

LAWS OF ARIZONA

A. THE DEPARTMENT OF ADMINISTRATION SHALL PROMULGATE RULES AND REGULATIONS TO INITIATE AND IMPLEMENT A RISK MANAGEMENT AND LOSS PREVENTION PROGRAM FOR ALL STATE DEPARTMENTS, AGENCIES, BOARDS AND COMMISSIONS FOR THE PURPOSE OF REDUCING RISKS, ACCIDENTS AND LOSSES, WHICH SHALL INCLUDE BUT NOT BE LIMITED TO THE AUDITING OF ALL SUCH ACCOUNTS AND THE ISSUANCE OF A REPORT OF SUCH AUDIT ANNUALLY TO THE LEGISLATURE. ALL STATE DEPARTMENTS, AGENCIES, BOARDS AND COMMISSIONS SHALL RENDER THE NECESSARY COOPERATION AND ASSISTANCE TO THE DEPARTMENT OF ADMINISTRATION IN THE INITIATION, IMPLEMENTATION, AND OPERATION OF THE RISK MANAGEMENT AND LOSS PREVENTION PROGRAM.

B. CONCURRENT WITH THE COMMENCEMENT OF PLANNING FOR THE CONSTRUCTION, ALTERATION OR ADDITIONS TO STATE-OWNED OR LEASED BUILDINGS, AND THE PURCHASE OF PERSONAL PROPERTY, THE DEPARTMENT OF ADMINISTRATION SHALL BE CONSULTED FOR THE PURPOSE OF IMPLEMENTING THE RISK MANAGEMENT AND LOSS PREVENTION PROGRAM.

Sec. 6. Section 41-729, Arizona Revised Statutes, is amended to read:

41-729. **Purchasing duties and powers**

A. The purchasing section shall have the following duties:

1. Investigate and review the type, cost, quality and quantity of supplies, materials, equipment and contractual services presently used by all budget units of the state and the methods by which such supplies, materials, equipment and contractual services are acquired, delivered, accepted, stored and distributed by all budget units.

2. Prescribe standards of quality, standard specifications and methods for the acquisition, delivery, acceptance, storage, retention and distribution for all supplies, materials, equipment and contractual services of budget units.

LAWS OF ARIZONA

3. Maintain a continuing inventory of all state personal property of a capital nature showing classification, situation and use of all such property.

4. PURCHASE RISK MANAGEMENT SERVICES AND INSURANCE AS PRESCRIBED BY THE PROVISIONS OF CHAPTER 3.1 OF THIS TITLE.

B. The assistant director for finance, through the purchasing section, may:

1. Purchase, rent or otherwise provide for the furnishing of supplies, materials, equipment and contractual services for budget units which do not require warehousing by the division.

2. Authorize any budget unit directly to purchase, rent or otherwise provide for certain specified supplies, materials, equipment or contractual services. The assistant director for finance shall grant such authority to any budget unit which demonstrates the ability to procure such specified supplies, materials, equipment or contractual services at the same or less cost as would be available through the section of purchasing.

3. Require bonds to assure performance by anyone selling, renting or otherwise providing supplies, materials, equipment or contractual services under this article, such bonds to be approved by the attorney general.

4. Provide the services prescribed under subsection A, paragraphs 1 and 2, to school districts. Prepare and maintain a current manual listing supplies, materials, equipment, other than contractual services typically purchased by school districts. Prescribe a procedure through which school districts may jointly solicit bids of manual listed items. Otherwise assist school districts in the purchasing function.

~~C. The duties and powers of the purchasing section shall be performed to secure the greatest possible economy and efficiency to the state consistent with standards of quality.~~

~~D. In this article contractual services shall mean contracts for the maintenance or repair of any state buildings, personal property or fixtures.~~

LAWS OF ARIZONA

Sec. 7. Section 41-730, Arizona Revised Statutes, is amended to read:

41-730. Purchases to be based upon competitive bids; content and issuance of invitations and specifications; basis of awards and rejection of bids

A. All purchases of supplies, materials, equipment, RISK MANAGEMENT SERVICES, INSURANCE and contractual services made by the section of purchasing having an estimated cost in excess of one thousand dollars per transaction shall be based on sealed, competitive bids. The invitation for bids and specifications shall be issued in a sufficient time before the purchase is made, and in sufficient detail, to permit free competition. Copies of the invitation and specifications shall be supplied to and bids shall be solicited from the maximum number of qualified sources throughout the state consistent with the item to be purchased as determined by the assistant director for finance, but including all qualified suppliers who prior to the issuance of the invitation notify the purchasing section in writing that they desire to bid on materials, supplies, equipment or contractual services contained in the invitation.

B. Bids shall be opened publicly at the time and place stated in the invitation. Awards shall be made with reasonable promptness by giving written notice to the responsible bidder whose bid conforms to the invitation and will be the most advantageous to the state with respect to price, conformity to the specification and other factors. However, all bids may be rejected if the purchasing section determines that rejection is in the public interest.

C. This section shall apply to all purchases of supplies, materials, equipment, INSURANCE and contractual services made by the section of purchasing for any budget unit notwithstanding any provision of law to the contrary.

Sec. 8. Transfer of funds

All monies previously deposited to and presently on hand in the permanent uninsured loss coverage revolving fund in the office of the

LAWS OF ARIZONA

governor for the payment of uninsured losses to state property shall be transferred to the permanent uninsured loss coverage revolving fund in the department of administration.

Sec. 9. Appropriation

The sum of sixty thousand dollars is appropriated effective July 1, 1974, to the department of administration for the purpose of providing risk management services or contracting for risk management services for the fiscal year 1974-75.

Approved by the Governor—May 22, 1974

Filed in the Office of the Secretary of State—May 22, 1974

MEMORIALS
RESOLUTIONS

LAWS OF ARIZONA

SENATE CONCURRENT MEMORIAL 1002

A CONCURRENT MEMORIAL

URGING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION AS TO THE RESPECTIVE RIGHTS OF SURFACE PROPERTY AND MINERAL INTEREST OWNERS AND TO INVESTIGATE CERTAIN MINING ACTIVITIES IN THE VICINITY OF TUCSON.

To the Congress of the United States:

Your memorialist respectfully represents:

Whereas, pursuant to federal law the right to explore for, mine and remove minerals from certain land is reserved thus being separated from the other incidents of ownership retained by the title holder; and

Whereas, it was anticipated that such mineral reservations would not constitute significant interference with agricultural uses, provision having been made for compensation for damage to crops and tangible improvements; and

Whereas, land subject to mineral rights reservations is now frequently found to be located within or in close proximity to metropolitan areas; and

Whereas, many persons have purchased land once intended for stockraising and homesteading purposes for use as residential property; and

Whereas, clouds of unlimited periods of mineral exploration have, in many instances, drawn over the ownership of surface rights holders, interfering with their use and enjoyment of such land; and

Whereas, the respective interests of both surface property and mineral rights holders warrant clarification in order that financial and personal investments might be knowingly and rationally made.

LAWS OF ARIZONA

Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

1. That the Congress give prompt and earnest consideration to the enactment of legislation to:

(a) Clarify the respective rights of surface holders and mineral interest holders.

(b) Prescribe more stringent standards as to method and length of time for mineral exploration.

(c) Establish the realm of allowable local and state governmental regulation of land use and health and safety standards applicable to mining.

2. That the Congress investigate the core drilling operations being conducted approximately three and one-half miles west of Tucson, Arizona, in a search for copper deposits, in order that the Congress might:

(a) Gain an understanding of the excruciating conflict which can arise from attempts at allowing simultaneous mineral exploration and residential property uses.

(b) Evaluate the feasibility of authorizing a protective withdrawal of such lands from further mineral exploration.

3. That the Honorable Wesley Bolin, Secretary of State of the State of Arizona, is directed to transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each member of the Arizona delegation to the United States Congress.

Passed the Senate February 15, 1974 by the following vote: 29 Ayes, 1 Nays, 0 Not Voting.

LAWS OF ARIZONA

Passed the House May 2, 1974 by the following vote: 56 Ayes, 0 Nays, 4 Not Voting.

Filed in the Office of the Secretary of State—May 7, 1974

SENATE CONCURRENT RESOLUTION 1003

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA RELATING TO USE AND DISTRIBUTION OF VEHICLE, USER AND GASOLINE AND DIESEL TAX RECEIPTS, AND AMENDING ARTICLE 9, SECTION 14, CONSTITUTION OF ARIZONA.

Be it resolved by the Senate of the State of Arizona, the House of Representatives concurring:

1. The following amendment of article 9, section 14, Constitution of Arizona, is proposed, to become valid when approved by a majority of the qualified electors voting thereon and upon proclamation of the governor:

14. Use and distribution of vehicle, user, and gasoline and diesel tax receipts

Section 14. No moneys derived from fees, excises or license taxes relating to registration, operation, or use of vehicles on the public highways or streets or to fuels or any other energy source used for the propulsion of vehicles on the public highways or streets, shall be expended for other than highway ~~and~~, street AND TRANSPORTATION purposes AS DEFINED BY LAW including, BUT NOT LIMITED TO, the cost of administering the state highway system and the laws creating such fees, excises, or license taxes, statutory refunds and adjustments provided by law, payment of principal and interest on highway and street bonds and obligations, expenses of state enforcement of traffic laws and state administration of

LAWS OF ARIZONA

traffic safety programs, payment of costs of publication and distribution of Arizona highways magazine, state costs of construction, reconstruction, maintenance or repair of public highways, streets, BICYCLE PATHWAYS, FOOT PATHWAYS, EQUESTRIAN TRAILS or bridges, costs of rights of way acquisitions and expenses related thereto, roadside development, and for distribution to counties, incorporated cities and towns to be used by them solely for highway ~~and~~, street AND TRANSPORTATION purposes AS DEFINED BY LAW including, BUT NOT LIMITED TO, costs of rights of way acquisitions and expenses related thereto, construction, reconstruction, maintenance, repair, roadside development, of county, city and town roads, streets, PUBLIC TRANSPORTATION, BICYCLE PATHWAYS AND FACILITIES, OVERPASSES, UNDERPASSES, PARKWAYS, FOOT PATHWAYS, EQUESTRIAN TRAILS and bridges and payment of principal and interest on ~~highway and street~~ bonds FOR WHICH SUCH REVENUES ARE WHOLLY OR IN PART PLEDGED. As long as the total highway user revenues derived equals or exceeds the total derived in the fiscal year ending June 30, 1970, the state and any county shall not receive from such revenues for the use of each and for distribution to cities and towns, fewer dollars than were received and distributed in such fiscal year. This section shall not apply to moneys derived from the automobile license tax imposed under section 11 of article IX of the Constitution of Arizona. All moneys collected in accordance with this section shall be distributed as provided by law.

2. The proposed amendment (approved by a majority of the members elected to each house of the legislature, and entered upon the respective journals thereof, together with the ayes and nays thereon) shall be by the secretary of state submitted to the qualified electors at the next regular general election (or at a special election called for that purpose), as provided by article 21, Constitution of Arizona.

Passed the Senate May 6, 1974 by the following vote: 27 Ayes, 1 Nays, 2 Not Voting.

LAWS OF ARIZONA

Passed the House May 7, 1974 by the following vote: 39 Ayes, 17 Nays, 4 Not Voting.

Approved by the Governor—May 9, 1974

Filed in the Office of the Secretary of State—May 10, 1974

SENATE CONCURRENT MEMORIAL 1004

A CONCURRENT MEMORIAL

URGING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION PROVIDING THAT ARREST RECORDS OF FEDERAL AGENCIES BE REQUIRED TO EITHER CONTAIN FULL DISPOSITIONAL INFORMATION OR BE EXPUNGED IN CASES OF PERSONS ARRESTED BY ACKNOWLEDGED MISTAKE.

To the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, the people of the State of Arizona recognize and acknowledge the overwhelming importance of upholding the laws of the land; and

Whereas, the people also recognize the enormity of the task that we have assigned to our law enforcement agencies; and

Whereas, the people who undertake to enforce our laws are subject to the same human errors as those they are assigned to protect; and

Whereas, situations do sometimes occur where a totally innocent person is arrested only through a mistake of identity or similar error; and

Whereas, the records of such mistaken arrest may remain long after the discovery of the mistake and may plague such innocent person in numerous and damaging ways throughout his lifetime; and

LAWS OF ARIZONA

Whereas, state courts may order and accomplish the destruction or correction of such arrest and court records kept at a state or lesser level, but have no power to order federal agencies to so correct or destroy the federal records that might exist of such mistaken arrest,

Wherefore your memorialist, the Legislature of the State of Arizona, prays:

1. That the Congress promptly enact legislation requiring the correction or destruction of federal agency records in situations of mistaken identity arrest or similar error, or in the alternative require such federal agency records to bear full information relating to the mistake involved in such arrest.

2. That the Honorable Wesley Bolin, Secretary of State of the State of Arizona, transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each member of Congress of the United States.

Passed the Senate April 10, 1974 by the following vote: 29 Ayes, 0 Nays, 1 Not Voting.

Passed the House April 24, 1974 by the following vote: 54 Ayes, 0 Nays, 6 Not Voting.

Approved by the Governor—April 26, 1974

Filed in the Office of the Secretary of State—April 26, 1974

LAWS OF ARIZONA

SENATE MEMORIAL 1001

A MEMORIAL

URGING THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES TO OPPOSE ANY HANDGUN CONTROL PROPOSALS FOR FEDERAL LEGISLATION

To the President and the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, defense of one's person against assault by another is a natural right recognized by every generation; and

Whereas, every individual's right to the possession of adequate weapons for his defense or the defense of his home and family is essential to the protection of this natural right; and

Whereas, the Bill of Rights of the Constitution of the United States and Article 2, Section 26 of the Constitution of the State of Arizona guarantee to its citizens the right to keep and bear arms; and

Whereas, the handgun is the most effective weapon for self-defense, and its mere possession frequently is sufficient to repel an invader or attacker; and

Whereas, crime statistics only cover the use of firearms in crimes, and do not disclose the many instances where the lawful possession or use of firearms for defense have prevented crimes; and

Whereas, such legislation would deny a citizen the right to obtain weapons for self-defense, but would not prevent the acquisition of weapons by criminals or their misuse by criminals; and

Whereas, there are adequate laws now on the books to punish criminals for the misuse of firearms in crimes if properly enforced.

Wherefore your memorialist, the Senate of the State of Arizona, prays:

1. That the President and the Congress of the United States take those steps necessary for the proper enforcement and judicial punishment of criminals, rather than consider legislation to curtail the right of honest

LAWS OF ARIZONA

citizens to acquire weapons for sport or self-defense.

2. That the Secretary of State of the State of Arizona transmit a copy of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Arizona Congressional delegation.

Passed the Senate February 15, 1974 by the following vote: 26 Ayes, 4 Nays, 0 Not Voting.

Approved by the Governor—February 15, 1974

Filed in the Office of the Secretary of State—February 19, 1974

SENATE MEMORIAL 1002

A MEMORIAL

RELATING TO VETERANS' DAY; URGING CONGRESS TO ENACT
LEGISLATION RETURNING OBSERVANCE OF VETERANS'
DAY TO NOVEMBER 11.

To the Congress of the United States:

Your memorialist respectfully represents:

Whereas, the Congress of the United States enacted legislation which changed observance of Veterans' Day from November 11, the date of the armistice ending World War I and the traditional day of observance of that historical event; and

Whereas, the change of Veterans' Day to the fourth Monday in October for the sole purpose of adding a three-day weekend to the holidays of the year is not a sufficient reason for breaking with tradition, memories, sentiments and history, and the reduction which follows in participation in patriotic ceremonies.

Wherefore your memorialist, the Senate of the State of Arizona, prays:

LAWS OF ARIZONA

1. That the President and Congress give their most earnest consideration to the prompt enactment of legislation which would result in the return of Veterans' Day to the traditional day of observance, November 11, of each year.

2. That the Honorable Wesley Bolin, Secretary of State of the State of Arizona, transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation.

Passed the Senate March 1, 1974 by the following vote: 24 Ayes, 6 Nays, 0 Not Voting.

Approved by the Governor—March 1, 1974

Filed in the Office of the Secretary of State—March 1, 1974

SENATE MEMORIAL 1003

A MEMORIAL

URGING THE VETERANS ADMINISTRATION OF THE UNITED STATES TO ENACT LEGISLATION ESTABLISHING A NATIONAL CEMETERY IN ARIZONA.

To the President and the Congress of the United States of America:

Your memorialist respectfully represents:

The State of Arizona's one hundred seventy available National Cemetery burial spaces are totally inadequate to handle the potential demand of the more than two hundred fifty thousand veterans residing in the state.

A deceased veteran who had expressed a desire to be buried in a National Cemetery must be transported to another state for burial thereby causing great hardships for his survivors.

Veterans organizations within the State of Arizona have some six hundred forty acres of land in central Arizona available, without cost, for utilization as a National Cemetery and Memorial Park.

Wherefore your memorialist, the Senate of the State of Arizona, prays:

LAWS OF ARIZONA

1. That the Veterans Administration give its most earnest consideration to the establishment of a National Cemetery in the State of Arizona.
2. That the Secretary of State of the State of Arizona transmit a copy of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Administrator of the Veterans Administration and to each member of the Arizona Congressional Delegation.

Passed the Senate March 1, 1974 by the following vote: 30 Ayes.
Approved by the Governor—March 1, 1974
Filed in the Office of the Secretary of State—March 1, 1974

SENATE MEMORIAL 1004

A MEMORIAL

RELATING TO THE FEDERAL OCCUPATIONAL SAFETY AND
HEALTH ACT OF 1970, AND RECOMMENDING THAT IT BE
REPEALED.

To the Congress of the United States:

Your memorialist respectfully represents:

Whereas, the powers conferred by the Federal Occupational Safety and Health Act of 1970 upon the Secretary of Labor include standard setting through federal regulations, investigation, prosecution, adjudication and review, and place such Secretary's office outside the purview of our traditional and constitutional system of checks and balances and deny the individual citizen's entitlement to due process; and

Whereas, private citizens, in their role as employers, are subject to the punitive powers of the Secretary, to citation and assessment of penalties, long before the hearing and review process starts, and are faced with the costs of defending themselves in a process which holds them guilty long before it reaches our courts; and

Whereas, the powers and rights of the states to act in an area long reserved

LAWS OF ARIZONA

to them have been abridged, and the states are forestalled from resuming their powers and their obligations to their citizens until they meet the requirements established by the Secretary and continued under his scrutiny; and

Whereas, the states are precluded by this Occupational Safety and Health Act of 1970 from setting standards and legislating to meet the particular needs and requirements of their citizens; and

Whereas, there is no provision to assist the citizen-employer nor provision to encourage him to improve safety and health conditions other than the onerous and negative provisions providing for swift inspection and swift assessment of penalties; and

Whereas, the standards and regulations established by the Secretary do not take into account variations in classes of business concerned within each industry nor the determination that the inclusion of certain business classes would be unreasonable; and

Whereas, the standards and regulations established by the Secretary fail to consider the possibility that compliance to them may be impossible by reason of cost or technical difficulty.

Wherefore, your memorialist, the Senate of the State of Arizona, prays:

1. That the Congress give favorable consideration to the subject of repealing the Occupational Safety and Health Act of 1970 so that the states may resume their responsibilities in a manner beneficial to their citizens.
2. That the Secretary of State of the State of Arizona transmit a copy of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Arizona Congressional delegation.

Passed the Senate March 18, 1974 by the following vote: 20 Ayes, 8 Nays,
2 Not Voting.

LAWS OF ARIZONA

Approved by the Governor—March 19, 1974

Filed in the Office of the Secretary of State—March 19, 1974

SENATE MEMORIAL 1005

A MEMORIAL

RELATING TO RETIREMENT INCOME SECURITY FOR
EMPLOYEES; URGING CONGRESS TO ENACT PROTECTIVE
MEASURES FOR EMPLOYEE RETIREMENT SYSTEMS.

To the Congress of the United States:

Your memorialist respectfully represents:

Whereas, American working men and women have been led to believe they would receive private pension plan benefits upon retirement from working lives, but various deficiencies have been found in private pension plan systems; and

Whereas, such working people need legislation to implement standards of vesting, funding, reinsurance, disclosure and fiduciary standards and a voluntary program of portability of vested pension credits; and

Whereas, stringent standards and rules are needed for fiduciaries and trustees of such pension and retirement plans in order to provide viable enforcement for the worker and government.

Wherefore your memorialist, the Senate of the State of Arizona, prays:

1. That the Congress give favorable consideration to enacting protective measures for employee retirement systems.
2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation.

LAWS OF ARIZONA

Passed the Senate March 25, 1974 by the following vote: 24 Ayes, 6 Nays,
0 Not Voting.

Approved by the Governor—March 25, 1974

Filed in the Office of the Secretary of State—March 26, 1974

SENATE MEMORIAL 1006

A MEMORIAL

RELATING TO NATIONAL PARKS; URGING CONGRESS TO
WITHDRAW MINERAL ENTRY TO ORGAN PIPE CACTUS
NATIONAL MONUMENT AND CORONADO NATIONAL
MEMORIAL.

To the Congress of the United States:

Your memorialist respectfully represents:

Whereas, currently the United States enjoys the benefits of many areas designated as national parks, national recreation areas and national monuments; and

Whereas, as a mechanized and industrialized society closes in on the United States, these areas become even more valuable as retreats for the populace; and

Whereas, such sanctuaries offer unique enjoyment and relaxation to all Americans and help preserve the natural wonders of our land; and

Whereas, in past years, some of these areas have been opened to mineral entry and exploration and have suffered abuse by man and machine without resulting in any significant mineral discovery.

Wherefore your memorialist, the Senate of the State of Arizona, prays:

1. That Congress give favorable consideration to legislation sponsored by Senators Barry Goldwater and Paul Fannin, as amended, to withdraw

LAWS OF ARIZONA

mineral entry to Organ Pipe Cactus National Monument and Coronado National Memorial.

2. That the Secretary of State of the State of Arizona transmit a copy of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation.

Passed the Senate April 1, 1974 by the following vote: 27 Ayes, 2 Nays, 1 Not Voting.

Approved by the Governor—April 1, 1974

Filed in the Office of the Secretary of State—April 2, 1974

SENATE MEMORIAL 1007

A MEMORIAL

RELATING TO CONSTRUCTION OF THE HUALAPAI HYDROELECTRIC DAM, AND URGING THE CONGRESS OF THE UNITED STATES TO APPROVE CONSTRUCTION OF THE HUALAPAI HYDROELECTRIC DAM LOCATED IN THE INNER GORGE OF THE COLORADO RIVER WITHIN THE BOUNDARIES OF THE HUALAPAI INDIAN RESERVATION.

To the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, the Nation is faced with an energy supply inadequate to meet its rapidly increasing needs; and

Whereas, preservation of our natural environment must be balanced with the development of energy needed to maintain a sound economy; and

Whereas, electric energy produced in hydroelectric projects is highly desirable from the standpoints of reliability, cleanliness, efficiency, and safety; and

LAWS OF ARIZONA

Whereas, highly desirable hydroelectric dam sites are still available in Arizona along the Colorado River; and

Whereas, the Hualapai Hydroelectric Project (Bridge Canyon) is potentially a major clean energy source for supplying a significant amount of energy for the Southwest Region; and

Whereas, it would take millions of barrels of oil, our single most-demanded fuel, per year to generate the electricity which can be developed from this project; and

Whereas, the water which would be the power to run the hydroelectric generators is a vast renewable resource now being wasted down the river; and

Whereas, income from the Hualapai Dam would provide the State with major financial support to help pay for Central Arizona Project; and

Whereas, the Hualapai Indians support construction of the dam on their reservation recognizing it as their only opportunity for economic development and full tribal employment; and

Whereas, this project would not interfere with the free-flowing Colorado River through the Grand Canyon; and

Whereas, construction of the dam will create a ribbon of blue in the narrow inner gorge, making the Hualapai section of the Colorado available to all for recreational uses.

Wherefore your memorialist, the Senate of the State of Arizona, prays:

1. That the Congress promptly review the many benefits of hydroelectric development along the Colorado River, particularly the proposed Hualapai Project and take action to approve its construction at a time when the Nation could greatly use the electrical energy derived from it and support the efforts of the Arizona Power Authority and the Hualapai Indian Tribe to preserve the viability of the Hualapai Dam site in legislation now pending before Congress.

2. That the Secretary of State of the State of Arizona transmit a copy of this Memorial to the President of the United States, the President of the

LAWS OF ARIZONA

United States Senate, the Speaker of the United States House of Representatives and to each member of the Arizona congressional delegation.

Passed the Senate March 1, 1974 by the following vote: 29 Ayes, 1 Nay, 0 Not Voting.

Approved by the Governor—March 1, 1974

Filed in the Office of the Secretary of State—March 1, 1974

SENATE CONCURRENT RESOLUTION 1010

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION RELATING TO LOCAL DEBT LIMITS; PROVIDING FOR A DEBT LIMIT OF TWENTY PER CENT FOR UNIFIED SCHOOL DISTRICTS, AND AMENDING ARTICLE 9, CONSTITUTION OF ARIZONA, BY ADDING NEW SECTION 8.1.

Be it resolved by the Senate of the State of Arizona, the House of Representatives concurring:

1. The following amendment to the Constitution of Arizona, by adding a new article 9, section 8.1, is proposed, to become valid when approved by a majority of the qualified electors voting thereon and upon proclamation of the governor:

LAWS OF ARIZONA

8.1 Unified school district debt limits

NOTWITHSTANDING THE PROVISIONS OF SECTION 8 OF THIS ARTICLE A UNIFIED SCHOOL DISTRICT MAY BECOME INDEBTED TO AN AMOUNT NOT EXCEEDING TWENTY PER CENT OF THE VALUE OF THE TAXABLE PROPERTY OF SCHOOL DISTRICT, AS SHOWN BY THE LAST ASSESSMENT ROLL THEREOF. FOR PURPOSES OF THIS SECTION, A UNIFIED SCHOOL DISTRICT IS A SINGLE SCHOOL DISTRICT WHICH PROVIDES EDUCATION TO THE AREA WITHIN THE DISTRICT FOR GRADES KINDERGARTEN THROUGH TWELVE AND WHICH AREA IS NOT SUBJECT TO TAXATION BY ANY OTHER COMMON OR HIGH SCHOOL DISTRICT.

2. The proposed amendment (approved by a majority of the members elected to each house of the legislature, and entered upon the respective journals thereof, together with the ayes and nays thereon) shall be by the secretary of state submitted to the qualified electors at the next regular general election (or at a special election called for that purpose), as provided by article 21, Constitution of Arizona.

Passed the Senate March 25, 1974 by the following vote: 30 Ayes, 0 Nays, 0 Not Voting.

Passed the House April 24, 1974 by the following vote: 54 Ayes, 0 Nays, 6 Not Voting.

Approved by the Governor--April 26, 1974

Filed in the Office of the Secretary of State--April 26, 1974

LAWS OF ARIZONA

SENATE CONCURRENT RESOLUTION 1012

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA RELATING TO PUBLIC DEBT, REVENUE AND TAXATION; LIMITING STATE APPROPRIATIONS TO A PERCENTAGE OF STATE PERSONAL INCOME; ESTABLISHING AN ECONOMIC ESTIMATES COMMISSION; PRESCRIBING POWERS AND DUTIES, AND AMENDING ARTICLE 9, CONSTITUTION OF ARIZONA, BY ADDING SECTION 17.

Be it resolved by the Senate of the State of Arizona, the House of Representatives concurring:

1. The following amendment of article 9, Constitution of Arizona, by adding section 17, is proposed, to become valid when approved by a majority of the qualified electors voting thereon and upon proclamation of the governor:

17. Appropriation limitation; economic estimates commission; powers and duties

SECTION 17. THE LEGISLATURE SHALL NOT, BY APPROPRIATION FOR ANY FISCAL YEAR, CAUSE THE EXPENDITURE OF STATE TAX REVENUES FOR THAT FISCAL YEAR TO EXCEED EIGHT AND FOUR-TENTHS PER CENT OF THE TOTAL PERSONAL INCOME OF THE STATE FOR THE FISCAL YEAR AS DETERMINED BY THE ECONOMIC ESTIMATES COMMISSION, EXCEPT UPON AFFIRMATIVE VOTE ON EACH SUCH APPROPRIATION OF TWO-THIRDS OF THE MEMBERSHIP OF EACH HOUSE OF THE LEGISLATURE.

THE ECONOMIC ESTIMATES COMMISSION SHALL BE ESTABLISHED AS PRESCRIBED BY LAW, WITH A MEMBERSHIP OF NOT TO EXCEED THREE MEMBERS, AND SHALL DETERMINE AND PUBLISH PRIOR TO

LAWS OF ARIZONA

FEBRUARY 1 OF EACH YEAR A PRELIMINARY ESTIMATE OF THE TOTAL PERSONAL INCOME FOR THE FOLLOWING FISCAL YEAR. BY APRIL 1 OF EACH YEAR THE ECONOMIC ESTIMATES COMMISSION SHALL DETERMINE AND PUBLISH A FINAL ESTIMATE OF THE TOTAL PERSONAL INCOME FOR THE FOLLOWING FISCAL YEAR, WHICH ESTIMATE SHALL BE USED IN COMPUTING THE APPROPRIATIONS LIMIT FOR THE LEGISLATURE. FOR THE PURPOSES OF THIS SECTION, "TOTAL PERSONAL INCOME" MEANS THE DOLLAR AMOUNT THAT WILL BE REPORTED AS TOTAL INCOME BY PERSONS FOR THE STATE OF ARIZONA BY THE U.S. DEPARTMENT OF COMMERCE OR ITS SUCCESSOR AGENCY. FOR PURPOSES OF THIS SECTION STATE TAX REVENUES SHALL BE DEFINED AS PROVIDED BY LAW.

IN ORDER TO PERMIT THE TRANSFERENCE OF GOVERNMENTAL FUNCTIONS BETWEEN THE FEDERAL AND STATE GOVERNMENTS AND BETWEEN THE STATE GOVERNMENT AND ITS POLITICAL SUBDIVISIONS WITHOUT ABRIDGING THE PURPOSE OF THIS SECTION TO LIMIT STATE SPENDING TO A PERCENTAGE OF TOTAL PERSONAL INCOME, THE LEGISLATURE SHALL PROVIDE FOR ADJUSTMENTS BY THE ECONOMIC ESTIMATES COMMISSION OF THE APPROPRIATION PERCENTAGE LIMITATION OF TOTAL PERSONAL INCOME CONSISTENT WITH THE FOLLOWING PRINCIPLES:

1. IF, BY ORDER OF ANY COURT, OR BY LEGISLATIVE ENACTMENT, THE COSTS OF A PROGRAM ARE TRANSFERRED FROM A POLITICAL SUBDIVISION OF THE STATE TO THE STATE, THE APPROPRIATION PERCENTAGE LIMITATION MAY BE COMMENSURATELY INCREASED PROVIDED THE TAX REVENUES OF THE AFFECTED POLITICAL SUBDIVISIONS ARE COMMENSURATELY DECREASED.

LAWS OF ARIZONA

2. IF, BY ORDER OF ANY COURT, OR BY LEGISLATIVE ENACTMENT, THE COSTS OF A PROGRAM ARE TRANSFERRED FROM THE STATE GOVERNMENT TO A POLITICAL SUBDIVISION IN THE STATE, THE APPROPRIATION PERCENTAGE LIMITATION SHALL BE COMMENSURATELY DECREASED, AND THE TAX RATES OF THE POLITICAL SUBDIVISION MAY BE COMMENSURATELY INCREASED.

3. IF FEDERAL TAXES ARE REDUCED ON CONDITION THAT THE STATE INCREASE EXPENDITURES BY AN AMOUNT EQUIVALENT TO THE FEDERAL REDUCTION, THE APPROPRIATION PERCENTAGE LIMITATION MAY BE INCREASED BY SUCH AMOUNT.

4. THE ADJUSTMENT PROVIDED FOR HEREIN SHALL BE MADE IN THE FIRST FISCAL YEAR OF TRANSFER OR OPERATION. SUCH ADJUSTMENT SHALL REMAIN IN EFFECT FOR EACH SUBSEQUENT FISCAL YEAR.

2. The proposed amendment (approved by a majority of the members elected to each house of the legislature, and entered upon the respective journals thereof, together with the ayes and nays thereon) shall be by the secretary of state submitted to the qualified electors at the next regular general election (or at a special election called for that purpose), as provided by article 21, Constitution of Arizona.

Passed the House May 10, 1974 by the following vote: 34 Ayes, 18 Nays, 8 Not Voting.

Passed the Senate May 10, 1974 by the following vote: 18 Ayes, 10 Nays, 2 Not Voting.

LAWS OF ARIZONA

Approved by the Governor—May 16, 1974

Filed in the Office of the Secretary of State—May 16, 1974

SENATE CONCURRENT RESOLUTION 1019

A CONCURRENT RESOLUTION

ON THE DEATH OF THE HONORABLE LEWIS W. DOUGLAS.

Arizona and this Legislature is saddened by the death of former United States Ambassador to Great Britain Lewis W. Douglas of Tucson on March 7, 1974, at the age of seventy-nine.

The Honorable Mr. Douglas, a United States Congressman from Arizona from 1927 to 1933, also was a member of the Arizona House of Representatives' Sixth Legislature from 1923 through 1925.

Prominent in banking and investment pursuits in this state, he was born July 2, 1894, in Bisbee, Arizona. He was graduated from Amherst College in Massachusetts in 1916 and attended the Massachusetts Institute of Technology at Cambridge.

During World War I he served overseas as assistant G-3 staff, Ninety-first Division until discharged in 1919. He was cited by General Pershing during the Argonne offensive and decorated with the Croix de Guerre by the Belgian government during the Lys-Escault offensive.

Mr. Douglas engaged in mining and general business in Arizona until elected to the Arizona House of Representatives, where he served on House committees including Public Institutions, as chairman, Printing and Clerks, Labor and County and County Affairs. He was elected to the Seventieth and three succeeding Congresses and resigned to become Director of the Budget by appointment of President Franklin D. Roosevelt on March 7, 1933.

LAWS OF ARIZONA

He was vice chancellor of McGill University in Montreal, Canada, in 1938 and 1939, deputy administrator of the War Shipping Administration from 1942 to 1944 and was confirmed as United States Ambassador to Great Britain on March 5, 1947. He resigned on December 2, 1950.

He was chairman of the board of directors of the Southern Arizona Bank from 1951 until 1967, when he became honorary chairman and remained active in that position until his death.

Mr. Douglas was a director of General Motors Corporation, was appointed by the President to head a government study of foreign economic problems in 1953 and was a member of the President's Task Force on American Indians in 1966 and 1967.

A resident of Tucson, he held trusteeships and directorships in numerous foundations, hospitals, colleges and societies.

Therefore

Be it resolved by the Senate of the State of Arizona, the House of Representatives concurring:

That the Legislature of the State of Arizona, wishes to express its sincere regret and profound sorrow over the passing of the Honorable Lewis W. Douglas and do extend its sympathies and condolences to the surviving members of his family.

Unanimously adopted by the Senate—March 11, 1974

Unanimously adopted by the House of Representatives—March 12, 1974

Approved by the Governor—March 13, 1974

Filed in the Office of Secretary of State—March 14, 1974

LAWS OF ARIZONA

SENATE JOINT RESOLUTION 1003

A JOINT RESOLUTION

REQUESTING THE RETURN OF SENATE BILL NUMBER 1231,
DELIVERED TO THE GOVERNOR'S OFFICE MAY 1, 1974, FOR
CORRECTION OF TECHNICAL ERRORS.

Whereas, it appears that technical errors have been made in Senate Bill Number 1231 which must be corrected in order to insure that the measure will carry out the purpose for which passed; and

Whereas, Senate Bill Number 1231 was delivered to the office of the Governor for approval on May 1, 1974; and

Whereas, it is the desire of this Body to make such correction.

Therefore

Be it resolved by the Legislature of the State of Arizona:

1. We respectfully request the return of Senate Bill Number 1231 to this Body for correction.

Adopted by the Senate May 7, 1974 by the following vote: 27 Ayes, 0 Nays, 3 Not Voting.

Adopted by the House May 7, 1974 by the following vote: 52 Ayes, 3 Nays, 5 Not Voting.

Approved by the Governor—May 8, 1974

Filed in the Office of the Secretary of State—May 8, 1974

LAWS OF ARIZONA

HOUSE CONCURRENT RESOLUTION 2019

A CONCURRENT RESOLUTION

ON THE DEATH OF THE HONORABLE V. S. "JOHN" HOSTETTER.

The Honorable Veniah Scott "John" Hostetter, a member of the Arizona House of Representatives for seven consecutive terms, passed away at his home in Tucson, Arizona, on March 7, 1974, at the age of eighty-eight.

Mr. Hostetter was born July 16, 1885, in Mansfield, Ohio. For thirty-two years before coming to Arizona in 1938 he was a divisional sales manager for the National Cash Register Company.

He was elected to the House of Representatives in 1946 and served with distinction in the Eighteenth through Twenty-fourth Legislatures. He was a member of many House committees including Accounting and Business Methods, Banking and Insurance, Corporations, Public Lands, Ways and Means, Education, Judiciary, Constitutional Amendments and Referendum, Public Institutions, Administration, Agriculture and Irrigation, Public Health, Highways and Bridges and Welfare.

He served eleven years as treasurer and member of the board of directors of the Tucson Red Cross Chapter, was a member of the Rotary Club since 1917, was a thirty-second degree Mason and a long-time member of the Tucson Chamber of Commerce and the Elks.

Therefore

Be it resolved by the House of Representatives of the State of Arizona, the Senate concurring:

That the members of the Legislature of the State of Arizona wish to express their sincere regret and profound sorrow over the passing of the Honorable V. S. "John" Hostetter and do extend their sympathies and condolences to the surviving members of his family.

LAWS OF ARIZONA

Passed the House April 10, 1974 by unanimous vote.

Passed the Senate April 15, 1974 by unanimous vote.

Approved by the Governor—April 16, 1974

Filed in the Office of the Secretary of State—April 17, 1974

HOUSE RESOLUTION 2001

A RESOLUTION

CALLING FOR THE REVIEW OF ALL LEGISLATION WITH THE
GOAL OF ADDING EXPIRATION DATES WHERE
APPROPRIATE.

It is the sincere aim of this Legislature to limit governmental activity where possible in the control of our lives and activities, to reduce taxes, to reduce agencies, boards, commissions, departments and all levels of bureaucracy, each of which initially serve a specific, worthwhile function but seem to, at times, continue after the function ceases to be necessary.

It also is the aim of this Legislature to require a cautious evaluation of new programs so as to limit the ever-present possibility of their extension beyond the originally anticipated periods of operation.

Such reevaluation and limitation would:

1. Encourage the prompt conclusion of programs after the purposes for which they are established are concluded.
2. Avoid the confusion created by the presence of outdated laws in the statutes of Arizona.
3. Reduce the material codified, thus limiting publication costs.

LAWS OF ARIZONA

To accomplish these aims this Legislature must take the first step toward a continuing philosophy of limitation, rather than continual expansion and perpetuation of once-needed but perhaps presently outdated and outmoded programs.

Therefore

Be it resolved by the House of Representatives of the State of Arizona:

That all legislation presently being considered by this Legislature be reviewed by the legislative council as to the appropriateness of adding, where possible, expiration clauses, so that once the purposes of such legislation are accomplished or are not expediently accomplished the instrumentality charged with the duty to carry out the purposes of such legislation and the legislation itself ceases to exist.

Passed the House April 1, 1974 by the following vote: 54 Ayes, 0 Nays, 6 Not voting.

Approved by the Governor—April 2, 1974

Filed in the Office of the Secretary of State—April 2, 1974

HOUSE CONCURRENT RESOLUTION 2001

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA RELATING TO PUBLIC SERVICE CORPORATIONS; AMENDING THE DEFINITION OF PUBLIC SERVICE CORPORATION TO INCLUDE CERTAIN PRIVATE SEWAGE DISPOSAL CORPORATIONS, AND AMENDING ARTICLE 15, SECTION 2, CONSTITUTION OF ARIZONA.

Be it resolved by the House of Representatives of the State of Arizona, the Senate concurring:

LAWS OF ARIZONA

1. The following amendment of article 15, section 2, Constitution of Arizona, is proposed, to become valid when approved by a majority of the qualified electors voting thereon and upon proclamation of the governor:

2. "Public service corporations" defined

Section 2. All corporations other than municipal engaged in carrying persons or property for hire; or in furnishing gas, oil, or electricity for light, fuel, or power; or in furnishing water for irrigation, fire protection, or other public purposes; or in furnishing, for profit, hot or cold air or steam for heating or cooling purposes; OR ENGAGED IN COLLECTING, TRANSPORTING, TREATING, PURIFYING AND DISPOSING OF SEWAGE THROUGH A SYSTEM, FOR PROFIT; or in transmitting messages or furnishing public telegraph or telephone service, and all corporations other than municipal, operating as common carriers, shall be deemed public service corporations.

2. The proposed amendment (approved by a majority of the members elected to each house of the legislature, and entered upon the respective journals thereof, together with the ayes and nays thereon) shall be by the secretary of state submitted to the qualified electors at the next regular general election (or at a special election called for that purpose), as provided by article 21, Constitution of Arizona.

Passed the House April 26, 1974 by the following vote: 55 Ayes, 2 Nays, 3 Not Voting.

Passed the Senate April 25, 1974 by the following vote: 24 Ayes, 5 Nays, 1 Not Voting.

Filed in the Office of the Secretary of State—April 26, 1974

LAWS OF ARIZONA

HOUSE JOINT RESOLUTION 2002

A JOINT RESOLUTION

AUTHORIZING THE GOVERNOR TO COOPERATE AND DO ALL NECESSARY ACTS TO EFFECT THE RETROCESSION OF LEGISLATIVE JURISDICTION OVER CERTAIN REAL PROPERTY FROM THE UNITED STATES OF AMERICA TO THE STATE OF ARIZONA.

Whereas, the State of Arizona has requested that a roadway easement across a portion of the Fort Huachuca Military Reservation be granted to it for the extension of the Nogales—Lowell Highway; and

Whereas, a portion of the easement will pass through nine parcels of land being those portions of Fort Huachuca Military Reservation, as established by Executive Order dated 14 May 1883, and those portions of Sections 26, 27, and 28, Township 21 South, Range 20 East, Gila and Salt River Meridian, in the County of Cochise, State of Arizona; and

Whereas, Title 40, United States Code, Section 319, permits the granting of an easement to a State or a political subdivision or agency thereof by the Government of the United States of America of property owned by the United States of America under the conditions and terms set forth in the such Federal Statutes; and

Whereas, such Federal Statute provides that in connection with the granting of the easement, the Federal executive agency concerned may relinquish to the State in which the affected real property is located such legislative jurisdiction as such executive agency deems necessary or desirable; and

Whereas, the Federal Statute provides that such relinquishment may take effect upon acceptance thereof after notice to the Governor of the State affected or by proceeding in such manner as the law applicable to such State may provide; and

LAWS OF ARIZONA

Whereas, the laws of the State of Arizona make no provision for the acceptance of such relinquishment.

Therefore

Be it resolved by the Legislature of the State of Arizona:

1. That the State of Arizona will accept from the United States of America such legislative jurisdiction over the easement area across the real property described herein as the Federal executive agency concerned deems necessary or desirable.

2. That the Governor is hereby authorized to do all things and perform all acts necessary to effect the acceptance of such legislative jurisdiction over the easement area across the above described real property from the United States of America.

Passed the House March 25, 1974 by the following vote: 56 Ayes, 0 Nays, 4 Not Voting.

Passed the Senate April 25, 1974 by the following vote: 28 Ayes, 0 Nays, 2 Not Voting.

Approved by the Governor—April 26, 1974

Filed in the Office of the Secretary of State—April 26, 1974

LAWS OF ARIZONA

HOUSE JOINT MEMORIAL 2002

A JOINT MEMORIAL

URGING THE CONGRESS OF THE UNITED STATES TO TAKE IMMEDIATE STEPS TO ACCOUNT FOR THE MORE THAN THIRTEEN HUNDRED AMERICANS STILL MISSING IN ACTION IN SOUTHEAST ASIA.

To the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, American involvement in the Southeast Asian conflict is rapidly drawing to a close with the signing of a truce agreement calling for return of all American prisoners of war; and

Whereas, almost all American military forces in the Republic of Vietnam have been withdrawn pursuant to that truce agreement; and

Whereas, although almost five hundred Americans missing in action and held as prisoners of war have been accounted for and released from captivity, there remains at least thirteen hundred of their fellow Americans yet unaccounted for in Southeast Asia; and

Whereas, it is the responsibility of the people of this nation to do everything in their power to determine whether these men are still alive and, if so, to secure their immediate release from captivity now.

Wherefore, your memorialist, the Legislature of the State of Arizona, prays:

1. That the Congress of the United States take every possible step and make every possible effort to account for the more than thirteen hundred American servicemen still missing in Southeast Asia and to secure the immediate release from captivity of those still alive.

LAWS OF ARIZONA

2. That copies of this memorial be dispatched to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Arizona Delegation to the United States Congress.

Passed the House April 1, 1974 by the following vote: 54 Ayes, 0 Nays, 6 Not Voting.

Passed the Senate May 2, 1974 by the following vote: 27 Ayes, 0 Nays, 3 Not Voting.

Approved by the Governor—May 6, 1974

Filed in the Office of the Secretary of State—May 7, 1974

HOUSE MEMORIAL 2001

A MEMORIAL

URGING CONGRESS TO OPPOSE FEDERAL LAND USE BILLS
UNDER CONSIDERATION.

To the Congress of the United States:

Your memorialist respectfully represents:

There are two proposals in Congress, one in the House of Representatives and one in the Senate, relating to federal land use legislation to which the Legislature of Arizona wishes to express opposition.

Whereas, the bills pending will cause a delay in constructive planning which will be intolerable; and

Whereas, the opportunities for capricious litigation are throughout each of the federal bills; and

LAWS OF ARIZONA

Whereas, the overlay of bureaucratic involvement is multiplied three-fold by these bills and thereby create counter-productive activities which are intolerable.

Wherefore, your memorialist, the House of Representatives of the State of Arizona, prays:

1. The State of Arizona is in opposition to both the United States House of Representatives and the United States Senate versions of the federal land use planning bill.
2. The Legislature wishes to acknowledge that as a result of the presence of these bills in the Congress the Legislature is more firmly committed than ever to the implementation of the current land use planning process which will truly fit the needs of the State of Arizona.
3. That the Secretary of State of the State of Arizona transmit certified copies of this Memorial to the President, of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of the Congress from the State of Arizona.

Adopted by the House February 25, 1974 by the following vote: 54 Ayes, 1 Nay, 5 Not Voting.

Approved by the Governor, February 25, 1974

Filed in the Office of the Secretary of State, February 26, 1974

HOUSE MEMORIAL 2003

A MEMORIAL

RELATING TO THE UNITED STATES DEPARTMENT OF AGRICULTURE, FOREST SERVICE; URGING THAT IMPLEMENTATION OF THE MOGOLLON RIM AREA LAND USE PLAN BE DELAYED PENDING REVIEW BY THE ARIZONA ENVIRONMENTAL PLANNING COMMISSION.

To the Congress of the United States:

LAWS OF ARIZONA

Your memorialist respectfully represents:

Whereas, the Mogollon Rim Area Land Use Plan has significant impact upon the citizens of the State of Arizona;

Whereas, the Mogollon Rim Area Land Use Plan is of concern to both residents and nonresidents, users and nonusers of the area;

Whereas, the State of Arizona Environmental Planning Commission has been authorized by the Legislature and Governor of the State of Arizona to produce a Land Use Planning Program for consideration and adoption by 1975;

Whereas, state and federal land use planning should be cooperative and coordinated.

Wherefore your memorialist, the House of Representatives of the State of Arizona, prays:

That the United States Department of Agriculture, Forest Service, delay implementation of the Mogollon Rim Area Land Use Plan until the State of Arizona Environmental Planning Commission has reviewed and commented upon such plan.

Passed the House April 8, 1974 by the following vote: 56 Ayes, 3 Nays, 1 Not Voting.

Approved by the Governor—April 8, 1974

Filed in the Office of the Secretary of State—April 8, 1974

LAWS OF ARIZONA
HOUSE RESOLUTION 2002
A RESOLUTION

ESTABLISHING THE “STRUMMING AMIGOS” AS THE OFFICIAL
BALLADEERS OF THE ARIZONA HOUSE OF REPRESENTATIVES.

This state is honored and deeply appreciative of a group of young musicians who began in 1969 as seven young weak-voiced, slightly above average guitarists and who now number nearly thirty accomplished musicians ranging in age from six to nineteen.

They are the “Strumming Amigos”, a collection of pupils from twenty schools banded together as the brainchild of and under the direction of Robert Diaz, a teacher at Lassen Junior High School, and his assistant director, Steve Olea, a nineteen-year-old sophomore at Arizona State University, who also doubles as a drummer for the group.

It all started at the Phoenix Parks and Recreation Department, whose music coordinator, Theresa Perez, gave wholehearted encouragement.

Their first concert was at Good Samaritan Hospital, then on to Symphony Hall, Phoenix Union High School Auditorium, Phoenix JC Rodeo Parade, Prescott Rodeo Parade, Encanto Bandshell, County Detention Home, State Hospital, all of the various television stations, Firebird Arts Festival, Dedication of South Mountain Park, State Fair, Del Webb Townehouse, Sun City, Legend City, Lassen Junior High School, South Phoenix Arts Festival and the Fiesta Bowl Parade. With each concert they improved and the club grew. A student group was evolving and developing into an organized and disciplined musical group.

Requirements to be an “Amigo” are stiff and include fifty weeks of lessons and twenty weeks in the “Amigo” trainer group. Their instruction and advancement never ceases.

Money for equipment was raised by the students and parents, selling everything from cosmetics and screwdrivers to car washes. Eventually people began paying to see them perform and their equipment expanded from guitars to include flutes, violins, banjos, assorted percussion instruments and electric bass.

LAWS OF ARIZONA

The “Amigos” are from the following schools, which are justly proud of their representatives: Estrella Junior High School, St. Francis Xavier, Orangedale, Franklin, West High School, Central High School, Lafayette, Grandview, Camelback High School, Richard C. Simis, Trevor Browne High School, Sunset, Loma Linda, Greenway Intermediate, Creighton, East High School, Alhambra High School, Palo Verde, Washington High School and Bourgade High School.

Their goal now is to earn a national reputation representing the State of Arizona, to record original material for the public and to provide a wholesome form of learning and enrichment for each “Amigo”.

Therefore

Be it resolved by the House of Representatives of the State of Arizona:

That the members of the House of Representatives do sincerely commend the “Strumming Amigos” and do proclaim them as the official balladeers of the House of Representatives of the State of Arizona.

Unanimously adopted by the House—February 11, 1974

Approved by the Governor—February 11, 1974

Filed in the Office of the Secretary of State—February 13, 1974

HOUSE RESOLUTION 2003

A RESOLUTION

ON THE DEATH OF THE HONORABLE VERNON G. DAVIS

On February 9, 1974, the Honorable Vernon G. Davis, former Speaker of the Arizona House of Representatives, passed away at his home in Phoenix, Arizona, at the age of seventy-five.

He was born in Newton, Kansas, moved to Willcox, Arizona, in 1902, and attended schools there. He was a member of the House of Representatives from Cochise county in the Eleventh, Twelfth and Thirteenth Legislatures and was Speaker of the House in 1937.

LAWS OF ARIZONA

In addition to being Speaker he served with distinction on House committees including Capitol Buildings and Grounds, Efficient Government, Petitions and Memorials, Labor and Livestock. He was Chairman of two committees, Highways and Bridges and Rules.

Mr. Davis moved to Phoenix in 1937 and served as Superintendent of the Arizona Highway Motor Vehicle License Department in 1937 and 1938.

Therefore

Be it resolved by the House of Representatives of the State of Arizona:

That the members of the House of Representatives sincerely regret the passing of the Honorable Vernon G. Davis and do, therefore, extend their sympathies and condolences to the surviving members of his family.

Unanimously adopted by the House of Representatives—March 12, 1974

Approved by the Governor—March 13, 1974

Filed in the Office of the Secretary of State—March 13, 1974

HOUSE RESOLUTION 2004

A RESOLUTION

ON THE DEATH OF THE HONORABLE DORIS R. VARN

On April 17, 1974, the Honorable Doris Russell Varn, a member of the Arizona House of Representatives in the Twenty-fifth, Twenty-sixth and Twenty-seventh Legislatures, passed away in Burbank, California, at the age of sixty-four.

Mrs. Varn was born in East Smithfield, Pennsylvania, on April 13, 1910. A retired lawyer and former assistant district attorney in New York, Mrs. Varn was elected in 1960 from Pima County's Seventh Legislative District and was reelected twice. During her terms in the Legislature she served with distinction on House committees including County Affairs, Public Institutions, Highways and Bridges, Welfare and Labor.

LAWSON OF ARIZONA

A resident of Tucson, Arizona, she was the author of a volume on "Titles" in 1959. She was a member of the D.A.R., the National Federation of Republican Women and the Arizona Order of Women Legislators.

Therefore

Be it resolved by the House of Representatives of the State of Arizona:

That the members of the House of Representatives sincerely regret the passing of the Honorable Doris Russell Varn and do, therefore, extend their sympathies and condolences to the surviving members of her family.

Unanimously adopted by the House of Representatives—April 23, 1974

Approved by the Governor—April 23, 1974

Filed in the Office of the Secretary of State—April 24, 1974

HOUSE CONCURRENT RESOLUTION 2006

A CONCURRENT RESOLUTION

APPROVING THE PLAN FOR THE ESTABLISHMENT OF A
COMMUNITY COLLEGE IN THE COUNTY OF MOHAVE.

Whereas, the state board of directors for community colleges has presented to the Legislature prior to January 9, 1974, a plan for the formation and establishment of a community college district in the county of Mohave, as provided by section 15-669, Arizona Revised Statutes.

Therefore

Be it resolved by the House of Representatives of the State of Arizona, the Senate concurring:

1. That the Legislature, having received a plan for establishment of a community college in the county of Mohave, as provided by the terms of section 15-669, Arizona Revised Statutes, hereby approves such plan.

LAWS OF ARIZONA

2. That the plan submitted to the Legislature by the state board of directors for community colleges and hereby approved shall remain on file with the chief clerk of the Arizona House of Representatives and the Secretary of the Arizona Senate.

Passed the House March 14, 1974 by the following vote: 58 Ayes 0 Nays, 2 Not Voting.

Passed the Senate April 8, 1974 by the following vote: 29 Ayes, 0 Nays, 1 Not Voting.

Approved by the Governor—April 9, 1974

Filed in the Office of the Secretary of State—April 9, 1974

HOUSE CONCURRENT RESOLUTION 2017

A CONCURRENT RESOLUTION

ON THE DEATH OF THE HONORABLE GOVERNOR DAN E. GARVEY

Arizona's eighth governor, the Honorable Dan E. Garvey, passed away February 5, 1974, in Phoenix at the age of eighty-seven.

Active in public life in this state more than forty years, Mr. Garvey, who was then secretary of state of Arizona, succeeded Governor Sidney P. Osborn as governor when Governor Osborn died in May, 1948. Later that year Governor Garvey won election to a full term as governor.

Born in Vicksburg, Mississippi, on June 19, 1886, he moved to Tucson, Arizona, in December, 1909, when Arizona was still a territory. On February 20, 1912, he married Thirza Jeannette Vail, daughter of Zach Vail, pioneer Arizona cattleman. The couple had three children.

In his early days in Tucson he was a railroad clerk and auditor for the old Epes Randolph Line and its successor, the Southern Pacific Company.

LAWS OF ARIZONA

He became chief deputy assessor of Pima County in 1927. He resigned in 1928 but returned in 1929 as the county's deputy treasurer. He was chief deputy treasurer from 1931 to 1935 when he became county treasurer. He was reelected to the post but resigned in 1938 to become Tucson's city treasurer. He also served as a Tucson city councilman. In 1939, Mr. Garvey was appointed assistant to Secretary of State Harry M. Moore, who died in office, Governor Osborn appointed Mr. Garvey secretary of state in 1942. Mr. Garvey won three consecutive elections to retain his post until Osborn's death. In 1950 he was named Arizona administrator of the federal Reconstruction Finance Corporation before his 1955 appointment as state examiner by Governor Ernest W. McFarland. He held the latter post until his retirement in January, 1969.

Mr. Garvey helped Tucson Masonic Lodge members establish a state clinic for crippled children in that city.

He was a member of the Knights of Columbus, Elks Lodge 385, Woodmen of the World and the Executive Club.

Therefore

Be it resolved by the House of Representatives of the State of Arizona, the Senate concurring:

That the members of the Legislature wish to express their sincere regret and profound sorrow over the passing of the Honorable Governor Dan E. Garvey and do extend their sympathies and condolences to the surviving members of his family.

Unanimously adopted by the House—February 21, 1974

Unanimously adopted by the Senate—February 25, 1974

Approved by the Governor, February 26, 1974

Filed in the Office of the Secretary of State, February 26, 1974

LAWS OF ARIZONA

HOUSE CONCURRENT RESOLUTION 2018

A CONCURRENT RESOLUTION

ON THE DEATH OF THE HONORABLE DAVID H. CAMPBELL

The Honorable David H. Campbell, newspaperman and editor, mayor, legislator and superintendent of the Motor Vehicle Division of the Arizona Highway Department, passed away on the ninth day of March, 1974, in Phoenix, Arizona at the age of sixty-one.

Mr. Campbell was born February 25, 1913 at Tazewell, Virginia and came to Arizona in 1945 as a twice-wounded and decorated infantry officer and disabled veteran of World War II. He became the editor of the "Arizona Record" at Globe and the "Arizona Silver Belt" at Miami.

He was first elected to public office in 1948 as the Mayor of Globe, a position which he later resigned due to recurring health problems.

He was later elected to and served in the Arizona House of Representatives from 1955 to 1960 and served with distinction on the Public Health, Highways and Bridges and Public Defense and Veterans' Affairs Committees. In 1960 he unsuccessfully sought election to the Maricopa County Board of Supervisors.

He was appointed superintendent of the Motor Vehicle Division in 1964. During his tenure in that position, he achieved national distinction as a highway administrator and served on several national and regional boards, committees and commissions relating to vehicles and highways.

He was a man of high personal ideals, a sense of humor and possessed and demonstrated immense courage in the face of numerous personal health problems over the years.

He will be missed, by his family, his friends and the people of the State of Arizona.

Therefore

Be it resolved by the House of Representatives of the State of Arizona, the Senate concurring:

LAWS OF ARIZONA

That the members of the Legislature sincerely regret the passing of the Honorable David H. Campbell and do, therefore, extend their most sincere sympathies and condolences to his widow, Esther, and his surviving relatives.

Unanimously adopted by the House—March 19, 1974

Unanimously adopted by the Senate—March 20, 1974

Approved by the Governor—March 20, 1974

Filed in the Office of the Secretary of State—March 21, 1974

INDEX TO ACTS

INDEX

INDEX TO ACTS

THIRTY-FIRST LEGISLATURE	SECOND REGULAR SESSION		
A			
	Bill No.	Ch.	Page
AERONAUTICS (Title 2)			
transportation – conforming statutory changes	1098	136	540
AGRICULTURE AND DAIRYING (Title 3)			
county agricultural extension board	2125	90	291
agricultural pest control advisor license	2236	133	469
recorders – lien releases – fees	1152	68	155
ALCOHOLIC BEVERAGES (Title 4)			
alcoholic beverages – credit purchases	2028	101	319
breach of franchise	2225	103	324
alcoholic beverages – additional licenses	2310	175	902
AMUSEMENTS AND SPORTS (Title 5)			
state and political subdivisions; purchasing	2340	174	897
revenue department; conforming statutory changes	1062	164	811
pari-mutuel wagering – percentages paid	1239	18	43
APPROPRIATIONS			
Accountancy Board general appropriation	2350	203	1157
Administration Department general appropriation	2350	203	1157
capital outlay	2349	202	1150
administration department special services	2288	104	330
insurance on state property and liability	1322	205	1218
Aeronautics Department general appropriation	2350	203	1157

	Bill No.	Ch.	Page
Agricultural Employment Board			
general appropriation	2350	203	1157
Agriculture & Horticulture			
general appropriation	2350	203	1157
capital outlay	2349	202	1150
American Revolution			
Bicentennial Commission			
American Revolution			
Bicentennial Commission	2338	95	299
Arizona State University			
general appropriation	2350	203	1157
appropriations; universities	2055	201	1148
Arts and Humanities Commission			
general appropriation	2350	203	1157
Athletic Commission			
general appropriation	2350	203	1157
Atomic Energy Commission			
general appropriation	2350	203	1157
Attorney General			
general appropriation	2350	203	1157
appropriation – attorney general –			
tax litigation	2144	34	74
appropriation – attorney			
general – community colleges	2143	82	272
appropriation – attorney			
general – property taxation	2169	84	285
appropriation – attorney			
general – operating expenses	2141	131	466
Banking Department			
general appropriation	2350	203	1157
Barber Examiners Board			
general appropriation	2350	203	1157
Building Codes Division			
general appropriation	2350	203	1157
Chiropractic Examiners Board			
general appropriation	2350	203	1157
Coliseum & Exposition Board			
general appropriation	2350	203	1157
Community College Board			
general appropriation	2350	203	1157
appropriation – community			
college board	2146	89	290

LAW OF ARIZONA

1275

	Bill No.	Ch.	Page
Contractors, Registrar			
general appropriation	2350	203	1157
Copper Tariff Board			
general appropriation	2350	203	1157
Corporation Commission			
general appropriation	2350	203	1157
capital outlay	2349	202	1150
securities -- commodity investment			
contracts -- options	1286	126	439
Corrections Department			
general appropriation	2350	203	1157
capital outlay	2349	202	1150
appropriation -- department			
of corrections	1283	176	907
Cosmetology Board			
general appropriation	2350	203	1157
Court of Appeals			
general appropriation	2350	203	1157
appropriation -- supreme court --			
court of appeals	2284	85	286
Dairy Commissioner			
general appropriation	2350	203	1157
Deaf and Blind School			
general appropriation	2350	203	1157
capital outlay	2349	202	1150
appropriation; state school;			
deaf; blind	2054	28	68
state board of			
education -- reallocation	2285	39	81
Dental Board			
general appropriation	2350	203	1157
Economic Planning & Development			
general appropriation	2350	203	1157
Economic Security Department			
general appropriation	2350	203	1157
capital outlay	2349	202	1150
appropriation -- economic security --			
assistance programs	2290	5	10
appropriation -- economic security --			
emergency relief	2292	86	287
economic security -- assistance	1115	121	409

	Bill No.	Ch.	Page
veterans' organizations – contracts	2079	148	687
rental occupancy tax	2106	149	692
Education, Board of			
general appropriation	2350	203	1157
state board of			
education -- reallocation	2285	39	81
Egg Inspection Board			
general appropriation	2350	203	1157
Emergency & Military Affairs			
general appropriation	2350	203	1157
capital outlay	2349	202	1150
appropriation – military affairs	2147	45	94
national guard – education			
reimbursement	1010	117	363
Estate Tax Commissioner			
general appropriation	2350	203	1157
Finance Division			
general appropriation	2350	203	1157
travel advances – state employees	2298	105	332
claims for relief	2343	159	758
Funeral Directors & Embalmers			
general appropriation	2350	203	1157
Game & Fish Department			
general appropriation	2350	203	1157
capital outlay	2349	202	1150
Governor			
general appropriation	2350	203	1157
Governor – Ranger's Pensions			
general appropriation	2350	203	1157
Health Services Department			
general appropriation	2350	203	1157
capital outlay	2349	202	1150
appropriation; department of health	2098	31	71
county contract for			
hospitalization (Medicaid)	1165	187	1026
Historical Society, Arizona			
general appropriation	2350	203	1157
Arizona historical society			
revolving fund	2296	138	590
Historical Society, Prescott			
general appropriation	2350	203	1157
capital outlay	2349	202	1150

LAW OF ARIZONA

1277

	Bill No.	Ch.	Page
Hospital, Arizona State supplemental appropriation – state hospital	2056	3	7
state hospital; capital outlay appropriation	2057	29	68
Indian Affairs Commission general appropriation	2350	203	1157
Industrial Commission general appropriation	2350	203	1157
Insurance Department general appropriation	2350	203	1157
Judicial Qualifications general appropriation	2350	203	1157
Justice Planning Agency general appropriation	2350	203	1157
Land Department general appropriation	2350	203	1157
capital outlay	2349	202	1150
Law Enforcement Merit System general appropriation	2350	203	1157
Legislature – Thirty-first general appropriation	2350	203	1157
capital outlay	2349	202	1150
standards of conduct (legislative ethics board)	1121	199	1106
Library & Archives Division general appropriation	2350	203	1157
Liquor Department general appropriation	2350	203	1157
Livestock Sanitary Board general appropriation	2350	203	1157
Medical Examiners Board general appropriation	2350	203	1157
Mental Retardation general appropriation	2350	203	1157
Mine Inspector general appropriation	2350	203	1157
Mineral Resources general appropriation	2350	203	1157
Mines, Bureau of bureau of mines – publications – sales	2123	33	72

	Bill No.	Ch.	Page
Naturopathic Board of Examiners			
general appropriation	2350	203	1157
Northern Arizona University			
general appropriation	2350	203	1157
appropriations; universities	2055	201	1148
Nursing Board			
general appropriation	2350	203	1157
Opticians Board, Dispensing			
general appropriation	2350	203	1157
Optometry Board			
general appropriation	2350	203	1157
Osteopathic Examiners Board			
general appropriation	2350	203	1157
Outdoor Recreation Coordinating Committee			
general appropriation	2350	203	1157
appropriation — outdoor			
recreation commission	1285	177	908
Pardons & Paroles Board			
general appropriation	2350	203	1157
Parks Board			
general appropriation	2350	203	1157
capital outlay	2349	202	1150
state park site —			
Graham county (lapsing)	2053	129	463
exchange land — Santa Cruz			
County — appropriations	2295	156	732
Personnel Administration Division			
general appropriation	2350	203	1157
Pesticide Control Board			
general appropriation	2350	203	1157
Pharmacy Board			
general appropriation	2350	203	1157
Physical Therapy Board			
general appropriation	2350	203	1157
Podiatry Examiners Board			
general appropriation	2350	203	1157
Private Technical & Business School Board			
general appropriation	2350	203	1157
Property Valuation Department			
general appropriation	2350	203	1157
Psychologist Examiners Board			
general appropriation	2350	203	1157

LAWSON OF ARIZONA

1279

	Bill No.	Ch.	Page
Public Buildings Maintenance Division			
general appropriation	2350	203	1157
Public Safety Department			
general appropriation	2350	203	1157
capital outlay	2349	202	1150
public safety personnel			
retirement system	2293	87	288
helicopter station at Seligman	2034	189	1062
Racing Commission			
general appropriation	2350	203	1157
Real Estate Department			
general appropriation	2350	203	1157
Regents, Board of			
general appropriation	2350	203	1157
capital outlay	2349	202	1150
appropriations; universities	2055	201	1148
Relief Claims	2343	159	758
Resources Information System, Arizona			
reversion of certain funds	2346	160	796
Retirement System Board			
general appropriation	2350	203	1157
Revenue Department			
general appropriation	2350	203	1157
Secretary of State			
general appropriation	2350	203	1157
appropriation; republished Arizona			
Revised Statutes	2033	27	67
election reform	1071	134	490
appropriation; secretary of state	2137	192	1072
State Department			
general appropriation	2350	203	1157
Structural Pest Control Board			
general appropriation	2350	203	1157
Superior Courts			
general appropriation	2350	203	1157
Supreme Court			
general appropriation	2350	203	1157
appropriation – supreme court -			
court of appeals	2284	85	286
Surplus Property Division			
general appropriation	2350	203	1157

	Bill No.	Ch.	Page
Tax Appeals, State Board			
general appropriation	2350	203	1157
Tax Commission			
general appropriation	2350	203	1157
Technical Registration Board			
general appropriation	2350	203	1157
appropriation; board of			
technical registration	2099	32	71
Transportation Department			
general appropriation	2350	203	1157
capital outlay	2349	202	1150
transportation – director’s			
appointment	1093	100	318
annual vehicle emissions			
inspection	2319	158	745
Treasurer, State			
general appropriation	2350	203	1157
Uniform State Laws Commission			
general appropriation	2350	203	1157
University of Arizona			
general appropriation	2350	203	1157
appropriations; universities	2055	201	1148
Veterinary Board			
general appropriation	2350	203	1157
Water Commission			
general appropriation	2350	203	1157
appropriation – water commission –			
flood control	1195	169	845
Weights and Measures			
general appropriation	2350	203	1157
department of weights and			
measures	2006	200	1120
WICHE (Board of Regents)			
general appropriation	2350	203	1157

B

BANKS & FINANCIAL INSTITUTIONS (Title 6)

banks; trust regulation exemptions	1046	47	96
associations – loans – investments –			
directors	1178	142	655

C

	Bill No.	Ch.	Page
CHILDREN (Title 8)			
juvenile court; officers; escape; defense	1001	96	304
CITIES & TOWNS (Title 9)			
Arizona health facilities authority	2189	128	450
highway user revenue distribution	2318	139	592
cable television systems	1085	25	56
cities; charter, general law; powers	2086	53	106
election dates; common council	2087	54	107
public improvements – assessments – hearing – notice	2197	71	184
subdivision plats – land surveyor	2059	130	465
CORPORATIONS AND ASSOCIATIONS (Title 10)			
uniform state antitrust act	1075	26	59
corporate officer requirements	2149	161	797
nonprofit corporation directors	2224	152	720
COUNTIES (Title 11)			
optional receipts for tax payments	2046	9	17
decedents' estates – public guardian	1248	114	353
property tax – erroneous assessment – refund	2211	127	448
county contract for hospitalization (Medicaid)	1165	187	1026
salaries – constables	1162	19	45
county central records center	1091	24	55
justices of the peace – salaries	1120	66	150
school board member's counsel	1240	69	178
county officers – errors insurance	1124	97	308
sheriff – court attendance	2077	102	323
removing local option zoning authority	1017	107	336
street and park electricity – levy	1173	111	346
boards of supervisors – liability limitation	2167	193	1073
Canyon de Chelly county (creation of new counties)	2218	162	799
board of supervisors – powers	1306	194	1074
counties – cities – health care institutions	1307	188	1058
recorders – lien releases – fees	1152	68	155

	Bill No.	Ch.	Page
COURTS & CIVIL PROCEEDINGS (Title 12)			
decedents' estates – public guardian	1248	114	353
probate code corrections	1025	118	367
appeals court criminal appellate division	2170	7	14
interpreters; deaf and mute persons	1106	40	82
privilege – doctor – patient – other personnel	2186	93	297
judgment debtor – appearance	1082	109	344
recorders – lien releases – fees	1152	68	155
CRIMINAL CODE (Title 13)			
appeals court criminal appellate division	2170	7	14
misdemeanor subpoena – service – certified mail	2073	147	685
food stamp crimes	2193	16	40
rental vehicles – unauthorized retention – penalty	1258	44	92
crimes; arrest without warrant procedure	1005	46	95
stolen property; receiving; buying; selling	1004	49	98
crimes; damaging caves	2023	78	253
obscenity – definitions – minors	1227	98	309
kidnapping	1127	110	345
minimum prison sentence	2026	144	666
D			
DECEDENTS' ESTATES (Title 14)			
veterans' organizations – contracts	2079	148	687
transfer of decedent's vehicle ownership	1119	52	103
decedents' estates – public guardian	1248	114	353
probate code corrections	1025	118	367
mental evaluation, treatment, commitment	1035	185	969
E			
EDUCATION (Title 15)			
election reform	1071	134	490

LAW OF ARIZONA

1283

	Bill No.	Ch.	Page
economic security — assistance	1115	121	409
revenue department; conforming			
statutory changes	1062	164	811
school boards; transfer operating funds	2117	1	3
emergency financial relief	2212	4	8
standardized mathematics test	2261	38	81
teacher evaluation	2064	60	119
community college board — meetings	2260	64	147
board of trustees — immunity	1242	113	350
school revolving fund	1034	119	386
community colleges cash-flow	1215	123	427
optional retirement programs -			
university personnel	1243	125	430
school district board			
textbook selection	2044	146	682
rights of parents to records	2116	163	808
university of Arizona stadium; bonds			
(prohibiting certain abortions)	1245	171	861
board of regents — bonds	1246	182	920
state board of education — reallocation	2285	39	81
ELECTIONS & ELECTORS (Title 16)			
election reform	1071	134	490
candidates; contributions and			
expenditures; reports	1138	197	1091
G			
GAME & FISH (Title 17)			
nonresident fishing license — fee	1280	70	180
GRAHAM COUNTY			
state park site — Graham county	2053	129	463
H			
HIGHWAYS & BRIDGES (Title 18)			
highway user revenue distribution	2318	139	592
transportation — director's appointment	1093	100	318
transportation — conforming statutory			
changes	1098	136	540
department of transportation	1097	141	623

I

	Bill No.	Ch.	Page
INSURANCE (Title 20)			
transportation – conforming statutory changes	1098	136	540
insurance on state property and liability	1322	205	1218
insurance – deposit requirements – filing dates	2151	14	31
insurance – annual statements – taxes – exemptions	2160	15	33
insurers – mergers – consolidations – hearings	2254	36	77
insurance holding company systems – hearings	2255	37	79
insurance – reserve valuation standards	2180	62	129
mandatory newborn insurance (car pool insurance)	2185	173	875
county contract for hospitalization (Medicaid)	1165	187	1026
recorders – lien releases – fees	1152	68	155

J

JUSTICES OF PEACE (Title 22)			
decedents' estates – public guardian	1248	114	353
justice of peace pro tempore	1256	43	90
misdemeanor subpoena – service – certified mail	2073	147	685
justice appeal bonds	1031	140	621

L

LABOR (Title 23)			
civil rights division	1161	76	229
school district employees – salary payments	1163	20	46
unemployment insurance – state employees	2237	80	259
occupational safety – citations – enforcement – penalties	2155	83	273
counsel representation of employer	2183	92	296

LAW OF ARIZONA

1285

	Bill No.	Ch.	Page
mines — certain labor limits removed	1219	112	348
state compensation fund — purposes	1253	116	362
assistant deputy fire marshals — appointment	2239	154	723
unemployment compensation — contribution rates — benefits	2269	155	725
compensation — ambulance personnel — hospital workers	2300	178	909
merchandising opportunities for the blind	1261	184	947
recorders — lien releases — fees	1152	68	155
LIVESTOCK & ANIMALS (Title 24)			
reimbursement for seized livestock	2181	91	293
ownership certificates — inspection — transfer — fee	2126	191	1068
recorders — lien releases — fees	1152	68	155
M			
MARITAL & DOMESTIC RELATIONS (Title 25)			
marriage license issuance	1181	181	918
MILITARY AFFAIRS & CIVIL DEFENSE (Title 26)			
department of transportation	1097	141	623
city of Winslow; land conveyance	2339	12	27
national guard — education reimbursement	1010	117	363
national guard — leave of absence	1236	124	428
transportation — conforming statutory changes	1098	136	540
MINERALS, OIL & GAS (Title 27)			
bureau of mines — publications — sales	2123	33	72
MOTOR VEHICLES (Title 28)			
recorders — lien releases — fees	1152	68	155
mandatory newborn insurance (car pool insurance)	2185	173	875
annual vehicle emissions inspection	2319	158	745
state and political subdivisions; purchasing	2340	174	897

	Bill No.	Ch.	Page
vehicles; gross weight stenciling	2013	2	4
vehicles -- excess height; liability	2103	11	6
plates bearing international wheelchair symbol	2136	13	28
motor vehicle emission control devices	1021	22	51
anatomical gifts; operators', chauffeurs' licenses	2041	79	255
transportation -- director's appointment	1093	100	318
bicycle and foot pathways	1056	108	336
transportation -- conforming statutory changes	1098	136	540
highway user revenue distribution	2318	139	592
mobile homes -- escort vehicles -- size (warning lamps)	2316	157	744
department of transportation	1097	141	623
expanding department of transportation bonding	1259	183	937
P			
PICACHO PEAK			
exchange land near Picacho Peak	2113	10	20
POWER (Title 30)			
uniform state antitrust act	1075	26	59
power development -- solar -- nuclear -- geothermal	1282	21	48
PRISONS & PRISONERS (Title 31)			
prisoners -- furlough -- failure to return	1249	115	359
prison sentences -- computation -- parole mental evaluation, treatment, commitment	2281	137	587
	1035	185	969
PROFESSIONS & OCCUPATIONS (Title 32)			
agricultural pest control advisor license	2236	133	469
psychologist's certification -- examination waiver removal	1130	41	84

LAWS OF ARIZONA

1287

	Bill No.	Ch.	Page
real estate brokers, branch office	1110	48	97
technical registration board – injunctive power	2202	57	112
medical practitioners' licenses; exemption	2067	61	127
dentists – board – hygienists – regulation – licensing	1129	74	202
physical therapy assistants – licensing	1204	75	225
real estate department	1221	135	528
security guards; regulation and licensing	2036	145	669
state board of nursing – fees	1269	204	1213
PROPERTY (Title 33)			
contractors – investment of retention	2235	132	467
public buildings; construction without bids	1016	179	915
recorders – lien releases – fees	1152	68	155
PUBLIC BUILDINGS AND IMPROVEMENTS (Title 34)			
contractors – investment of retention	2235	132	467
public buildings; construction without bids	1016	179	915
PUBLIC FINANCE (Title 35)			
administration department special services	2288	104	330
public finance – subdivision monies	2231	153	721
travel advances – state employees	2298	105	332
state board of nursing – fees	1269	204	1213
PUBLIC HEALTH & SAFETY (Title 36)			
anatomical gifts; operators', chauffeurs' licenses	2041	79	255
transportation – conforming statutory changes	1098	136	540
alcoholic beverages – additional licenses	2310	175	902
county contract for hospitalization (Medicaid)	1165	187	1026
clinical laboratories division	2068	30	69

	Bill No.	Ch.	Page
air pollution permit – term extended	2200	35	75
coroner – decedents – fingerprints	1065	50	99
smoking prohibited certain			
public areas	1213	77	252
safety glazing – hazardous locations	2323	88	289
Arizona health facilities authority	2189	128	450
drugs – probation – sentence suspension	2120	190	1063
annual vehicle emissions inspection	2319	158	745
mental evaluation, treatment,			
commitment	1035	185	969
university of Arizona stadium; bonds			
(prohibiting certain abortions)	1245	171	861
PUBLIC LANDS (Title 37)			
exchange land near Picacho Peak	2113	10	20
state forester; fire suppression	2050	59	116
exchange land – Santa Cruz County –			
appropriations	2295	156	732
contract for CAP water	1321	143	664
PUBLIC OFFICERS & EMPLOYEES (Title 38)			
optional retirement programs –			
university personnel	1243	125	430
public officers; legislators; travel;			
subsistence	2022	6	11
state health and accident insurance	2159	56	109
retirees; system and plan; benefits			
(consumer index)	1145	67	153
compulsory retirement	1102	120	387
public officers; open meetings	1059	196	1085
standards of conduct (legislative			
ethics board)	1121	199	1106
retirement; credited future service;			
contributions	1140	167	839
retirement; previous service;			
contribution repayment	1141	168	844
state retirement system board	1143	180	917
retirement system bank account	1196	170	847
insurance on state property and			
liability	1322	205	1218

LAW OF ARIZONA

1289

	Bill No.	Ch.	Page
PUBLIC UTILITIES & CARRIERS (Title 40)			
uniform state antitrust act	1075	26	59
transportation – conforming statutory changes	1098	136	540
mandatory newborn insurance (car pool insurance)	2185	173	875
public utilities; private sewer corporations	2018	58	113
recorders – lien releases – fees	1152	68	155
highway user revenue distribution	2318	139	592

S

SANTA CRUZ COUNTY

exchange land – Santa Cruz County – appropriations	2295	156	732
---	------	-----	-----

STATE GOVERNMENT (Title 41)

public officers; legislators; travel subsistence	2022	6	11
prisoners – furlough – failure to return	1249	115	359
transportation – conforming statutory changes	1098	136	540
compensation – ambulance personnel – hospital workers	2300	178	909
department of transportation	1097	141	623
standards of conduct (legislative ethics board)	1121	199	1106
criminal case dispositions – mandatory reporting	1066	17	42
Indian affairs commission	1088	23	52
document reproduction – copies	1171	42	85
library extension service; library assistance	1086	51	102
turquoise state gemstone	2109	55	108
establishing Catalina state park	2280	65	148
prisoners in Arizona; recapture	1089	73	201
civil rights division	1161	76	229
American revolution bicentennial commission	2338	95	299
travel advances – state employees	2298	105	332

	Bill No.	Ch.	Page
parks board -- historical places register	2327	106	334
Arizona historical society			
revolving fund	2296	138	590
department of weights			
and measures	2006	200	1120
helicopter station at Seligman	2034	189	1062
veterans' organizations -- contracts	2079	148	687
state and political subdivisions;			
purchasing	2340	174	897
distribution of statutes	1090	186	1021
registration and regulation of			
lobbyists	1122	198	1100
economic estimates commission	1278	172	873
insurance on state property and			
liability	1322	205	1218
reversion of certain funds	2346	160	796
legislature to establish tax rate	2196	150	712

T

TAXATION (Title 42)

taxation -- banks	1216	72	194
economic estimates commission	1278	172	873
newly incorporated cities -- budgets --			
expenditures	2240	8	16
optional receipts for tax payments	2046	9	17
property tax -- erroneous assessment --			
refund	2211	127	448
rental occupancy tax	2106	149	692
legislature to establish tax rate	2196	150	712
luxury -- tax -- tobacco	2214	151	719
revenue department; conforming			
statutory changes	1062	164	811
solar energy device; tax benefits	1231	165	830
recorders -- lien releases -- fees	1152	68	155

TAXATION OF INCOME (Title 43)

county contract for			
hospitalization (Medicaid)	1165	187	1026

LAW OF ARIZONA

1291

	Bill No.	Ch.	Page
solar energy device; tax benefits	1231	165	830
taxation – credit – child care facilities	2256	63	146
taxation – banks	1216	72	194
taxation of income – renter's deduction	1320	166	836
recorders – lien releases – fees	1152	68	155
revenue department; conforming statutory changes	1062	164	811
TRADE & COMMERCE (Title 44)			
department of weights and measures	2006	200	1120
uniform state antitrust act	1075	26	59
real property securities	1247	81	268
interest limitations – exceptions	2201	94	298
securities – commodity investment contracts – options	1286	126	439
regulation of franchises	2175	195	1075
W			
WATER (Title 45)			
uniform state antitrust act	1075	26	59
water conservation – reserves	1281	99	312
water rights	1117	122	419
recorders – lien releases – fees	1152	68	155
WELFARE (Title 46)			
economic security – assistance	1115	121	409
WINSLOW, CITY OF			
city of Winslow; land conveyance	2339	12	27

FIRST SPECIAL SESSION

of the

THIRTY-FIRST LEGISLATURE

of the

STATE OF ARIZONA

1974



FIRST SPECIAL SESSION

PUBLICATION AUTHORIZED

Paragraph 9a, Section 41-121

ARIZONA REVISED STATUTES as amended by

Chapter 81, Laws of 1957

Twenty-third Legislature, First Regular Session

Chapter 203, Laws of 1974

Thirty-First Legislature, Second Regular Session

NOTICE: There are a few misspellings, other errors and punctuation mistakes in the body of this volume, which originated in the original copies, and had to be duplicated herein so as to conform to such original copies.

AUTHENTICATION

STATE OF ARIZONA)
OFFICE OF THE SECRETARY OF STATE) ss.

THIS IS TO CERTIFY--That the First Special Session of the Thirty-first Legislature of the State of Arizona was convened at the Capitol in the City of Phoenix, October 22, 1973, at 12 Noon, and adjourned sine die February 19, 1974 at 5:35 P.M.

IN TESTIMONY WHEREOF, I have hereunto set my hand as Secretary of State of the State of Arizona, this 4th day of March, 1974.



/s/

WESLEY BOLIN
Secretary of State

PROCLAMATION
CALLING A SPECIAL SESSION OF THE
THIRTY-FIRST LEGISLATURE
OF THE STATE OF ARIZONA

WHEREAS, the Constitution of Arizona (Article IV, Part 2, Section 3) authorizes the Governor to call a special session of the Legislature when the circumstances demand it, and provides that, in such cases, he shall specify the subjects to be considered; and

WHEREAS, the 31st Legislature of Arizona in its first regular session laid the groundwork for a special session to be devoted to the interwoven subjects of education and the financing thereof, and its various committees and employees have diligently worked since the close of the first regular session towards a legislative solution for financing education in Arizona; and

WHEREAS, certain technical problems have arisen with the administration of the widows' exemption and classification provisions of recent legislation that might possibly deny some deserving people of the benefits that they would otherwise be entitled to under the provisions of Chapter 182 of the Laws of 1973; and

WHEREAS, the people of this state expect that their elected representatives can and will provide the proper financing of the educational facilities of this state efficiently and quickly;

NOW, THEREFORE, I, Jack Williams, Governor of Arizona, by virtue of the authority vested in me by the Constitution and in pursuance of my duty, call the 31st Arizona Legislature to meet in First Special Session in the Capitol on Monday, the 22nd day of October, 1973, at 12 Noon.

The following are the subjects to be considered during this special session:

1. Any matter relating to the extension of a reasonable period of time for payment of ad valorem property taxes and the time for filing of actions for refunds thereof and for the allowance of administrative refunds arising out of erroneous classification of property and errors in the administration of the ad valorem property tax exemptions.
2. Any and all matters relating to the efficient operation and financing of the common schools and the high schools within the public school system of the State of Arizona, including any matter germane to the raising and distribution of revenue for the public schools.
3. Any other matters that may arise as a result of any legislative action on the first two subjects.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Arizona.



DONE at the Capitol in Phoenix this 17th day of October in the year of our Lord One Thousand Nine Hundred and Seventy-three and of the Independence of the United States the One Hundred and Ninety-eighth.

JACK WILLIAMS
Governor

ATTEST:
WESLEY BOLIN
Secretary of State

**GOVERNOR'S
MESSAGE**

PRESENTED TO THE LEGISLATURE

BY

GOVERNOR JACK WILLIAMS

SPECIAL SESSION

OCTOBER 22, 1973 – 12:00 NOON

My Friends:

In 1968, so pressing were the problems of the state that four Special Sessions were called.

It was on that occasion I remarked: You have returned to these familiar halls to complete your important work; but I also added: The problems of government are never solved, so, you are here this noon to reapply yourself to one of the most vexing and most important of all our responsibilities—the efficient operation and financing of the common and high schools within the public school system of the state of Arizona. Essentially, we seek equalization of opportunity and fair application of taxes for this purpose.

We should also recognize the importance of local control.

Costs have gone up alarmingly, oppressive taxes upon citizens in certain areas are reaching exaggerated proportions.

It is true that you have voted tax relief for older citizens to take effect next year. But, some local districts find themselves literally taxed beyond measure for the support of their children's education today.

We are bound by our constitution as follows: "The Legislature shall provide for a system of common schools by which a free school shall be established and maintained in every school district."

I have also included in this call the possibility of enactment of emergency legislation relating to certain technical problems which have arisen with the administration of widows' exemption and classification provisions of recent legislation that might possibly deny some deserving people of the benefits that they would otherwise be entitled to.

It is my hope that our work can be accomplished speedily and effectively, and despite the almost insurmountable obstacles ahead that you can finish without rancor or recrimination and supply the state with a new legislative solution for financing education in Arizona that will be a model for all the nation.

ACTS

LAWS OF ARIZONA

CHAPTER 1

House Bill 2003

AN ACT

RELATING TO TAXATION; PROVIDING FOR ADMINISTRATIVE RELIEF FOR IMPROPER CLASSIFICATION OF PROPERTY; PROVIDING FOR APPROVAL BY COUNTY BOARD OF SUPERVISORS FOR COUNTY TREASURER TO CORRECT CERTAIN OMISSIONS AND ERRORS IN THE TAX ROLL; PROVIDING FOR RETROACTIVE AUTHORITY TO PAY CERTAIN REFUNDS AND ASSESS FOR CERTAIN DEFICIENCIES; EXEMPTING CERTAIN CLASSES OF PROPERTY FROM PAYMENT OF PENALTIES FOR FAILURE TO PAY CERTAIN PROPERTY TAXES PROVIDED THAT SAID TAXES ARE PAID ON OR BEFORE NOVEMBER 20, 1973; PROVIDING THAT APPEALS IN RESPECT TO CERTAIN DESCRIBED PROPERTY MAY BE TAKEN ON OR BEFORE NOVEMBER 20, 1973, AND AMENDING LAWS 1973, CHAPTER 182, SECTION 10, ARIZONA REVISED STATUTES.

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

Section 1. Administrative relief for improper classification of property; corrections on 1973 tax roll

A. After first obtaining approval of the county board of supervisors in open meeting, the county treasurer shall make the necessary corrections of omissions and errors in a tax roll that are attributable to improper classification.

B. When omissions and errors have been corrected in accordance with subsection A of this section, the county treasurer shall:

1. If the tax due is determined to be in excess of the amount paid, notify the taxpayer of the correction and deficiency. No interest or penalty shall commence to accrue in respect to such tax until sixty days after such notification is mailed to the taxpayer at the address shown on the tax roll.

2. If the tax due is determined to be less than the amount paid, notify the taxpayer of the correction and refund any taxes that have been

LAWS OF ARIZONA

overpaid by the taxpayer in accordance with the refund procedure prescribed in section 42-204.01, Arizona Revised Statutes.

C. The provisions of this section shall apply to correction of omissions and errors on the 1973 tax roll only.

Sec. 2. Laws 1973, chapter 182, section 10, Arizona Revised Statutes, is amended to read:

Sec. 10. Forwarding tax roll to county treasurer; tax statement; payment dates

A. Notwithstanding the provisions of section 42-310, subsection B, Arizona Revised Statutes, the county board of supervisors in performing its powers and duties pursuant to such section for the tax year 1973 shall deliver the assessment and tax roll and the cross index to the county treasurer on or before the first Monday in October.

B. When the secured and unsecured property tax rolls are delivered to the county treasurer the county board of supervisors shall indicate the total amount by which property taxes have been reduced under provisions of this act on property in each of the common school districts, high school districts, community college district, incorporated cities and towns and the county.

C. NOTWITHSTANDING THE PROVISIONS OF SECTION 42-342, SUBSECTION B, PARAGRAPHS 2 AND 4, ARIZONA REVISED STATUTES, THAT PORTION OF THE TAXES DUE AND PAYABLE FOR THE TAX YEAR 1973 PURSUANT TO SECTION 42-342, SUBSECTION B, PARAGRAPH 2, ARIZONA REVISED STATUTES, ON THE FOLLOWING PROPERTY:

1. CLASS THREE:

ALL REAL AND PERSONAL PROPERTY DEVOTED TO ANY COMMERCIAL OR INDUSTRIAL USE OTHER THAN PROPERTY INCLUDED IN CLASSES ONE, TWO OR FOUR, INCLUDING BUT NOT LIMITED TO LAND, THE IMPROVEMENTS THERETO OR ANY PART OF SUCH LAND OR IMPROVEMENTS LEASED OR RENTED FOR RESIDENTIAL USE; AND

2. CLASS FOUR:

LAWS OF ARIZONA

(a) ALL REAL PROPERTY AND THE IMPROVEMENTS THERETO, IF ANY, USED FOR AGRICULTURAL PURPOSES, AND ALL OTHER REAL PROPERTY AND THE IMPROVEMENTS THERETO, IF ANY, NOT INCLUDED IN CLASSES ONE, TWO, THREE OR FIVE; AND

(b) ALL PERSONAL PROPERTY USED FOR AGRICULTURAL PURPOSES, AND ALL OTHER PERSONAL PROPERTY NOT INCLUDED IN CLASSES ONE, TWO, THREE OR FIVE; AND

3. CLASS FIVE:

ALL REAL PROPERTY AND THE IMPROVEMENTS THERETO AND PERSONAL PROPERTY USED FOR RESIDENTIAL PURPOSES AND NOT OTHERWISE INCLUDED IN CLASSES 1, 2, 3 OR 4;

AS PROVIDED IN SECTION 42-136, ARIZONA REVISED STATUTES, WHICH BECAME DELINQUENT AFTER FIVE O'CLOCK P.M. ON NOVEMBER 1, 1973, SHALL BE EXEMPT FROM THE PAYMENT OF PENALTIES AND ACCRUED INTEREST IN THE EVENT THAT SUCH TAXES ARE PAID IN FULL ON OR BEFORE FIVE O'CLOCK P.M. ON THE TWENTIETH DAY OF NOVEMBER, 1973. NOTWITHSTANDING THE PROVISIONS OF SUBSECTION B OF SECTION 42-146, ARIZONA REVISED STATUTES OR ANY OTHER PROVISION OF THE LAW TO THE CONTRARY, APPEALS FOR THE 1973 TAXES MAY BE TAKEN PURSUANT TO SECTION 42-151, ARIZONA REVISED STATUTES, IN RESPECT TO PROPERTY DESCRIBED IN THIS SUBSECTION ON OR BEFORE FIVE O'CLOCK P.M. ON THE TWENTIETH DAY OF NOVEMBER, 1973.

~~C.~~ D. The county board of supervisors shall provide for inclusion of the following information on the tax statements for the taxable year 1973, which shall be in addition to the usual information on such statements:

- 1. The total amount due for tax under the provisions of section 42-309 or section 42-607, Arizona Revised Statutes.
- 2. The amount that such tax total was reduced pursuant to this act.
- 3. The net property tax due.
- 4. Reference to this legislative act as the authority by which such property tax reduction was provided.

LAWS OF ARIZONA

Sec. 3. Expiration dates

- A. The provisions of section 1 of this act shall expire on June 1, 1974.
- B. The provisions of section 2 of this act shall expire on January 31, 1975.

Sec. 4. Emergency

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor—October 31, 1973

Filed in the Office of the Secretary of State—October 31, 1973

CHAPTER 2

House Bill 2001

AN ACT

RELATING TO TAXATION; PRESCRIBING CERTAIN RATES, EXCEPTIONS, EXEMPTIONS, ALLOWABLE DEDUCTIONS AND DISTRIBUTION OF PROCEEDS; IMPOSING AND LEVYING AN ADDITIONAL PROPERTY TAX FOR EDUCATIONAL PURPOSES; REVISING CERTAIN PERCENTAGES USED AS A BASIS FOR DETERMINATION OF ASSESSED VALUATION; PROVIDING FOR EDUCATIONAL SECURED AND UNSECURED PROPERTY TAX REDUCTIONS; INCREASING CERTAIN LUXURY PRIVILEGE TAXES ON SPIRITUOUS LIQUOR AND CIGARETTES; PROVIDING FOR EXEMPTION OF CERTAIN FOOD AND FOOD PRODUCTS FOR HUMAN CONSUMPTION FROM TRANSACTION PRIVILEGE TAX; INCREASING THE EDUCATION EXCISE TAX AND THE SPECIAL EXCISE TAX FOR EDUCATION; IMPOSING AND LEVYING A REIMBURSEMENT TAX ON THE PRIVILEGE OF DOING CERTAIN BUSINESS AND ON THE STORAGE, USE OR

LAWS OF ARIZONA

CONSUMPTION OF CERTAIN TANGIBLE PERSONAL PROPERTY; PROVIDING FOR DISTRIBUTION OF REIMBURSEMENT TAX; INCREASING INCOME TAXES ON CORPORATIONS; AMENDING SECTION 20-226, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-108.02; AMENDING SECTION 42-227, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 5.1; AMENDING SECTION 42-342, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 3, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 4; AMENDING SECTIONS 42-1204, 42-1231, 42-1312, 42-1314 AND 42-1315, ARIZONA REVISED STATUTES; AMENDING SECTION 42-1361, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1973, CHAPTER 123, SECTION 117; AMENDING SECTION 42-1371, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1973, CHAPTER 123, SECTION 119; AMENDING TITLE 42, CHAPTER 8, ARIZONA REVISED STATUTES, BY ADDING ARTICLES 1.3 AND 1.4; AMENDING SECTION 43-102, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1973, CHAPTER 46, SECTION 1; AMENDING SECTION 43-128.01, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 1973, CHAPTER 182, SECTION 15; AMENDING SECTION 43-196, ARIZONA REVISED STATUTES; PROVIDING FOR REFERENDUM RELATING TO TAXATION, FOOD EXEMPTION AND REIMBURSEMENT TAX; PROVIDING FOR CONDITIONAL ENACTMENT AND EFFECTIVE DATES, AND MAKING APPROPRIATIONS.

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

Section 1. Section 20-226, Arizona Revised Statutes, is amended to read:

20-226. Exclusive character of premium tax; exceptions

A. With respect to authorized insurers the premium tax provided by section 20-224 shall be payment in full and in lieu of all other demands for any and all state, county, district, municipal and school taxes, licenses and excises of whatever kind or character, excepting only:

1. The fees prescribed by this title. ~~and~~

LAWS OF ARIZONA

2. Taxes on real and tangible personal property located within this state.

3. THE TRANSACTION PRIVILEGE TAXES, THE EDUCATION EXCISE TAX, THE SPECIAL EXCISE TAX FOR EDUCATION AND THE USE TAX IMPOSED AS PROVIDED IN TITLE 42, CHAPTER 8, ARTICLES 1, 1.1, 1.2 AND 2.

4. THE TRANSACTION PRIVILEGE TAXES AND USE TAXES IMPOSED BY ANY COUNTY, CITY OR TOWN.

B. EXCEPT AS PROVIDED IN SUBSECTION A, the state pre-empts the field of imposing excise, privilege, franchise, income, license and similar taxes upon insurers and their general agents and agents as such, and on the intangible property of insurers or such agents. EXCEPT AS PROVIDED IN SUBSECTION A, no county, municipality, district, school district or other political subdivision or agency in this state shall levy upon insurers, or upon their general agents and agents as such, any tax additional to such as are levied in this title.

Sec. 2. Title 42, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 42-108.02, to read:

42-108.02. Education property tax; levy

IN ADDITION TO THE PROPERTY TAX OTHERWISE IMPOSED AND LEVIED AS PROVIDED BY LAW, THERE IS IMPOSED AND LEVIED BY THE STATE, FOR EDUCATIONAL PURPOSES ON ALL CLASSES OF PROPERTY AS ENUMERATED IN SECTION 42-136, AN EDUCATIONAL PROPERTY TAX AT THE RATE OF SEVENTY-FIVE CENTS ON EACH ONE HUNDRED DOLLARS OF ASSESSED VALUATION APPLICABLE TO EACH SUCH CLASS OF PROPERTY PURSUANT TO SECTIONS 42-136 AND 42-227.

Sec. 3. Section 42-227, Arizona Revised Statutes, is amended to read:

42-227. Valuation of property at market value, separate valuation of land and improvements; basis for determination of assessed valuation

A. For property tax purposes the valuation of all taxable property shall be determined at its market value. The valuation of land and improvements thereon shall be determined separately. The combined

LAWS OF ARIZONA

valuation of all land and improvements shall not exceed the market value of the total property.

B. As a basis for determining the assessed valuation for the different classes of property specified in section 42-136, the following percentages shall apply:

- 1. Class one: sixty per cent of its full cash value.
- 2. Class two: ~~forty~~ FIFTY per cent of its full cash value.
- 3. Class three: ~~twenty-five~~ TWENTY-SEVEN per cent of its full cash value.
- 4. Class four: eighteen per cent of its full cash value.
- 5. Class five: ~~eighteen~~ FIFTEEN per cent of its full cash value.

C. The valuation determined for producing oil and gas interests valued under the provisions of section 42-124 and sections 42-227.01 through 42-227.04 shall be the assessed valuation for such property.

D. Upon preparation of the rolls, the assessor shall apply the appropriate percentage to the full cash value of all property so that the assessed valuation will be shown thereon.

Sec. 4. Title 42, Chapter 2, Arizona Revised Statutes, is amended, by adding a new article 5.1, to read:

ARTICLE 5.1 EDUCATIONAL SECURED PROPERTY TAX REDUCTION

42-371. Adjustments to levy of tax for the secured property tax roll

A. EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR EACH TAX YEAR BEGINNING WITH THE TAX YEAR 1974 THE COUNTY BOARD OF SUPERVISORS, SUBJECT TO LEGISLATIVE APPROPRIATION THEREFOR, SHALL REDUCE THE PROPERTY TAX TO BE COLLECTED FOR COMMON AND HIGH SCHOOL DISTRICTS ON EACH PARCEL OF PROPERTY INCLUDED IN CLASS FIVE IN ACCORDANCE WITH SECTION 42-136, FROM THE LEVEL COMPUTED PURSUANT TO SECTION 42-309 IN THE FOLLOWING MANNER:

LAWS OF ARIZONA

1. FOR ELIGIBLE PROPERTY IN COMMON SCHOOL DISTRICTS:

(a) MULTIPLY THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM AS DETERMINED PURSUANT TO SECTION 15-1202.03 BY THE NUMBER OF STATE SUPPORTED CLASSROOMS IN THE DISTRICT AS DEFINED BY SECTION 15-1601.

(b) DIVIDE THE BUDGET COST LEVEL FOR THE DISTRICT BY THE PRODUCT PRODUCED IN SUBDIVISION (a).

(c) IF THE QUOTIENT DETERMINED IN SUBDIVISION (b) IS LESS THAN 1.3, PROCEED AS FOLLOWS:

(i) COMPUTE THE DISTRICT TAX RATE NEEDED WHICH WITH STATE AID WILL PRODUCE THE TOTAL REVENUE REQUIRED TO FUND THE BUDGET COST LEVEL.

(ii) FROM THE RATE PRODUCED IN ITEM (i), SUBTRACT TEN CENTS.

(iii) APPLY THE RATE PRODUCED IN ITEM (ii) TO THE ASSESSED VALUATION OF EACH ELIGIBLE PROPERTY IN THE DISTRICT WHICH AMOUNT SHALL BE THE PROPERTY TAX REDUCTION TO WHICH THE TAXPAYER IS ELIGIBLE.

(d) IF THE QUOTIENT DETERMINED IN SUBDIVISION (b) IS GREATER THAN 1.3, PROCEED AS FOLLOWS:

(i) COMPUTE THE DISTRICT TAX RATE NEEDED WHICH WITH STATE AID WOULD PRODUCE THE TOTAL REVENUE REQUIRED TO FUND A BUDGET COST LEVEL EQUAL TO THE AMOUNT PRODUCED IN SUBDIVISION (a) MULTIPLIED BY 1.3.

(ii) FROM THE RATE PRODUCED IN ITEM (i), SUBTRACT TEN CENTS.

(iii) APPLY THE RATE PRODUCED IN ITEM (ii) TO THE ASSESSED VALUATION OF EACH ELIGIBLE PROPERTY IN THE DISTRICT WHICH AMOUNT SHALL BE THE PROPERTY TAX REDUCTION TO WHICH THE TAXPAYER IS ELIGIBLE.

2. FOR ELIGIBLE PROPERTY IN HIGH SCHOOL DISTRICTS:

LAWS OF ARIZONA

(a) MULTIPLY THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM AS DETERMINED PURSUANT TO SECTION 15-1202.03 BY THE NUMBER OF STATE SUPPORTED CLASSROOMS IN THE DISTRICT AS DEFINED BY SECTION 15-1601.

(b) DIVIDE THE BUDGET COST LEVEL FOR THE DISTRICT BY THE PRODUCT PRODUCED IN SUBDIVISION (a).

(c) IF THE QUOTIENT DETERMINED IN SUBDIVISION (b) IS LESS THAN 1.3, PROCEED AS FOLLOWS:

(i) COMPUTE THE DISTRICT TAX RATE NEEDED WHICH WITH STATE AID WILL PRODUCE THE TOTAL REVENUE REQUIRED TO FUND THE BUDGET COST LEVEL.

(ii) FROM THE RATE PRODUCED IN ITEM (i), SUBTRACT TEN CENTS.

(iii) APPLY THE RATE PRODUCED IN ITEM (ii) TO THE ASSESSED VALUATION OF EACH ELIGIBLE PROPERTY IN THE DISTRICT WHICH AMOUNT SHALL BE THE PROPERTY TAX REDUCTION TO WHICH THE TAXPAYER IS ENTITLED.

(d) IF THE QUOTIENT DETERMINED IN SUBDIVISION (b) IS GREATER THAN 1.3, PROCEED AS FOLLOWS:

(i) COMPUTE THE DISTRICT TAX RATE NEEDED WHICH WITH STATE AID WOULD PRODUCE THE TOTAL REVENUE REQUIRED TO FUND A BUDGET COST LEVEL EQUAL TO THE AMOUNT PRODUCED IN SUBDIVISION (a) MULTIPLIED BY 1.3.

(ii) FROM THE RATE PRODUCED IN ITEM (i), SUBTRACT TEN CENTS.

(iii) APPLY THE RATE PRODUCED IN ITEM (ii) TO THE ASSESSED VALUATION OF EACH ELIGIBLE PROPERTY IN THE DISTRICT WHICH AMOUNT SHALL BE THE PROPERTY TAX REDUCTION TO WHICH THE TAXPAYER IS ENTITLED.

B. THE COUNTY BOARD OF SUPERVISORS SHALL REPORT TO THE STATE TREASURER NOT LATER THAN SEPTEMBER 7 OF EACH YEAR INFORMATION IN WRITING AS TO THE TOTAL

LAWS OF ARIZONA

AMOUNT OF THE PROPERTY TAX REDUCTIONS COMPUTED PURSUANT TO SUBSECTION A OF THIS SECTION.

C. THE STATE TREASURER SHALL TOTAL THE AMOUNTS REPORTED PURSUANT TO SUBSECTION B OF THIS SECTION AND, IF THE TOTAL EXCEEDS THE AMOUNT APPROPRIATED FOR SECURED PROPERTY TAX REDUCTION, THE STATE TREASURER SHALL COMPUTE AND REPORT TO EACH COUNTY BOARD OF SUPERVISORS NOT LATER THAN SEPTEMBER 14 OF EACH YEAR AN IDENTICAL PERCENTAGE BY WHICH THE PROPERTY TAX REDUCTIONS COMPUTED IN EACH COUNTY PURSUANT TO SUBSECTION A OF THIS SECTION ARE TO BE REDUCED IN ORDER TO LIMIT THE TOTAL OF SUCH REDUCTIONS TO AN AMOUNT NOT IN EXCESS OF THE AMOUNT APPROPRIATED FOR SECURED PROPERTY TAX REDUCTION.

D. THE COUNTY BOARD OF SUPERVISORS SHALL ADJUST THE PROPERTY TAX REDUCTIONS COMPUTED FOR EACH PARCEL OF PROPERTY AS PROVIDED IN SUBSECTION A OF THIS SECTION BY THE PERCENTAGE FACTOR IF ANY IS PROVIDED BY THE STATE TREASURER PURSUANT TO SUBSECTION C OF THIS SECTION.

E. THE COUNTY BOARD OF SUPERVISORS IN PREPARING THE ASSESSMENT AND TAX ROLL FOR EACH YEAR PURSUANT TO SECTION 42-309, SHALL REDUCE THE COMPUTED PROPERTY TAXES FOR EACH ELIGIBLE PARCEL BY THE ADJUSTED PROPERTY TAX REDUCTION COMPUTED PURSUANT TO THIS SECTION.

42-372. Forwarding tax roll to county treasurer; tax statement

A. NOTWITHSTANDING THE PROVISIONS OF SECTION 42-310, SUBSECTION B, FOR EACH YEAR IN WHICH THE LEGISLATURE APPROPRIATES FUNDS FOR PROPERTY TAX REDUCTION PURSUANT TO THIS ARTICLE, THE COUNTY BOARD OF SUPERVISORS IN PERFORMING ITS POWERS AND DUTIES PURSUANT TO SUCH SECTION FOR EACH YEAR SHALL DELIVER THE ASSESSMENT AND TAX ROLL AND THE CROSS INDEX TO THE COUNTY TREASURER ON OR BEFORE THE FIRST MONDAY IN OCTOBER.

B. WHEN THE SECURED AND UNSECURED PROPERTY TAX ROLLS ARE DELIVERED TO THE COUNTY TREASURER THE

LAWS OF ARIZONA

COUNTY BOARD OF SUPERVISORS SHALL INDICATE THE TOTAL AMOUNT BY WHICH PROPERTY TAXES HAVE BEEN REDUCED UNDER PROVISIONS OF THIS ARTICLE ON ELIGIBLE PROPERTY IN EACH OF THE COMMON SCHOOL DISTRICTS AND HIGH SCHOOL DISTRICTS.

C. FOR EACH YEAR IN WHICH THE LEGISLATURE APPROPRIATES FUNDS FOR PROPERTY TAX REDUCTION PURSUANT TO THIS ARTICLE, THE COUNTY BOARD OF SUPERVISORS SHALL PROVIDE FOR INCLUSION OF THE FOLLOWING INFORMATION ON THE TAX ROLL AND ON THE TAX STATEMENTS, IF PROVIDED BY THE COUNTY TREASURER, FOR THE TAX YEAR WHICH SHALL BE IN ADDITION TO THE USUAL INFORMATION ON SUCH ROLL AND STATEMENTS:

- 1. THE TOTAL AMOUNT DUE FOR TAX UNDER THE PROVISIONS OF SECTION 42-309 OR 42-607.
- 2. THE AMOUNT THAT SUCH TAX TOTAL WAS REDUCED PURSUANT TO THIS ARTICLE OR ARTICLE 4 OF CHAPTER 3 OF THIS TITLE.
- 3. THE NET PROPERTY TAX DUE.
- 4. REFERENCE TO THE SCHOOL REFINANCING LAW AS THE AUTHORITY BY WHICH SUCH PROPERTY TAX REDUCTION WAS PROVIDED.

42-373. Reimbursement by state treasurer to county treasurers; distribution

A. THE STATE TREASURER SHALL REMIT TO EACH COUNTY TREASURER AN AMOUNT EQUAL TO THE TOTAL REDUCTIONS COMPUTED PURSUANT TO SUBSECTION E OF SECTION 42-371. THESE REIMBURSEMENTS SHALL BE PAID IN FOUR EQUAL PAYMENTS BY NOT LATER THAN THE LAST WORKING DAY OF OCTOBER, NOVEMBER, APRIL AND MAY.

B. THE COUNTY TREASURER SHALL SUBMIT TO THE STATE TREASURER, ON A FORM FURNISHED BY THE STATE TREASURER, A MONTHLY CLAIM FOR REIMBURSEMENT BY THE STATE TREASURER TO THE COUNTY TREASURER FOR THE

LAWS OF ARIZONA

TOTAL AMOUNT OF THE TAX REDUCTIONS MADE PURSUANT TO SUBSECTION C OF SECTION 42-671. THE STATE TREASURER SHALL REMIT THE AMOUNT OF EACH SUCH CLAIM TO THE COUNTY TREASURER NOT LATER THAN THIRTY DAYS AFTER RECEIPT OF THE CLAIM.

C. THE COUNTY TREASURER SHALL, UPON RECEIPT OF REIMBURSEMENTS FROM THE STATE TREASURER AS PROVIDED IN SUBSECTIONS A AND B, DISTRIBUTE SUCH MONIES TO THE COMMON SCHOOL DISTRICTS AND HIGH SCHOOL DISTRICTS IN THE PROPORTION THAT EACH WOULD HAVE RECEIVED HAD SUCH TAX REDUCTION NOT BEEN GRANTED.

Sec. 5. Section 42-342, Arizona Revised Statutes, is amended to read:

42-342. Notice of taxes due; publication

A. The roll with the warrant affixed shall be the authority of the treasurer to collect the taxes therein levied.

B. Immediately upon receipt of the tax roll from the board of supervisors, the county treasurer shall publish an official notice specifying:

1. That the assessment and tax roll of the county for the year is now in his possession for collection of the taxes levied.

2. That one-half of the taxes on all personal property secured by real property and one-half of the taxes on all real property will be due and payable the first day of September ~~and~~ EXCEPT WHEN THE LEGISLATURE APPROPRIATES FUNDS FOR PROPERTY TAX REDUCTION PURSUANT TO ARTICLE 5.1, IN WHICH CASE ONE-HALF OF THE TAXES WILL BE DUE AND PAYABLE THE FIRST DAY OF OCTOBER. IN EITHER CASE SUCH TAXES will be delinquent on the following first day of November at five o'clock p. m., and ~~that~~ unless paid prior thereto interest from the time of the delinquency at the rate of ten per cent per annum prorated monthly as of the first day of the month until paid, will be added thereto.

3. That the remaining one-half of such taxes will be due and payable on and after the first day of March next and will be delinquent on the following first day of May at five o'clock p. m., unless paid prior thereto, with a like interest.

LAWS OF ARIZONA

4. If November 1 or May 1 is a Saturday, Sunday or legal holiday, the time of delinquency is five o'clock p. m. on the next business day.

5. That all taxes may be paid at the time the first installment is due and payable, and stating when and where payment of taxes may be made.

C. The notice shall be published once a week for four consecutive weeks in a newspaper published in the county, or if no newspaper is published in the county, notice shall be posted in each voting precinct of the county.

D. No other demand for taxes is necessary, but every person subject to taxation shall pay his taxes before they become delinquent at the office of the county treasurer.

Sec. 6. Title 42, chapter 3, Arizona Revised Statutes, is amended by adding a new article 4, to read:

ARTICLE 4.
EDUCATIONAL UNSECURED PROPERTY
TAX REDUCTION

42-671. Adjustments to levy of tax for the unsecured property tax roll

A. EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR THE TAX EXTENSION AND LEVY PERIOD BEGINNING JANUARY 1 AND ENDING DECEMBER 31, THE COUNTY BOARD OF SUPERVISORS, SUBJECT TO LEGISLATIVE APPROPRIATION THEREFOR, SHALL REDUCE THE PROPERTY TAX TO BE COLLECTED FOR COMMON AND HIGH SCHOOL DISTRICTS ON EACH ITEM OF PROPERTY INCLUDED IN CLASS FIVE IN ACCORDANCE WITH SECTION 42-136, FROM THE LEVEL COMPUTED PURSUANT TO SECTION 42-607 IN THE FOLLOWING MANNER:

1. FOR ELIGIBLE PROPERTY IN COMMON SCHOOL DISTRICTS:

(a) MULTIPLY THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM AS DETERMINED PURSUANT TO SECTION 15-1202.03 BY THE NUMBER OF STATE SUPPORTED CLASSROOMS IN THE DISTRICT AS DEFINED BY SECTION 15-1601.

(b) DIVIDE THE BUDGET COST LEVEL FOR THE DISTRICT BY THE PRODUCT PRODUCED IN SUBDIVISION (a).

LAWS OF ARIZONA

(c) IF THE QUOTIENT DETERMINED IN SUBDIVISION (b) IS LESS THAN 1.3, PROCEED AS FOLLOWS:

(i) COMPUTE THE DISTRICT TAX RATE NEEDED WHICH WITH STATE AID WILL PRODUCE THE TOTAL REVENUE REQUIRED TO FUND THE BUDGET COST LEVEL.

(ii) FROM THE RATE PRODUCED IN ITEM (i), SUBTRACT TEN CENTS.

(iii) APPLY THE RATE PRODUCED IN ITEM (ii) TO THE ASSESSED VALUATION OF EACH ELIGIBLE PROPERTY IN THE DISTRICT WHICH AMOUNT SHALL BE THE PROPERTY TAX REDUCTION TO WHICH THE TAXPAYER IS ENTITLED.

(d) IF THE QUOTIENT DETERMINED IN SUBDIVISION (b) IS GREATER THAN 1.3, PROCEED AS FOLLOWS:

(i) COMPUTE THE DISTRICT TAX RATE NEEDED WHICH WITH STATE AID WOULD PRODUCE THE TOTAL REVENUE REQUIRED TO FUND A BUDGET COST LEVEL EQUAL TO THE AMOUNT PRODUCED IN SUBDIVISION (a) MULTIPLIED BY 1.3.

(ii) FROM THE RATE PRODUCED IN ITEM (i), SUBTRACT TEN CENTS.

(iii) APPLY THE RATE PRODUCED IN ITEM (ii) TO THE ASSESSED VALUATION OF EACH ELIGIBLE PROPERTY IN THE DISTRICT WHICH AMOUNT SHALL BE THE PROPERTY TAX REDUCTION TO WHICH THE TAXPAYER IS ENTITLED.

2. FOR ELIGIBLE PROPERTY IN HIGH SCHOOL DISTRICTS:

(a) MULTIPLY THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM AS DETERMINED PURSUANT TO SECTION 15-1202.03 BY THE NUMBER OF STATE SUPPORTED CLASSROOMS IN THE DISTRICT AS DEFINED BY SECTION 15-1601.

(b) DIVIDE THE BUDGET COST LEVEL FOR THE DISTRICT BY THE PRODUCT PRODUCED IN SUBDIVISION (a).

(c) IF THE QUOTIENT DETERMINED IN SUBDIVISION (b) IS LESS THAN 1.3, PROCEED AS FOLLOWS:

LAWS OF ARIZONA

(i) COMPUTE THE DISTRICT TAX RATE NEEDED WHICH WITH STATE AID WILL PRODUCE THE TOTAL REVENUE REQUIRED TO FUND THE BUDGET COST LEVEL.

(ii) FROM THE RATE PRODUCED IN ITEM (i), SUBTRACT TEN CENTS.

(iii) APPLY THE RATE PRODUCED IN ITEM (ii) TO THE ASSESSED VALUATION OF EACH ELIGIBLE PROPERTY IN THE DISTRICT WHICH AMOUNT SHALL BE THE PROPERTY TAX REDUCTION TO WHICH THE TAXPAPER IS ENTITLED.

(d) IF THE QUOTIENT DETERMINED IN SUBDIVISION (b) IS GREATER THAN 1.3, PROCEED AS FOLLOWS:

(i) COMPUTE THE DISTRICT TAX RATE NEEDED WHICH WITH STATE AID WOULD PRODUCE THE TOTAL REVENUE REQUIRED TO FUND A BUDGET COST LEVEL EQUAL TO THE AMOUNT PRODUCED IN SUBDIVISION (a) MULTIPLIED BY 1.3.

(ii) FROM THE RATE PRODUCED IN ITEM (i), SUBTRACT TEN CENTS.

(iii) APPLY THE RATE PRODUCED IN ITEM (ii) TO THE ASSESSED VALUATION OF EACH ELIGIBLE PROPERTY IN THE DISTRICT WHICH AMOUNT SHALL BE THE PROPERTY TAX REDUCTION TO WHICH THE TAXPAYER IS ENTITLED.

B. THE COUNTY BOARD OF SUPERVISORS SHALL ADJUST THE PROPERTY TAX REDUCTIONS COMPUTED FOR EACH ITEM OF PROPERTY AS PROVIDED IN SUBSECTION A OF THIS SECTION BY THE PERCENTAGE FACTOR IF ANY IS PROVIDED BY THE STATE TREASURER PURSUANT TO SUBSECTION C OF SECTION 42-371.

C. THE COUNTY BOARD OF SUPERVISORS IN PREPARING THE PERSONAL PROPERTY TAX ROLL FOR THE EXTENSION AND LEVY PERIOD BEGINNING JANUARY 1 AND ENDING DECEMBER 31 PURSUANT TO SECTION 42-607, SHALL REDUCE THE COMPUTED PROPERTY TAXES FOR EACH ITEM BY THE ADJUSTED PROPERTY TAX REDUCTION COMPUTED PURSUANT TO THIS SECTION.

Sec. 7. Section 42-1204, Arizona Revised Statutes, is amended to read:

LAWS OF ARIZONA

42-1204. Levy of tax; purpose; classification of luxuries; applicable rate

A. In addition to all other taxes there is levied and imposed and there shall be collected and paid to the state treasurer in the manner provided by this article, upon all malt extracts, or derivatives or combinations thereof, on all spirituous, vinous, and malt liquors, on all cigarettes, cigars, smoking tobacco, plug tobacco, snuff and other forms of tobacco, for the purpose of raising funds to provide public unemployment, ~~AND~~ welfare relief, and as may be prescribed by law the following tax:

1. On each pound of sixteen ounces or fractions thereof of all malt extracts, or derivatives or combination thereof, except malt used in the manufacture of bread and dextrines of malt used for feeding infants and invalids, fifteen cents, but the license tax imposed by this paragraph shall be refunded when the amount thereof has been paid, and when proof is thereafter made to the state treasurer that the malt extract, or derivative or combination thereof, has been used for other than preparation of a beverage.

2. On each sealed container of spirituous liquor at the rate of two dollars FIFTY CENTS per gallon and at a proportionate rate for any lesser or greater quantity than one gallon.

3. On each container of vinous liquor of which the alcoholic content is not greater than twenty-four per cent by volume, containing sixteen ounces or less, five and one-fourth cents, and for each sixteen ounces for containers containing more than sixteen ounces, five and one-fourth cents.

4. On each container of vinous liquor of which the alcoholic content is greater than twenty-four per cent by volume, containing eight ounces or less, twelve and one-half cents, and for each eight ounces for containers containing more than eight ounces, twelve and one-half cents.

5. On each gallon of malt liquor, eight cents.

6. On each twenty cigarettes or fractional part thereof, two cents.

7. On smoking tobacco, snuff, fine cut chewing tobacco, cut and granulated tobacco, shorts and refuse of fine cut chewing tobacco, and refuse, scraps, clippings, cuttings and sweepings of tobacco, excluding tobacco powder or tobacco products used exclusively for agricultural or horticultural purposes and unfit for human consumption, one cent per ounce or major fraction thereof.

LAWS OF ARIZONA

8. All cavendish, plug or twist tobacco, one-fourth cent per ounce or fractional part thereof.

9. On each twenty small cigars or fractional part thereof weighing not more than three pounds per thousand, two cents.

10. On cigars of all descriptions except those included in paragraph 9 of this section, made of tobacco or any substitute therefor, if manufactured to retail at not more than five cents each, one cent on each three cigars, but if manufactured to retail at more than five cents each, one cent on each cigar.

B. Of the funds collected as prescribed by the terms of subsection A, paragraphs 2 and 4, three and one-half cents of each of the items prescribed in such paragraphs shall be allocated for the purpose of raising funds for the central Arizona project, ~~common and high school equalization and financial assistance~~ AND THE STATE SCHOOL FUND.

Sec. 8. Section 42-1231, Arizona Revised Statutes, is amended to read:

42-1231. Levy of tax; administration; distribution

A. In addition to the tax levied and imposed by section 42-1204, there is levied and shall be collected and paid to the state treasurer in the manner provided by article 1, chapter 7 of this title, on all cigarettes for the purpose of raising funds for ~~common and high school equalization and financial assistance~~ THE STATE SCHOOL FUND, the following tax which shall be deposited in the state general fund:

1. On each twenty cigarettes or fractional part thereof, ~~eight~~ ELEVEN cents.

B. Unless the context otherwise requires, the provisions of article 1 of this chapter shall govern the administration of the tax imposed by subsection A of this section.

C. Of the funds collected as prescribed by the terms of subsection A, three and one-half cents on each twenty cigarettes or fractional part thereof shall be allocated for the purpose of raising funds for the central Arizona project, ~~common and high school equalization and financial assistance~~ AND THE STATE SCHOOL FUND.

Sec. 9. Section 42-1312, Arizona Revised Statutes, is amended to read:

LAWS OF ARIZONA

42-1312. Tangible personal property; exceptions; classification of proceeds; sales to establishments preparing foods for human consumption

A. The tax imposed by subsection A of section 42-1309 shall be levied and collected at an amount equal to two per cent of the gross proceeds of sales or gross income from the business upon every person engaging or continuing within this state in the business of selling any tangible personal property whatever at retail, but the tax shall not apply to the gross proceeds of sales or gross income from:

1. The sale of stocks and bonds.
2. Professional or personal service occupations, or businesses which involve sales or transfers of tangible personal property only as inconsequential elements thereof.
3. Services rendered in addition to the sale of tangible personal property at retail by businesses or occupations other than those to which subdivisions (a) through (h) of paragraph 2 of section 42-1310 and sections 42-1311 and 42-1313 are applicable.
4. The sale of drugs on the prescription of a member of the medical, dental or veterinarian profession who is licensed by law to administer such drugs.

5. THE SALE OF FOOD AND FOOD PRODUCTS FOR HUMAN CONSUMPTION, EXCEPT AS PROVIDED IN SECTION 42-1313. NO TRANSACTION PRIVILEGE TAX MAY BE IMPOSED ON FOOD OR FOOD PRODUCTS FOR HUMAN CONSUMPTION BY THE STATE NOR BY ANY POLITICAL SUBDIVISION OF THE STATE, EXCEPT AS PROVIDED IN SECTION 42-1313. FOR THE PURPOSE OF THIS PARAGRAPH, "FOOD AND FOOD PRODUCTS" INCLUDE, BUT ARE NOT LIMITED TO, CEREAL AND CEREAL PRODUCTS, MILK AND MILK PRODUCTS, MEAT AND MEAT PRODUCTS, FISH AND FISH PRODUCTS, VEGETABLES AND VEGETABLE PRODUCTS, FRUIT AND FRUIT PRODUCTS, MARGARINE, COOKING OILS AND FATS, SPICES, SALT AND SALT SUBSTITUTES, SUGAR AND SUGAR PRODUCTS OTHER THAN CANDY AND CONFECTIONERY, SUGAR SUBSTITUTES, COFFEE AND COFFEE SUBSTITUTES, TEA, COCOA AND COCOA PRODUCTS OTHER THAN CANDY AND CONFECTIONERY, BUT DOES NOT INCLUDE ANY SPIRITUOUS LIQUOR, AS DEFINED IN SECTION 4-101, OR ANY SOFT DRINK. THE PROVISIONS OF THIS PARAGRAPH SHALL BECOME EFFECTIVE FROM AND AFTER JUNE 30, 1975.

LAWS OF ARIZONA

B. When any person is engaged in an occupation or business to which subsection A of this section is applicable, such person's books shall be kept so as to show separately the gross proceeds of sales of tangible personal property and the gross income from sales of services, and if not so kept the tax shall be imposed upon the total of such person's gross proceeds of sales of tangible personal property and gross income from services.

C. When any person is engaged in the business of selling tangible personal property at both wholesale and retail, the retail rate shall be applied only to the gross proceeds of the sales made other than at wholesale when such person's books are kept so as to show separately the gross proceeds of sales of each class, and when such books are not so kept the retail rate shall be applied to the gross proceeds of every sale so made.

D. The sale to hotels, restaurants, dining cars, lunch rooms, boarding houses, or similar establishments of articles used by human beings for food, drink or condiment, whether simple, mixed or compounded, where such articles are customarily prepared and served to patrons for consumption on the premises or on such dining cars, shall be deemed wholesale sales as to such commodities, and the person who then resells such commodities in cooked or prepared form shall be deemed to be engaged in the business classified in section 42-1313.

Sec. 10. Section 42-1314, Arizona Revised Statutes, is amended to read:

42-1314. Operating amusement places; exception; leasing or renting of property; exemption

A. The tax imposed by subsection A of section 42-1309 shall be levied and collected at an amount equal to two per cent of the gross proceeds of sales or gross income from the business upon every person engaging or continuing within this state in the following businesses:

1. Operating or conducting theaters, movies, operas, shows of any type or nature, exhibitions, concerts, carnivals, circuses, amusement parks, menageries, fairs, races, contests, games, billiard and pool parlors and bowling alleys, public dances, dance halls, boxing and wrestling matches and any business charging admission fees for exhibition, amusement or instruction, other than projects of bona fide religious or educational institutions.
2. Leasing or renting tangible personal property for a consideration.

LAWS OF ARIZONA

Sales of tangible personal property to be leased or rented to a person engaged in the business of leasing or renting such tangible personal property for a consideration shall be deemed to be resale sales. The tax prescribed under the terms of this paragraph shall not apply to the leasing or renting of that property which if it had been purchased instead of leased or rented by the lessee would have been exempt pursuant to the provisions of section 42-1312.01, section 42-1321, subsection A, paragraph 5, section 42-1409, subsection A, paragraph 10 or section 42-1409, subsection B.

3. Leasing or renting for a consideration the use or occupancy of real property, including any improvements, rights or interest in such property.

B. Until December 1, 1972, the tax prescribed under the terms of paragraph 3, subsection A of this section shall not apply to any written lease or rental agreement entered into prior to December 1, 1967, provided that such exception shall not apply to the businesses of hotels, guest houses, dude ranches and resorts, rooming houses, apartment houses, office buildings, automobile storage garages, parking lots or tourist camps, or to the extension or renewal of any such written lease or rental agreement.

C. The tax prescribed under the terms of subsection A of this section shall not apply to events sponsored by the Arizona coliseum and exposition center board or county fair commissions.

D. Films used in operating or conducting theaters or movies, the operation of which is taxed under subsection A, paragraph 1, of this section, shall be exempt under subsection A, paragraph 2, of this section.

E. For purposes of paragraph 2 of subsection A of this section, persons engaged in the business of, or continuing in the business of, coin-operated washing, drying and dry cleaning machines or coin-operated car washing machines shall not be deemed to be engaged in the business of leasing or renting tangible personal property for a consideration. This exemption shall not apply to suppliers or distributors of tangible personal property sold or leased to persons engaged in the operation of coin-operated washing, drying, dry cleaning and car wash establishments.

F. EFFECTIVE JULY 1, 1974 THE TAX PRESCRIBED UNDER THE TERMS OF PARAGRAPH 3 OF SUBSECTION A OF THIS SECTION SHALL NOT APPLY TO THE LEASING OR RENTING OF DWELLING UNITS, LODGING FACILITIES OR TRAILER OR MOBILE HOME

LAWS OF ARIZONA

SPACES WHICH ARE INTENDED PRIMARILY FOR LEASING OR RENTING TO PERSONS WHO RESIDE IN SUCH UNITS, FACILITIES OR SPACES AS THEIR PERMANENT OR PRINCIPAL PLACES OF RESIDENCE, PROVIDED THAT THE UNITS, FACILITIES OR SPACES ARE OCCUPIED BY THE SAME PERSONS FOR NINETY CONSECUTIVE DAYS OR MORE. THE FIRST NINETY-DAY PERIOD OF ANY SUCH LEASE OR RENTAL SHALL BE SUBJECT TO THE TAX IMPOSED BY THIS SECTION. IT IS THE PURPOSE OF THIS SUBSECTION THAT WHEN THE SAME PERSONS HAVE OCCUPIED THE SAME PERMANENT DWELLING UNIT CONTINUOUSLY FOR NINETY CONSECUTIVE DAYS PRIOR TO THE EFFECTIVE DATE OF THIS EXEMPTION, SUCH TAX SHALL NOT APPLY TO SUCH LEASE OR RENTAL AFTER THE EFFECTIVE DATE.

Sec. 11. Section 42-1315, Arizona Revised Statutes, is amended to read:

42-1315. Poultry and stock feed

The tax imposed by subsection A of section 42-1309 shall be levied and collected at an amount equal to one-fourth of one per cent of the gross proceeds of sales or the gross income from the business upon every person engaging or continuing within this state in the ~~following businesses:~~

~~1. Slaughtering animals for food, packing, processing or compounding meat or meat products.~~ BUSINESS OF

~~2.~~ selling poultry or stock feed, including salts, vitamins or other additives, to poultrymen or producers of poultry and poultry products, or to stockmen or feeders of stock, at wholesale prices, for their own use and not for resale.

Sec. 12. Section 42-1361, Arizona Revised Statutes, as amended by Laws 1973, chapter 123, section 117, is amended to read:

42-1361. Levy of tax

A. There is levied and shall be collected by the department of revenue a tax:

1. On the privilege of doing business in this state, measured by the amount or volume of business transacted by persons on account of their business activities, and in the amounts to be determined by the application, against values, gross proceeds of sales, or gross income, as the

LAWS OF ARIZONA

case may be, in accordance with the provisions and schedules as set forth in title 42, chapter 8, article 1, at rates equal to ~~fifty~~ ONE HUNDRED per cent of the rates imposed in such article EXCEPT AS PRESCRIBED IN PARAGRAPH 3 OF THIS SUBSECTION.

2. On the storage, use or consumption in this state of tangible personal property subject to the tax prescribed by title 42, chapter 8, article 2, at a rate equal to ~~fifty~~ ONE HUNDRED per cent of the rate imposed in such article.

3. ON THE PRIVILEGE OF DOING BUSINESS IN THIS STATE, MEASURED BY THE AMOUNT OR VOLUME OF BUSINESS TRANSACTED ON ACCOUNT OF THEIR BUSINESS ACTIVITIES, AND IN THE AMOUNTS TO BE DETERMINED BY THE APPLICATION, AGAINST VALUES, GROSS PROCEEDS OF SALES OR GROSS INCOME, AS THE CASE MAY BE, AT RATES EQUAL TO FIFTY PER CENT OF THE RATES IMPOSED BY:

(a) SECTION 42-1314 ON REAL PROPERTY INCLUDED IN SUBSECTION A, PARAGRAPH 3 OF SUCH SECTION.

(b) SECTION 42-1315 ON ALL BUSINESSES INCLUDED IN SUCH SECTION.

(c) SECTION 42-1310 ON ALL BUSINESSES INCLUDED IN PARAGRAPH 2, SUBDIVISION (a) OF SUCH SECTION.

B. The tax levied and collected under the terms of this article is designated as the "education excise tax".

Sec. 13. Section 42-1371, Arizona Revised Statutes, as amended by Laws 1973, chapter 123, section 119, is amended to read:

42-1371. **Levy of tax**

A. There is levied and shall be collected by the department of revenue a tax on the privilege of doing business in this state at a rate of ~~one and one-half~~ TWO per cent of the gross proceeds of sales or gross income from the business upon every person engaging or continuing within this state in the following businesses:

1. Transporting for hire persons or property by motor vehicle from one point to another point in this state.

LAWS OF ARIZONA

2. Producing and furnishing, or furnishing to consumers, electricity, electric lights, current, power or gas, natural or artificial, and water. Sales of electricity, current, power or gas, natural or artificial, and water to a distributor who has a transaction privilege tax license issued in this state to resell such property, shall be exempt from the tax under this paragraph.

3. Transmitting local or long distance messages or conversations by telephone, or messages by telegraph, from one point to another point in the state, including gross income derived from tolls, subscriptions and services on behalf of subscribers, or by the publication of a directory of the names of subscribers.

4. Transporting for hire freight or passengers by railroads or aircraft from one point to another point in the state.

5. Publication of newspapers, magazines or other periodicals and publications, when published within the state, including the gross income derived from subscriptions, advertising and notices.

6. Contracting, but payments paid by the contractor for labor employed in construction, improvements or repairs shall not be subject to such tax.

7. Job printing, engraving, embossing and copying, sold to purchasers in this state. The sale of job printing, engraving, embossing and copying to a person in this state who has a transaction privilege tax license issued in this state to resell such property shall be exempt from the tax under this paragraph.

8. Operating pipelines for transporting oil, natural gas, or artificial gas, through pipes or conduits from one point to another point in the state.

9. Operating private car lines, as they are defined in chapter 4, article 3, of this title, from one point to another point in the state.

10. Advertising by billboards, direct mail, radio, television or by any means calculated to appeal to prospective purchasers.

B. There is levied and shall be collected by the department of revenue a tax on the privilege of doing business in this state at a rate of ~~one half of~~ one per cent of the gross proceeds of sales or gross income from the business upon every person engaging or continuing within this state in the business of mining, quarrying, smelting, or producing for sale, profit or

LAWS OF ARIZONA

commercial use, any oil, natural gas, limestone, sand, gravel, copper, gold, silver or other mineral product, compound or combination of mineral products.

C. The tax levied and collected under the terms of this article is designated as the "special excise tax for education."

Sec. 14. Title 42, chapter 8, Arizona Revised Statutes, is amended by adding article 1.3, to read:

ARTICLE 1.3. REIMBURSEMENT TAX

42-1381. **Levy of tax**

A. FROM AND AFTER JUNE 30, 1975, THERE IS LEVIED AND SHALL BE COLLECTED BY THE DEPARTMENT OF REVENUE A TAX:

1. ON ALL PERSONS AND BUSINESS ACTIVITIES TAXED PURSUANT TO SECTIONS 42-1312 AND 42-1313, ON THE PRIVILEGE OF DOING BUSINESS IN THIS STATE AT THE RATE OF ONE PER CENT OF VALUES, GROSS PROCEEDS OF SALES OR GROSS INCOME, AS THE CASE MAY BE.

2. ON THE STORAGE, USE OR CONSUMPTION IN THIS STATE OF TANGIBLE PERSONAL PROPERTY SUBJECT TO THE TAX PRESCRIBED BY SECTION 42-1408, AT A RATE OF ONE PER CENT OF THE SALES PRICE THEREOF.

B. THE EXEMPTIONS PRESCRIBED BY SECTIONS 42-1312, 42-1312.01 AND 42-1409 SHALL ALSO APPLY AND BE EXEMPT FROM THE TAX IMPOSED PURSUANT TO THIS SECTION.

C. THE TAX LEVIED AND COLLECTED UNDER THE TERMS OF THIS ARTICLE IS DESIGNATED AS THE "REIMBURSEMENT TAX".

Sec. 15. Title 42, chapter 8, Arizona Revised Statutes, is amended by adding article 1.4, to read:

ARTICLE 1.4 DISTRIBUTION
OF REIMBURSEMENT TAX42-1382. **Administration**

LAWS OF ARIZONA

UNLESS THE CONTEXT OTHERWISE REQUIRES, THE PROVISIONS OF ARTICLE 1 OF THIS CHAPTER SHALL GOVERN THE ADMINISTRATION OF THE TAX IMPOSED BY PARAGRAPH 1, SUBSECTION A, SECTION 42-1381, AND THE PROVISIONS OF ARTICLE 2 OF THIS CHAPTER SHALL GOVERN THE ADMINISTRATION OF THE TAX IMPOSED BY PARAGRAPH 2, SUBSECTION A, SECTION 42-1381, EXCEPT:

1. NO SEPARATE LICENSE, RETURN OR RECORD SHALL BE REQUIRED, MADE OR KEPT OR FILED, AND THE TAX DUE UNDER PARAGRAPH 1, SUBSECTION A, SECTION 42-1381, SHALL BE INCLUDED AND REPORTED, SHOWN AND PAID WITH THE TRANSACTION PRIVILEGE TAX IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 1 OF THIS CHAPTER. THE TAX DUE UNDER PARAGRAPH 2, SUBSECTION A, SECTION 42-1381, SHALL BE INCLUDED AND REPORTED, SHOWN AND PAID WITH THE USE TAX IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 2 OF THIS CHAPTER.
2. THE PROVISIONS OF SECTION 42-1303 SHALL NOT REQUIRE THE EXECUTION OF A SEPARATE BOND CONDITIONED UPON THE FAITHFUL DISCHARGE OF THE DUTIES OF ANY AGENT OF THE DEPARTMENT OF REVENUE IN THE ADMINISTRATION OF THIS ARTICLE. THE CONDITIONS OF BONDS EXECUTED FOR THE ADMINISTRATION OF ARTICLE 1 SHALL BE ENLARGED TO INCLUDE THE ADMINISTRATION OF THIS ARTICLE.
3. THE PROVISIONS OF SECTIONS 42-1341, 42-1341.01 AND 42-1342 SHALL NOT APPLY TO THIS ARTICLE.
4. THE DEPARTMENT OF REVENUE SHALL EACH DAY REMIT ALL REVENUES COLLECTED UNDER THIS ARTICLE TO THE STATE TREASURER AND THE STATE TREASURER SHALL CREDIT THE PAYMENTS TO A FUND DESIGNATED AS THE REIMBURSEMENT TAX CLEARING ACCOUNT.
5. AFTER DEDUCTING FROM THE REIMBURSEMENT TAX CLEARING ACCOUNT ONLY WARRANTS DRAWN AGAINST THE ACCOUNT BY THE APPLICATION OF SECTIONS 42-1326, 42-1339 AND 42-1413, THE WHOLE OF THE BALANCE THEN REMAINING, WITHOUT ANY FURTHER DEDUCTIONS, SHALL BE CREDITED TO THE REIMBURSEMENT TAX FUND FOR DISTRIBUTION PURSUANT TO SECTION 42-1383.

LAWS OF ARIZONA

6. THE TAX IMPOSED BY THIS ARTICLE SHALL BE A LIEN UPON THE PROPERTY OF ANY PERSON SUBJECT TO THE TAX TO THE EXTENT PROVIDED IN SECTION 42-1337 AND MAY BE INCLUDED, WITHOUT SEGREGATION, IN ANY LIEN FILED FOR UNPAID TAXES UNDER THE PROVISIONS OF THAT SECTION.

7. ANY PERSON AGGRIEVED BY THE ENFORCEMENT OF ANY PROVISIONS OF THIS ARTICLE SHALL HAVE THE RIGHT OF PROTEST AND APPEAL AS PROVIDED BY SECTIONS 42-1338, 42-1338.01 AND 42-1339.

42-1383. **Department powers and duties**

A. PRIOR TO JULY 1 OF EACH FISCAL YEAR, THE DEPARTMENT SHALL:

1. DETERMINE THE CITIES AND TOWNS THAT HAD A CITY OR TOWN TRANSACTION PRIVILEGE TAX AS OF JANUARY 1, 1974.

2. FOR EACH OF THE CITIES AND TOWNS LISTED PURSUANT TO PARAGRAPH 1, ESTIMATE THE AMOUNT OF LOST REVENUE FOR THE ENSUING FISCAL YEAR RESULTING FROM THE EXEMPTION OF FOOD AND FOOD PRODUCTS PURSUANT TO SECTION 42-1312, SUBSECTION A, PARAGRAPH 5 FOR EACH SUCH CITY OR TOWN. FOR THE PURPOSES OF SUCH ESTIMATE, ALL CITIES AND TOWNS LISTED PURSUANT TO PARAGRAPH 1 SHALL BE DEEMED BY THE DEPARTMENT TO HAVE HAD A ONE PER CENT TRANSACTION PRIVILEGE TAX RATE AND TO HAVE IMPOSED SUCH TAX RATE ON SUCH FOOD AND FOOD PRODUCTS.

3. DIVIDE THE ESTIMATE FOR EACH CITY AND TOWN BY TWELVE TO DETERMINE THE MONTHLY PAYMENT TO SUCH CITY OR TOWN FROM THE REIMBURSEMENT TAX FUND.

B. BEGINNING ON SEPTEMBER 15, 1975, AND ON THE FIFTEENTH DAY OF EACH SUCCEEDING MONTH, EXCEPT AS PRESCRIBED BY SUBSECTION C OF THIS SECTION, THE DEPARTMENT SHALL PAY TO EACH ELIGIBLE CITY AND TOWN THE AMOUNT OF THE MONTHLY PAYMENT DETERMINED PURSUANT TO PARAGRAPH 3 OF SUBSECTION A. SUCH PAYMENT SHALL BE FOR THE PRECEDING CALENDAR MONTH. AT THE SAME TIME, THE DEPARTMENT SHALL DETERMINE THE TOTAL REVENUES FOR SUCH PRECEDING MONTH FROM THE TAX

LAWS OF ARIZONA

IMPOSED BY THIS ARTICLE AND, AFTER DEDUCTING THE TOTAL AMOUNT PAID TO ELIGIBLE CITIES AND TOWNS, TRANSFER FIFTY PER CENT OF THE BALANCE OF SUCH MONIES FOR DISTRIBUTION PURSUANT TO TITLE 42, CHAPTER 8, ARTICLE 1 AND TRANSFER THE REMAINING FIFTY PER CENT OF THE BALANCE OF SUCH MONIES TO THE STATE GENERAL FUND.

C. PRIOR TO THE AUGUST 15, 1976 PAYMENT PURSUANT TO SUBSECTION B OF THIS SECTION, AND PRIOR TO SUCH AUGUST 15 PAYMENT OF EACH SUCCEEDING YEAR, THE DEPARTMENT OF REVENUE SHALL COMPUTE THE ACTUAL AMOUNT OF LOST REVENUE FOR THE PRECEDING FISCAL YEAR RESULTING FROM THE EXEMPTION OF FOOD AND FOOD PRODUCTS PURSUANT TO SECTION 42-1312, SUBSECTION A, PARAGRAPH 5, FOR EACH ELIGIBLE CITY OR TOWN. FOR THE PURPOSES OF DETERMINING SUCH ACTUAL LOSS, ALL ELIGIBLE CITIES AND TOWNS SHALL BE DEEMED TO HAVE HAD A ONE PER CENT TRANSACTION PRIVILEGE TAX RATE AND TO HAVE IMPOSED SUCH TAX RATE ON SUCH FOOD AND FOOD PRODUCTS DURING THE PRECEDING YEAR. THE DEPARTMENT OF REVENUE SHALL COMPARE SUCH ACTUAL LOSS WITH THE ESTIMATE OF LOST REVENUE DETERMINED PURSUANT TO PARAGRAPH 2 OF SUBSECTION A AND INCREASE OR DECREASE, AS APPROPRIATE, THE AUGUST 15 ESTIMATED PAYMENT TO EQUAL THE AMOUNT OF SUCH ACTUAL LOSS.

Sec. 16. Section 43-102, Arizona Revised Statutes, as amended by Laws 1973, chapter 46, section 1, is amended to read:

43-102. Imposition of tax

(a) **Taxes and rates—individuals, estates and trusts.** There shall be levied, collected, and paid for each taxable year upon the entire net income of every estate or trust taxable under this title and of every resident of this state and upon the entire net income of every nonresident which is derived from sources within this state, taxes in the following amounts and at the following rates upon the amount of net income in excess of credits against net income provided in sections 43-127 and 43-128.

On the first one thousand dollars or any part thereof, two per cent.

On the second one thousand dollars or any part thereof, three per cent.

LAWS OF ARIZONA

On the third one thousand dollars or any part thereof, four per cent.

On the fourth one thousand dollars or any part thereof, five per cent.

On the fifth one thousand dollars or any part thereof, six per cent.

On the sixth one thousand dollars or any part thereof, seven per cent.

On the seventh one thousand dollars or any part thereof, and all taxable income in excess of seven thousand dollars, eight per cent.

(b) **Taxes and rates—corporations.** There shall be levied, collected, and paid for each taxable year upon the entire net income of every corporation, except as otherwise provided in this title or by law, taxes in the following amounts and at the following rates:

Upon net income not in excess of one thousand dollars, two AND ONE-HALF per cent of such net income.

~~Twenty~~ TWENTY-FIVE dollars upon net income of one thousand dollars; and upon net income in excess of one thousand dollars and not in excess of two thousand dollars, ~~three~~ FOUR per cent in addition of such excess.

~~Fifty~~ SIXTY-FIVE dollars upon net income of two thousand dollars; and upon net income in excess of two thousand dollars and not in excess of three thousand dollars, ~~four~~ FIVE per cent in addition of such excess.

~~Ninety~~ ONE HUNDRED FIFTEEN dollars upon net income of three thousand dollars; and upon net income in excess of three thousand dollars, and not in excess of four thousand dollars, ~~five~~ SIX AND ONE-HALF per cent in addition of such excess.

One hundred ~~forty~~ EIGHTY dollars upon net income of four thousand dollars; and upon net income in excess of four thousand dollars and not in excess of five thousand dollars, ~~six~~ EIGHT per cent in addition of such excess.

Two hundred SIXTY dollars upon net income of five thousand dollars; and upon net income in excess of five thousand dollars and not in excess of six thousand dollars, ~~seven~~ NINE per cent in addition of such excess.

~~Two hundred seventy~~ THREE HUNDRED FIFTY dollars upon net income of six thousand dollars; and upon net income in excess of six

LAWS OF ARIZONA

thousand dollars, ~~eight~~ TEN AND ONE-HALF per cent in addition of such excess.

(c) **Optional tax.**

(1) In lieu of the tax imposed under subsection (a), there shall be levied, collected and paid for each taxable year upon the gross income of each individual whose gross income for such year is less than five thousand dollars and who has elected to pay the tax imposed by this subsection for such year, the tax shown in the following table:

Gross Income		Single Person or Married Person Filing Separately	Married Couple Filing Jointly or Single Person— Head of Household
At Least	But Less Than		
\$1,100.00	\$1,150.00	\$.25	\$ 0
1,150.00	1,200.00	1.15	0
1,200.00	1,250.00	2.05	0
1,250.00	1,300.00	2.95	0
1,300.00	1,350.00	3.85	0
1,350.00	1,400.00	4.75	0
1,400.00	1,450.00	5.65	0
1,450.00	1,500.00	6.55	0
1,500.00	1,550.00	7.45	0
1,550.00	1,600.00	8.35	0
1,600.00	1,650.00	9.25	0
1,650.00	1,700.00	10.15	0
1,700.00	1,750.00	11.05	0
1,750.00	1,800.00	11.95	0
1,800.00	1,850.00	12.85	0
1,850.00	1,900.00	13.75	0
1,900.00	1,950.00	14.65	0
1,950.00	2,000.00	15.55	0
2,000.00	2,050.00	16.45	0
2,050.00	2,100.00	17.35	0
2,100.00	2,150.00	18.25	0
2,150.00	2,200.00	19.15	0
2,200.00	2,250.00	20.07	.05
2,250.00	2,300.00	21.42	.95
2,300.00	2,350.00	22.77	1.85
2,350.00	2,400.00	24.12	2.75

LAWS OF ARIZONA

Gross Income		Single Person or Married Person Filing Separately	Married Couple Filing Jointly or Single Person-- Head of Household
At Least	But Less Than		
2,400.00	2,450.00	25.47	3.65
2,450.00	2,500.00	26.82	4.55
2,500.00	2,550.00	28.17	5.45
2,550.00	2,600.00	29.52	6.35
2,600.00	2,650.00	30.87	7.25
2,650.00	2,700.00	32.22	8.15
2,700.00	2,750.00	33.57	9.05
2,750.00	2,800.00	34.92	9.95
2,800.00	2,850.00	36.27	10.85
2,850.00	2,900.00	37.62	11.75
2,900.00	2,950.00	38.97	12.65
2,950.00	3,000.00	40.32	13.55
3,000.00	3,050.00	41.67	14.45
3,050.00	3,100.00	43.02	15.35
3,100.00	3,150.00	44.37	16.25
3,150.00	3,200.00	45.72	17.15
3,200.00	3,250.00	47.07	18.05
3,250.00	3,300.00	48.42	18.95
3,300.00	3,350.00	49.77	19.85
3,350.00	3,400.00	51.12	20.75
3,400.00	3,450.00	52.47	21.65
3,450.00	3,500.00	53.82	22.55
3,500.00	3,550.00	55.17	23.45
3,550.00	3,600.00	56.52	24.35
3,600.00	3,650.00	57.87	25.25
3,650.00	3,700.00	59.22	26.15
3,700.00	3,750.00	60.57	27.05
3,750.00	3,800.00	61.92	27.95
3,800.00	3,850.00	63.27	28.85
3,850.00	3,900.00	64.62	29.75
3,900.00	3,950.00	65.97	30.65
3,950.00	4,000.00	67.32	31.55
4,000.00	4,050.00	68.67	32.45
4,050.00	4,100.00	70.02	33.35
4,100.00	4,150.00	71.37	34.25
4,150.00	4,200.00	72.72	35.15
4,200.00	4,250.00	74.07	36.05
4,250.00	4,300.00	75.42	36.95

LAWS OF ARIZONA

Gross Income		Single Person or Married Person Filing Separately	Married Couple Filing Jointly or Single Person— Head of Household
At Least	But Less Than		
4,300.00	4,350.00	85.70	37.85
4,350.00	4,400.00	87.50	38.75
4,400.00	4,450.00	89.30	39.65
4,450.00	4,500.00	91.37	40.82
4,500.00	4,550.00	93.62	42.17
4,550.00	4,600.00	95.87	43.52
4,600.00	4,650.00	98.12	44.87
4,650.00	4,700.00	100.37	46.22
4,700.00	4,750.00	102.62	47.57
4,750.00	4,800.00	104.87	48.92
4,800.00	4,850.00	107.12	50.27
4,850.00	4,900.00	109.37	51.62
4,900.00	4,950.00	111.62	52.97
4,950.00	5,000.00	113.87	54.32

In applying the above table to determine the tax of such individual, there shall be subtracted from his gross income the amount of the federal income tax paid during the taxable year.

In applying the above table to determine the tax of a taxpayer with one or more dependents, there shall be subtracted from his gross income six hundred dollars for each dependent, except that in the case of a “head of household” the deduction for dependents shall be permitted only for those dependents in excess of one.

(2) For the purpose of this subsection:

(A) “Married person” means a married person on the last day of the taxable year.

(B) “Dependent” means a person who is dependent under section 43-127(c).

(C) An individual, who is not a head of a family or a married person, shall be treated as a single person.

(D) “Head of household” means a head of household on the last day of the taxable year, unless such person dies during the taxable year, in which case such determination shall be made as of the date of death.

LAWS OF ARIZONA

(E) In the case of a joint return of a husband and wife filed pursuant to section 43-141(a) (2), the tax imposed under subsection (a) shall be twice the tax that would be determined if the net income and credits against net income provided by sections 43-127 and 43-128 were reduced by one-half.

(3) This subsection shall not apply to an estate or trust, an individual filing a return for a period of less than twelve months on account of a change in the accounting period, or to a married individual whose spouse files a return and computes the tax without regard to this section or section 43-123.29, subsection A.

(d) Effect of changes in rates during a taxable year

If any rate of tax imposed by this chapter changes, and if the taxable year includes the effective date of the change (unless that date is the first day of the taxable year), then

(1) Tentative taxes shall be computed by applying the rate for the period before the effective date of the change, and the rate for the period on and after such date, to the taxable income for the entire taxable year; and

(2) The tax for such taxable year shall be the sum of that proportion of each tentative tax which the number of days in each period bears to the number of days in the entire taxable year.

(e) In the preparation of any return under this title, the taxpayer may elect to eliminate the fractional dollar by rounding out the fractional dollar to the nearest whole dollar.

Sec. 17. Section 43-128.01, Arizona Revised Statutes, as added by Laws 1973, chapter 182, section 15, is amended to read:

43-128.01. Credit allowed taxpayers—credit for property taxes paid

(a) **Credit, residents sixty-five years of age or older.** There shall be allowed to each resident a credit against the taxes imposed by this title for a taxable year for property taxes accrued or rent constituting property taxes accrued, or both, in that taxable year, in accordance with the subsection (b), if:

(1) Such resident attained the age of sixty-five years prior to or during the taxable year;

LAWS OF ARIZONA

(2) The assessed valuation of all property owned in whole or in part by such person during the taxable year was less than five thousand dollars; and

(3) Such person either:

(i) Did not live with his spouse or any legal dependents and had an income from all sources in the taxable year of less than three thousand five hundred dollars, or

(ii) Lived with his spouse or one or more legal dependents and the combined income from all sources in the taxable year of all persons residing in the residence was less than five thousand dollars.

(b) **Amount of credit.** The credit allowed under subsection (a) shall be computed as follows:

(1) For a person eligible under subparagraph (3) (i) of subsection (a), according to the following table:

HOUSEHOLD INCOME	PERCENTAGE OF PROPERTY TAX ACCRUED OR RENT CONSTITUTING PROPERTY TAX ACCRUED ALLOWED AS CREDIT
\$ 0-1,750	100%
1,750-2,100	90%
2,100-2,450	70%
2,450-2,800	50%
2,800-3,150	40%
3,150-3,500	30%

(2) For a person eligible under subparagraph (3) (ii) of subsection (a), according to the following table:

HOUSEHOLD INCOME	PERCENTAGE OF PROPERTY TAX ACCRUED OR RENT CONSTITUTING PROPERTY TAX ACCRUED ALLOWED AS CREDIT
\$ 0-2,500	100%
2,500-3,000	90%
3,000-3,500	70%
3,500-4,000	50%
4,000-4,500	40%
4,500-5,000	30%

LAWS OF ARIZONA

(c) **Disposition of unused credit; offset against tax liabilities; refund.** Disposition of the claimant's allowable credit shall be as provided below.

(1) If the allowable amount of such claim exceeds the income taxes otherwise due on the claimant's income, or if there are no state income taxes due on the claimant's income, the amount of the claim not used as an offset against income taxes, after audit by the commission, shall be paid in the same manner as a refund granted under section 43-184. No interest shall be allowed on any payment made to a claimant pursuant to this section.

(2) The amount of any claim otherwise payable for relief for property taxes accrued or rent constituting property taxes accrued may be applied by the commission against any liability outstanding on the books of the commission against the claimant, or against his or her spouse who was a member of the claimant's household in the taxable year.

(d) **Public welfare recipients excluded.** No claim for relief for property taxes accrued or rent paid shall be allowed to any person who was a recipient of public funds for the payment of property taxes or rent during the taxable year.

(e) **Administration.** The commission shall make available suitable forms with instructions for claimants, including a form which may be included with or as a part of the individual income tax blank. The claim shall be in such form as the commission may prescribe.

(f) **Filing date; extension of time.** No claim with respect to property taxes accrued or with respect to rent constituting property taxes accrued shall be allowed or paid unless the claim is actually filed on or before April 15 for the next preceding calendar year. The commission may, upon request, grant for a period not to exceed six months an extension of time for filing the claim.

(g) **Limitation on number of claimants.** Only one claimant per household per year shall be entitled to relief pursuant to this section.

(h) **Definitions.** In this section unless the context otherwise requires:

(1) "Claimant" means a person who has filed a claim for credit under this section and was a resident of this state during the entire taxable year. In the case of a claim for rent constituting property taxes accrued, the

LAWS OF ARIZONA

claimant shall have rented property in this state during the entire taxable year and shall have occupied the same residence quarters for at least six months of that year. When two individuals of a household are able to meet the qualifications for a claimant, they may determine between them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the state tax commission and its decision shall be final. If a homestead is occupied by two or more individuals and more than one individual is able to qualify as a claimant, and some or all of the qualified individuals are not related, the individuals may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commission, and its decision shall be final.

- (2) "Commission" means the state tax commission.
- (3) "Gross rent" means rental paid solely for the right of occupancy of a homestead or space rental paid to a landlord for the parking of a mobile home, exclusive of charges for any utilities, services, furniture, furnishings or personal property appliances furnished by the landlord as a part of the rental agreement, whether or not expressly set out in the rental agreement. If the commission is satisfied that the gross rent charge was excessive, it may adjust the gross rent to a reasonable amount for purposes of the claim.
- (4) "Homestead" means the dwelling, whether owned or rented by the claimant, and so much of the land surrounding it, not exceeding one acre, as is reasonably necessary for use of the dwelling as a home, and may consist of a part of a multi-dwelling or multi-purpose building and a part of the land upon which it is built. "Homestead" may also include a mobile home and the land upon which it is located.
- (5) "Household" means the household of the claimant and such other persons as resided with the claimant in his homestead during the taxable year.
- (6) "Household income" means all income received by all persons of a household in a taxable year while members of the household.
- (7) "Income" means the sum of adjusted gross income as defined by the commission, the amount of capital gains excluded from adjusted gross income, alimony, support money, nontaxable strike benefits, cash public assistance and relief, not including relief granted under this section, the gross amount of any pension or annuity, including railroad retirement

LAWS OF ARIZONA

benefits, all payments received under the federal social security act, state unemployment insurance laws, and veterans disability pensions, nontaxable interest received from the federal government or any of its instrumentalities, workmen's compensation, and the gross amount of "loss of time" insurance. It does not include gifts from nongovernmental sources, or surplus foods or other relief in kind supplied by a governmental agency.

(8) "Property taxes accrued" means property taxes, ~~REDUCED BY PROPERTY TAX REDUCTION PURSUANT TO TITLE 42, CHAPTER 2, ARTICLE 5.1 OR PROPERTY TAX REDUCTION PURSUANT TO TITLE 42, CHAPTER 3, ARTICLE 4,~~ AND exclusive of special assessments, delinquent interest and charges for service, levied on the first two thousand dollars of assessed valuation of a claimant's homestead in this state in any taxable year. If a homestead is owned by two or more persons or entities as joint tenants or tenants in common, and one or more persons or entities are not a member of claimant's household, "property taxes accrued" is that part of property taxes levied on the homestead which reflects the ownership percentage of the claimant and his household. For purposes of this paragraph property taxes are "levied" when the tax roll is delivered to the county treasurer for collection. If a claimant and his household own their homestead part of the taxable year and rent it or a different homestead for part of the same year, "property taxes accrued" means only taxes levied on the homestead when both owned and occupied by the claimant at the time of the levy, multiplied by the percentage of twelve months that such property was owned and occupied by the household as its homestead during the taxable year. When a household owns and occupies two or more different homesteads in this state in the same taxable year, property taxes accrued shall relate only to that property occupied by the household as a homestead on the levy date. If a homestead is an integral part of a larger unit such as a farm, or a multi-purpose or multi-dwelling building, property taxes accrued shall be that percentage of the total property taxes accrued as the value of the homestead is of the total value. For purposes of this paragraph "unit" refers to the parcel of property covered by a single tax statement of which the homestead is a part.

(9) "Rent constituting property taxes accrued" means twenty-five per cent of the gross rent, not to exceed two hundred twenty-five dollars, actually paid in cash or its equivalent in any taxable year by a claimant and his household solely for the right of occupancy of their Arizona homestead in that year and which rent constitutes the basis of a claim for

LAWS OF ARIZONA

relief.

Sec. 18. Section 43-196, Arizona Revised Statutes, is amended to read:

43-196. Disposition of proceeds

(a) **Collections, transmitted to state treasurer.** The tax commission shall transmit promptly to the state treasury all monies and remittances received by it under this title as provided in subdivision (b) of this section. It shall at the same time furnish copies of the schedules covering the transmittals to the commissioner of finance.

(b) **Income tax fund, urban revenue sharing fund, collections deposited therein.**

All moneys and remittances so received and so transmitted shall be deposited, after clearance of remittance, in the state treasury and the state treasurer shall credit the same to the specific funds as instructed by the tax commission, as follows:

(i) ~~Twenty-five~~ TWELVE AND ONE-HALF per cent to the income tax fund;

(ii) Amounts sufficient to meet the requirements of section 43-196.01 to the urban revenue sharing fund, and

(iii) The remainder to the general fund.

(c) **Income tax fund, use for refunds.** The commissioner of finance will draw all sums to be used for making refunds under this title from the income tax fund. Any amount remaining in the income tax fund on June 30 of each year in excess of two hundred thousand dollars shall be deposited in the general fund.

Sec. 19. Department of revenue defined

In this act, "department of revenue" and "department" meaning the department of revenue shall mean only the state tax commission until the department of revenue becomes operative. Thereafter, they shall mean only the department of revenue.

Sec. 20. Referendum; transaction privilege tax; food exemption; reimbursement tax; vote

LAWS OF ARIZONA

A. Under the power of the referendum, as vested in the legislature, the provisions of sections 9 and 14 of this act, relating to taxation and prohibiting the imposition, levy or collection of any transaction privilege tax on the sale of food or food products and also providing for a reimbursement tax on certain sales at retail, are enacted, to become valid as law when approved by a majority of the qualified electors voting thereon and upon proclamation of the governor.

B. The secretary of state is directed to submit as a single ballot question sections 9 and 14 of this act to the people at the polls and to cause the question of approval or disapproval of such question to be printed on the official ballot at the next regular general election as provided by section 19-123, Arizona Revised Statutes.

Sec. 21. Appropriations; purposes; exemption

A. The sum of forty million dollars is appropriated from the state general fund effective September 15, 1974 to the state treasurer. Thirty-eight million dollars of such appropriation is for the purpose of reimbursing county treasurers for property tax reduction for the tax year 1974 as provided in title 42, chapter 2, article 5.1, and two million dollars of such appropriation is for the tax year beginning January 1, 1975 and ending December 31, 1975 as provided in title 42, chapter 3, article 4.

B. The sum of twenty-seven thousand five hundred dollars is appropriated from the state general fund to the state tax commission for use in the fiscal year 1973-74 by the sales tax division for the revising and printing of forms.

C. The appropriation made by subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that any funds thereof remaining unexpended on January 31, 1976 shall revert to the general fund.

Sec. 22. Conditional enactment

The provisions of section 15 of this act shall not become effective until such time as the referendum relating to taxation and prohibiting the imposition, levy or collection of any transaction privilege tax on the sale of food or food products and also providing for a reimbursement tax on certain sales at retail is approved by a majority of the qualified electors voting thereon and upon proclamation of the governor.

LAWS OF ARIZONA

Sec. 23. Effective dates

The provisions of this act shall become effective as follows:

1. Sections 1, 7, 8, 10, 11, 12, 13 and 18 on July 1, 1974.
2. Sections 2, 3 and 16, retroactive to, from and after December 31, 1973.
3. Sections 4, 5, 17, 19, 20, 21 and 22, as prescribed by law.
4. Section 6, from and after December 31, 1974.
5. Sections 9 and 14, when approved by the referendum prescribed by section 20 and subject to the effective dates prescribed in sections 9 and 14.

Sec. 24. Severability

If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Approved by the Governor--February 25, 1974

Filed in the Office of the Secretary of State--February 26, 1974

LAWS OF ARIZONA

CHAPTER 3

Senate Bill 1001

AN ACT

RELATING TO EDUCATION; PROVIDING FOR ENTITLEMENT OF STATE AID, TRANSPORTATION AID, AND FACILITIES EMERGENCY AID; DEFINING AVERAGE DAILY MEMBERSHIP; PROVIDING FOR USE OF AVERAGE DAILY MEMBERSHIP OR ADJUSTED AVERAGE DAILY MEMBERSHIP FOR BUDGETING, STATE AID ENTITLEMENT AND OTHER PURPOSES; AUTHORIZING LONG TERM LEASE OR LEASE PURCHASE AGREEMENTS; AUTHORIZING CONSTRUCTION, ALTERATION, FURNISHING OR LEASING OF CERTAIN BUILDINGS FROM SPECIFIED FUNDS WITHOUT NECESSITY OF A VOTE OF THE PEOPLE; AUTHORIZING COUNTY SCHOOL SUPERINTENDENT TO ESTABLISH SPECIAL EDUCATION PROGRAMS; PROVIDING STATE SUPPORT FOR SPECIAL EDUCATION PROGRAMS EQUAL TO NINETY PER CENT OF EXCESS COST; DIRECTING DEPARTMENT OF EDUCATION TO ESTABLISH BUDGET FORMAT; DIRECTING AUDITOR GENERAL TO PRESCRIBE UNIFORM SYSTEM OF FINANCIAL RECORDS; ESTABLISHING BUDGET COST LEVEL AND AGGREGATE BUDGET LIMIT FOR SCHOOL DISTRICTS; PROHIBITING ELECTION FOR BUDGET INCREASE FOR YEAR 1974-75; PROVIDING FOR SUCH ELECTIONS FOR BUDGET INCREASES AFTER 1974-75; PROVIDING FOR SPECIAL BUDGET INCREASES; ESTABLISHING BASIC SUPPORT LEVEL AND ANNUAL GROWTH RATE; PROVIDING FOR APPORTIONMENT OF STATE AID ENTITLEMENT; PRESCRIBING TAX WHEN REAL PROPERTY LOCATED OUTSIDE SCHOOL DISTRICT; PROVIDING FOR METHOD OF SCHOOL DISTRICT REORGANIZATION; PRESCRIBING METHOD FOR SCHOOL DISTRICT MERGER; PROVIDING FOR UNIFIED SCHOOL DISTRICTS; CREATING ECONOMIC ESTIMATES COMMISSION; AMENDING SECTIONS 15-121, 15-304, 15-404, 15-413, 15-434 AND 15-444, ARIZONA REVISED STATUTES; REPEALING SECTION 15-442, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1973, CHAPTER 131, SECTION 1; AMENDING SECTION 15-442, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1973, CHAPTER 62,

LAWS OF ARIZONA

SECTION 1; AMENDING SECTION 15-445, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-445.01; AMENDING SECTIONS 15-449, 15-501, 15-525, 15-902, 15-1015, 15-1017, 15-1073, 15-1092, 15-1099, ARIZONA REVISED STATUTES; REPEALING SECTIONS 15-1201, 15-1201.02 AND 15-1202, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 12, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1201; AMENDING SECTION 15-1201.01, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 12, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 15-1201.04, 15-1201.05, 15-1202, 15-1202.01, 15-1202.02, 15-1202.03, 15-1202.06 AND 15-1202.07; AMENDING SECTIONS 15-1204, 15-1212, 15-1214, 15-1233, 15-1238, 15-1241, 15-1242, 15-1243, 15-1244, 15-1245 AND 15-1246, ARIZONA REVISED STATUTES; AMENDING TITLE 15, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 16, ARTICLES 1, 2 AND 3; AMENDING SECTION 28-1591, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1969, CHAPTER 147, SECTION 3, AND AS AMENDED BY LAWS 1973, CHAPTER 148, SECTION 23; AMENDING SECTION 35-473.01, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 12; AMENDING SECTION 15-403, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 4, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 15-403.02 AND 15-403.03; AMENDING SECTIONS 15-410 AND 15-411, ARIZONA REVISED STATUTES; AMENDING TITLE 15, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 4.1, ARTICLES 1 AND 2; AMENDING TITLE 15, CHAPTER 9, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-914; AMENDING SECTIONS 15-102 AND 15-402, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 3, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 9; REPEALING SECTIONS 15-1234 AND 15-1235, ARIZONA REVISED STATUTES; PROVIDING FOR EFFECTIVE DATES, EXPIRATION DATES, CONDITIONAL ENACTMENT, AND MAKING APPROPRIATIONS.

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

LAWS OF ARIZONA

Section 1. Section 15-121, Arizona Revised Statutes, is amended to read:

15-121. Administrative powers and duties

The superintendent of public instruction shall:

1. Superintend the public schools of the state.
2. Request the auditor general to investigate when necessary the accounts of school money kept by any state, county or district officer.
3. Subject to supervision by the state board of education, apportion to the several counties the money to which each county is entitled for the year. Apportionment shall be made as provided in section 15-1212.
4. Call an annual meeting of the county school superintendents at a time and place he designates for the purpose of discussing questions pertaining to public schools. The annual meeting shall be no less than two nor more than three days in length, as the superintendent determines. Each county superintendent shall be allowed reimbursement for his actual necessary expenses incurred in attending the meeting, not to exceed the amounts provided in sections 38-623 and 38-624 for public officers and other state employees. Such expenses shall be paid from the county general fund.
5. Authenticate with the official seal of the board of education all writings and papers issued from his office.
- ~~6. Not later than June 15 of each year, submit to the several county superintendents of schools an estimate of the amounts of money derived from the permanent state school fund to be distributed on an average daily attendance basis to the several counties during the ensuing school year.~~
- ~~7.~~ 6. Direct, under general rules and regulations adopted by the state board of education, the work of all employees of the board who shall be employees of the department of education.

Sec. 2. Section 15-304, Arizona Revised Statutes, is amended to read:

15-304. Certificate of educational convenience; issuance; effect on membership records

LAWS OF ARIZONA

A. A pupil precluded by distance or lack of adequate transportation facilities from attending a common or high school in the district or county of his residence or who resides in unorganized territory may apply to the county school superintendent for a certificate of educational convenience. If it appears to the superintendent that it is not feasible for the pupil to attend the common or high school in the district or county of residence, he shall issue a certificate authorizing the pupil to attend a common or high school in an adjoining district or county, whether within or without the state.

1. ~~Attendance~~ THE SCHOOL MEMBERSHIP of a pupil precluded from attending a school in the district or county of his residence, when certified to the county superintendent by the official in charge of the school attended, shall be deemed for the purpose of determining average daily ~~attendance~~ MEMBERSHIP to be ~~attendance~~ MEMBERSHIP in the common or high school of the county or district of the student's residence.

2. ~~Attendance~~ THE SCHOOL MEMBERSHIP of a pupil from unorganized territory shall be deemed for the purpose of determining average daily ~~attendance~~ MEMBERSHIP to be ~~attendance~~ MEMBERSHIP in the common or high school district of ACTUAL attendance.

B. The county school superintendent of any county in which a pupil is placed as described in paragraph 1, 2 or 3 of this subsection shall issue a certificate of educational convenience for the pupil to attend school in the school district or adjoining school district to that in which the pupil is placed in one of the following:

1. A state rehabilitation or corrective institution.
2. A foster home or child care agency or institution which is licensed and supervised by the state department of ~~public welfare~~ ECONOMIC SECURITY.
3. Under the supervision of the department of corrections in a residence pursuant to the Interstate Compact on Juveniles.

C. If a certificate of convenience is issued as provided by the terms of subsection B the ~~attendance~~ SCHOOL MEMBERSHIP of such pupil shall be deemed, for the purpose of determining average daily ~~attendance~~ MEMBERSHIP, to be ~~attendance~~ MEMBERSHIP in the common or high

LAWS OF ARIZONA

school of the district of ACTUAL attendance. Tuition may be charged the state superintendent of public instruction by the district of actual attendance as for nonresident attendance, provided that the per capita apportionment of state ~~and county~~ aid shall be deducted from the total amount charged for tuition. The county school superintendent issuing a certificate shall notify the state superintendent of the issuance. The state superintendent shall draw a warrant upon the state treasurer in favor of the school of actual attendance for the amount charged as adjusted, whether for common or high school attendance, in conformity with the provisions of section 15-449.

Sec. 3. Section 15-404, Arizona Revised Statutes, is amended to read:

15-404. Formation of new districts by subdivision of existing districts

A. In a school district containing more than two hundred and fifty school children in average daily ~~attendance~~ MEMBERSHIP, a new school district may be formed by a subdivision of the old one, upon a petition signed by fifty-one per cent of the owners of real property who are qualified electors of the original school district. The petition shall set forth the proposed boundaries of the district to be formed together with the number of school-age children residing therein and the amount of real property valuation within the district to be formed. No new district may be formed unless the real property valuation per child is sufficient to support the school in a manner comparable to other districts of similar size.

B. The petition shall be presented to the board of trustees of the original school district for approval or disapproval. If approved the petition shall be endorsed by the board of trustees and transmitted to the county school superintendent who shall make his record of boundaries conform, and shall notify the board of supervisors of the formation of the new district and the boundaries thereof. The new district shall become operative on July 1 next after the date upon which the petition is approved.

Sec. 4. Section 15-413, Arizona Revised Statutes, is amended to read:

15-413. Lapsing of school district; conditions; procedure; disposition of property of lapsed district

A. If in a common school district there has been an average daily ~~attendance~~ MEMBERSHIP of less than eight pupils between the ages of six

LAWS OF ARIZONA

and twenty-one years for three months during the school year, the county superintendent may at once suspend the district and report the suspension and reasons therefor to the board of supervisors at their next meeting.

B. The board may declare the district lapsed and attach the territory thereof to one or more of the adjoining school districts, dispose of the property of the lapsed district and place the proceeds to the credit of the lapsed district. Thereupon the county superintendent shall determine all unbonded indebtedness of the lapsed district and draw his warrant, on proper vouchers, on the county treasurer in payment of the unbonded indebtedness. Any balance remaining after such payment shall be transferred to the county school fund.

Sec. 5. Section 15-434, Arizona Revised Statutes, is amended to read:

15-434. Clerk of board; compensation; secretary or other employees

A. The clerk of the board shall be entitled to compensation as follows:

1. In a district having an average ~~attendance~~ DAILY MEMBERSHIP of fewer than five hundred pupils, the clerk shall serve without compensation.

2. In a district having an average ~~attendance~~ DAILY MEMBERSHIP of five hundred or more pupils, the board, by unanimous vote, may allow the clerk reasonable compensation.

B. In a district having an average ~~attendance~~ DAILY MEMBERSHIP of one thousand or more, the board may employ a secretary, secretaries or other employees to perform such clerical duties in connection with the school as may be required. The salary of the secretary, secretaries or other employees shall be determined by the board.

Sec. 6. Section 15-444, Arizona Revised Statutes, is amended to read:

15-444. Superintendents, principals and head teachers; term of employment

A. Boards of trustees may:

1. In districts having an average daily ~~attendance~~ MEMBERSHIP of three hundred or more, employ a superintendent or principal or both.

2. In a district having five or more teachers, employ a principal.

LAWS OF ARIZONA

3. In a district having less than five teachers, appoint a head teacher.
 4. Jointly employ a superintendent or a principal, or both, if the combined average daily ~~attendance~~ MEMBERSHIP of the districts employing the superintendent or principal meets the requirements of paragraphs 1 and 2 of this section.
- B. The term of employment of superintendents, or principals, may be for any period not exceeding four years.

Sec. 7. **Repeal**

Section 15-442, Arizona Revised Statutes, as amended by Laws 1973, chapter 131, section 1, is repealed.

Sec. 8. Section 15-442, Arizona Revised Statutes, as amended by Laws 1973, chapter 62, section 1, is amended to read:

15-442. **General powers and duties**

A. The board of trustees shall:

1. Maintain the schools established by them. Schools shall be maintained for the attendance of each pupil for a period of not less than one hundred seventy-five school days, or its equivalent as approved by the superintendent of public instruction for a school approved for extended year operation, in each school year, and if the funds of the district are sufficient, for a longer period, and as far as practicable with equal rights and privileges.

2. Enforce the courses of study and select all textbooks used in the schools from the multiple lists determined and authorized by the state board of education pursuant to paragraph 18 of section 15-102 and purchase the same from the publishers under contracts negotiated by the state board as provided in this title. One-fourth of the amount budgeted for textbooks may be expended for teaching aids relating to the textbooks selected. District school funds may be budgeted and expended by the board for supplementary books, as contained in the lists prepared by the state board of education pursuant to subsection B of section 15-1101, and for such additional textbooks as may be necessary because of an extraordinary increase in enrollment or an act of God, provided that supplementary books shall not be purchased in such quantities as to take the place of the textbooks prescribed by paragraph 18 of section 15-102.

LAWS OF ARIZONA

3. Visit every school in the district and examine carefully into its management, condition and needs.
4. Provide transportation for any child or children when deemed for the best interest of the district, whether within or without the district, county or state.
5. Exclude from schools all books, publications or papers of a sectarian, partisan or denominational character.
6. Manage and control the school property within its district.
7. Purchase school furniture, apparatus, equipment, library books and supplies for the use of the schools.
8. Rent, furnish, repair and insure the school property of the district.
9. Construct school buildings when directed to do so by a vote of the district EXCEPT THAT A VOTE SHALL NOT BE REQUIRED FOR CONSTRUCTION OF SCHOOL BUILDINGS WITH FUNDS COLLECTED PURSUANT TO SECTION 15-445 OR RECEIVED PURSUANT TO ARTICLE 3 OF CHAPTER 16.
10. Make in the name of the district conveyances of property belonging to the district and sold by the board.
11. Purchase or sell school sites when authorized by a vote of the district, but such authorization shall not necessarily specify the site to be purchased EXCEPT THAT A VOTE SHALL NOT BE REQUIRED FOR PURCHASE OF SCHOOL SITES WITH FUNDS COLLECTED PURSUANT TO SECTION 15-445 OR RECEIVED PURSUANT TO ARTICLE 3 OF CHAPTER 16.
12. Construct, improve and furnish buildings used for school purposes when such buildings or premises are leased from the national park service, when directed to do so by a vote of the district EXCEPT THAT A VOTE SHALL NOT BE REQUIRED FOR CONSTRUCTING, IMPROVING, AND FURNISHING BUILDINGS WITH FUNDS COLLECTED PURSUANT TO SECTION 15-445 OR RECEIVED PURSUANT TO ARTICLE 3 OF CHAPTER 16.
13. Purchase school sites or construct, improve and furnish school

LAWS OF ARIZONA

buildings from the proceeds of the sale of or from insurance recoveries on school property only when directed to do so by a vote of the district.

B. The board may:

1. Expel pupils for misconduct.
2. Exclude from the primary grades children under six years of age.
3. Make such segregation of groups of pupils as it deems advisable.
4. Maintain such special schools during vacation as deemed necessary for the benefit of the pupils of the district.
5. Permit a superintendent, principal or their representatives to travel for a school purpose, as determined by a majority vote of the board. By unanimous vote the board may permit members and members-elect of the board to travel for a school purpose. Any expenditure for travel and subsistence shall be as provided under the terms of title 38, chapter 4, article 2, and shall be a charge against the budgeted school district funds.
6. Rent such buildings as may be necessary. ~~provided the rental contract does not exceed one year.~~
7. Construct or provide in rural districts housing facilities for teachers which the board determines is necessary for the operation of the school.
8. Sell to the state, county or city any school property required for a public purpose, provided the sale of the property will not affect the normal operations of a school within the school district.
9. Apply the proceeds from the sale of school property or from insurance recoveries to the payment of any outstanding bonded indebtedness of the school district which is payable from the levy of taxes upon property within the district.
- ~~C. Except as provided in section 15-445, the board of trustees shall not enter into any lease purchase agreement. A lease purchase agreement may be continued until the termination date thereof if such agreement was entered into before and is still in effect on July 1, 1968.~~
10. FROM AND AFTER JUNE 30, 1974, ANNUALLY BUDGET AND

LAWS OF ARIZONA

EXPEND AN AMOUNT EQUAL TO TWENTY-FIVE ONE HUNDRED THOUSANDTHS OF THE TOTAL OF THE CURRENT YEAR OPERATING BUDGET, BASED ON ALL BUDGET ITEMS EXCEPT CAPITAL OUTLAY, FOR THE PURPOSE OF BELONGING TO AND PAYING DUES IN AN ASSOCIATION OF SCHOOL DISTRICTS WITHIN THIS STATE. HOWEVER, THE ANNUAL AMOUNT BUDGETED FOR THE MEMBERSHIP OF ANY DISTRICT SHALL NOT EXCEED TEN THOUSAND NOR BE LESS THAN TWENTY-FIVE DOLLARS.

11. ENTER INTO LONG-TERM LEASE OR LEASE-PURCHASE AGREEMENTS FOR SCHOOL BUILDINGS AND GROUNDS FOR PERIODS EXCEEDING ONE YEAR.

Sec. 9. Section 15-445, Arizona Revised Statutes, is amended to read:

15-445. Levy; items for which levy may be expended; exemption

A. At the request of the board of trustees of a district, the county superintendent shall include in his estimate to the board of supervisors the items prescribed by this section and the board of supervisors may make a levy on the property of the district sufficient to produce the amount asked for, but a levy for such purpose shall not exceed thirty cents on each one hundred dollars of property valuation. Funds collected pursuant to the levy may be accumulated from year to year, and if not needed to be used for a period of three months or more, may be invested in the same manner as sinking fund monies, as prescribed by section 15-1323.

B. The board may include in its annual budget the following items which may be paid from the levy prescribed by the terms of subsection A:

1. The purchase OR LEASE of sites, improvement of school grounds, erecting, purchasing, LEASING, improving and furnishing of school buildings and appurtenances.
2. The improving and furnishing of buildings used for school purposes when such buildings are leased from the national park service.
3. A lease-purchase agreement for transportation equipment or for portable classrooms.

~~C. The board shall require a vote of the qualified electors of the district~~

LAWS OF ARIZONA

~~prior to the expenditure of funds for purposes prescribed by this section for the following:~~

~~1. Purchase of sites.~~

~~2. Erecting of school buildings.~~

~~3. Improving and furnishing of buildings used for school purposes when such buildings are leased from the national park service.~~

~~D. Any amount obtained from a levy in excess of ten cents of each one hundred dollars of property valuation shall only be expended for the purposes prescribed by subsection C, paragraphs 1 and 2, of this section.~~

C. NOTWITHSTANDING THE PROVISIONS OF SECTION 15-1302, FUNDS COLLECTED PURSUANT TO THE LEVY MAY BE EXPENDED FOR PURPOSES SET FORTH IN THIS SECTION WITHOUT AN ELECTION. PRIOR TO EXPENDITURE OF FUNDS, THE GOVERNING BOARD SHALL PUBLISH NOTICE OF THE PROPOSED EXPENDITURE OF SUCH FUNDS ONE TIME IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE SCHOOL DISTRICT. WITHIN TEN DAYS OF GIVING SUCH NOTICE, THE BOARD SHALL HOLD A PUBLIC HEARING ON THE PROPOSED EXPENDITURE.

Sec. 10. Title 15, chapter 4, article 2, Arizona Revised Statutes, is amended by adding section 15-445.01, to read:

15-445.01. Exemption from obligation for certain payments

NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, PAYMENTS ON LONG-TERM LEASE OR LEASE-PURCHASE AGREEMENTS PURSUANT TO SECTION 15-442, SUBSECTION B, PARAGRAPH 11, SHALL NOT BE AN OBLIGATION OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTIONAL LIMIT AGAINST INDEBTEDNESS SET OUT IN ARTICLE 9, SECTION 8, CONSTITUTION OF ARIZONA OR SUBJECT TO THE LIMITATIONS PRESCRIBED BY SECTION 15-1202.

Sec. 11. Section 15-449, Arizona Revised Statutes, is amended to read:

15-449. Admission of pupils of other districts; tuition charges

LAWS OF ARIZONA

A. The board of trustees of a common or high school shall admit pupils from another district or area as follows:

1. Upon the presentation of a certificate of educational convenience issued by the county school superintendent pursuant to section 15-304 or by agreement between districts, without payment of tuition, to exchange pupils for their convenience for reasons deemed sufficient by the governing boards.

2. To a high school without the presentation of such certificate, if the pupil is a resident of a common school district within the state which has neither a high school nor a school in which high school subjects are taught. ~~Attendance~~ THE SCHOOL MEMBERSHIP of such pupils shall be deemed, for the purpose of determining average daily ~~attendance~~ MEMBERSHIP, and for apportionment of state ~~and county~~ aid to be ~~attendance~~ MEMBERSHIP in the district of the pupil's residence.

B. The residence of the person having legal custody of the pupil shall be considered the residence of the pupil, except as provided by the terms of subsection B of section 15-304. For the purposes of this section "legal custody" means:

1. Custody exercised by the natural or adoptive parents with whom a pupil resides.

2. Custody granted by order of a court of competent jurisdiction to a person or persons with whom a pupil resides.

C. The ~~attendance~~ SCHOOL MEMBERSHIP of a pupil shall be deemed, for the purpose of determining average daily ~~attendance~~ MEMBERSHIP, and for apportionment of state ~~and county~~ aid, to be ~~attendance~~ MEMBERSHIP in the district of ACTUAL attendance, except as provided by the terms of subsection A, paragraph 1 of section 15-304 and subsection A, paragraph 2 of this section.

D. Tuition shall be charged for all pupils attending school in a district other than that of their residence, as provided in subsections A and B, and shall be determined and paid in the following manner:

1. The tuition for pupils attending school in a district other than that of their residence, except pupils provided for by section 15-304, subsections B and C, shall be the per capita cost of the school district

LAWS OF ARIZONA

attended, as determined for the current school year, ~~and described in section 15-1201 as permissible operational expenditures per pupil per annum for the present fiscal year~~ plus an additional sum for capital outlay, not to exceed one hundred dollars per pupil, per annum, to be determined by the school district attended. THE DISTRICT OF ATTENDANCE SHALL NOT INCLUDE IN THE PER CAPITA COST A CHARGE FOR TRANSPORTATION IF NO TRANSPORTATION IS PROVIDED. ~~and prorated on the average daily attendance of the tuition student.~~ A claim for tuition shall be presented against the district of residence through the county superintendent, who shall draw a warrant on the county treasurer in favor of the district of ACTUAL attendance. ~~and THE CLAIM shall be paid from the funds of the district of residence.~~

2. Tuition of pupils as provided by subsections B and C of section 15-304 shall be the per capita cost of the school district attended, as determined for the current school year, ~~and described in section 15-1201 as permissible operational expenditures per pupil per annum for the present fiscal year~~ plus an additional sum for capital outlay, not to exceed one hundred dollars per pupil, per annum, to be determined by the school district attended. ~~and prorated on the average daily attendance of the tuition student.~~ The amount of such tuition shall not include a per capita apportionment of state ~~and county~~ aid. The claim for tuition shall be presented against the state superintendent of public instruction of the state department of education who shall draw his warrant in favor of the district of ACTUAL attendance and shall issue this warrant to the county treasurer for the district of attendance.

3. Tuition for pupils, residents of the state, residing in unorganized territory, shall be paid by the ~~county school superintendent from the special county school reserve fund~~ STATE SCHOOL FUND; the amount of such tuition shall not include the per capita apportionments of state ~~and county~~ aid. The attendance MEMBERSHIP of such pupils in a school district shall be included in ~~the basis for~~ determining the apportionment of the state ~~and county~~ aid for that district.

4. The amount so received representing contributions to capital outlay shall be applied to the bond redemptions and interest fund of the district if there be one, otherwise such amount shall be credited to the district fund.

Sec. 12. Section 15-501, Arizona Revised Statutes, is amended to read:

15-501. **Formation of high school district; formation of union high school district; petition for establishment; election; notice**

LAWS OF ARIZONA

A. A school district having an average daily ~~attendance~~ MEMBERSHIP of not less than two hundred pupils and an assessed valuation of not less than two million dollars, may, by a majority vote of the qualified school electors thereof, establish and maintain a high school.

B. Two or more adjoining school districts jointly having an average daily ~~attendance~~ MEMBERSHIP of not less than two hundred pupils and property valuation as specified in subsection A, may unite and form a union high school district at the expense of such union high school district. No union high school district shall be formed of territory already embodied in a union high school district, unless the remaining territory of the original district is contiguous and has an assessed valuation of not less than five million dollars. When a new district is formed from territory already included in a union high school district, such territory shall no longer be included in the original high school district.

C. When a majority of the board of trustees of a common school district, or a majority of the trustees of each of two or more adjoining common school districts, unite in a petition to the county school superintendent for establishment of a high school, the superintendent shall call an election to be held at the next regular election of the school trustees if within ninety days after receipt of the petition to determine the question, or a special election called for that purpose within sixty days.

D. Public notices of the election, not less than five in a single district and not less than three in each district comprising the proposed union district, shall be posted, one to be upon the door of the schoolhouse in each district, at least ten days before the election.

E. The election shall be conducted as nearly as practicable in the manner prescribed in article 1, chapter 3 of this title, relating to school bond elections. The ballots shall contain the words "high school, yes" and "high school, no", and the voter shall signify his desired choice.

F. If a majority of the persons voting in a single district, or a majority of the persons voting within each district comprising the proposed union district, vote in favor of establishment of the high school, the high school district shall become effective as provided by section 15-402, subsections A and B.

G. The state board of education may grant permission to a common school district to offer instruction in high school subjects, grades nine to

LAWS OF ARIZONA

twelve, inclusive. Average daily ~~attendance~~ MEMBERSHIP of pupils in grades nine to twelve shall be deemed to be ~~attendance~~ MEMBERSHIP in "~~common~~ HIGH school". FOR PURPOSES OF COMPUTING STATE AID THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM FOR HIGH SCHOOL DISTRICTS SHALL BE USED. Successful completion of a prescribed course of grades nine to twelve shall entitle a student to a certificate of high school graduation.

Sec. 13. Section 15-525, Arizona Revised Statutes, is amended to read:

15-525. Discontinuance of county union high school district; election; transfer or sale of property and distribution of proceeds

A. The board of supervisors, upon petition of fifteen per cent of the qualified school electors of the county union high school district, shall call an election of the qualified school electors of the district to determine whether the county union high school district shall be discontinued and a new high school or union high school district or districts formed or whether the county union high school district shall be discontinued. The election shall be called, conducted, and the result determined in the same manner as elections called to determine the establishment of county union high school districts, except that only such districts shall participate in the election to determine discontinuance of the district as remain part thereof.

B. If it is determined that the county union high school district shall be discontinued and a new high school or union high school district or districts formed, the board of supervisors shall transfer the property of the county union high school district to the new high school or union high school district or districts. If it is determined that the county union high school district shall be discontinued, the board of supervisors shall sell the property of the county union high school district as advantageously as possible, and after paying the debts of the district, the balance of proceeds from the sale of the property, if any, shall be distributed pro rata according to the average ~~attendance~~ DAILY MEMBERSHIP to the remaining high school districts within the county.

Sec. 14. Section 15-902, Arizona Revised Statutes, is amended to read:

15-902. Management and expenses

A. Every teacher training school shall be under the supervision and management of the board of regents. All teachers in the school, except the principal, shall be employed by the board of regents and the trustees of

LAWS OF ARIZONA

the school district in which the training school is located, acting jointly.

B. The school district shall pay towards the expense of a teacher training school an amount equal to one-half of the school money which it is entitled to have apportioned to it based on the ~~attendance~~ MEMBERSHIP at the training school during the preceding school year, but pupils attending from another school district shall not be credited with ~~attendance~~ MEMBERSHIP in the school district in which the college is located.

Sec. 15. Section 15-1015, Arizona Revised Statutes, is amended to read:

15-1015. Powers of the governing board of a school district or county

A. The governing board of each school district or the county school superintendent shall by the school year 1976-1977:

1. Provide special education and required supportive services for all handicapped, except emotionally handicapped, children.

2. Employ supportive special personnel, which may include a director of special education, for the operation of special school programs for exceptional children.

3. To the extent practicable, educate handicapped children in the regular education classes. Special classes, separate schooling or other removal of handicapped children from the regular educational environment, shall occur only if, and to the extent that the nature or severity of the handicap is such that education in regular classes, even with the use of supplementary aids and services, cannot be accomplished satisfactorily.

4. Provide necessary transportation for handicapped children in connection with any program, class or service.

B. The special education program under this section shall be conducted only in a school facility which houses regular education classes or in other facilities approved by the state division of special education.

C. For the purposes of this section, handicapped children being furnished special education in rehabilitation, corrective or other state and county supported institutions shall be the responsibility of that institution

LAWS OF ARIZONA

or facility. Special education programs at such institution or facility shall conform to the conditions and standards prescribed by the director of the division of special education.

D. The governing body of each common or high school district, county or agencies involved in intergovernmental agreements may:

1. In cooperation with another district or districts, establish special education programs for exceptional children. When two or more governing bodies determine to carry out by joint agreement the duties in regard to the special education programs for exceptional children, the governing bodies shall, in accordance with state law and the rules and regulations of the division of special education, establish a written agreement for the provision of services. In such agreements, one governing body of each common or high school district, agencies involved in intergovernmental agreements or the county school superintendent shall administer the program in accordance with the contract agreement between the districts. Tuition students may be included in the agreement.

2. Establish work-experience programs in accordance with rules and regulations of the division of special education. The work-experience programs shall consist of classroom instruction, evaluation, training, and part-time employment. The evaluation, training, and part-time employment may take place on or off the school campus, in or out of the school district, but must be under supervision of certified school personnel. Students enrolled in the work-experience program shall be at least sixteen years of age. Time in a work-experience program shall be counted as attendance at school to qualify for appropriations provided by section 15-1017. All work-experience programs must have the approval of the state division of special education.

3. Establish special education programs for gifted and emotionally handicapped children.

E. A school district or county school superintendent may contract with, and make payments to, other public or private schools, institutions and agencies approved by the division of special education, within or without the district, for the education of and provision of services to exceptional children if unable to provide satisfactory education and service through its own facilities and personnel in accordance with the rules and regulations prescribed by the division of special education.

F. THE COUNTY SCHOOL SUPERINTENDENT MAY, UPON

LAWS OF ARIZONA

APPROVAL OF THE DIVISION OF SPECIAL EDUCATION, ESTABLISH SPECIAL EDUCATION PROGRAMS IN THE COUNTY ACCOMMODATION SCHOOLS UNDER HIS JURISDICTION OR MAY COOPERATE WITH OTHER SCHOOL DISTRICTS BY AGREEMENT TO PROVIDE SUCH SERVICES FOR SUCH SPECIAL PROGRAMS IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE DIVISION OF SPECIAL EDUCATION. AT THE BEGINNING OF EACH SCHOOL YEAR THE COUNTY SCHOOL SUPERINTENDENT SHALL PRESENT AN ESTIMATE OF THE CURRENT YEAR'S ACCOMMODATION SCHOOL EXCEPTIONAL PROGRAMS TUITION COST TO EACH SCHOOL DISTRICT THAT HAS SIGNED AN AGREEMENT TO USE THE SERVICES OF THE ACCOMMODATION SCHOOL. THE TUITION SHALL BE THE ESTIMATED PER CAPITA COST BASED ON THE NUMBER OF PUPILS THAT EACH SCHOOL DISTRICT HAS ESTIMATED WILL ENROLL IN THE PROGRAM AND THE SCHOOL DISTRICT SHALL PAY THE TUITION QUARTERLY IN ADVANCE ON JULY 1, OCTOBER 1, JANUARY 1, AND APRIL 1. INCREASES IN ENROLLMENT DURING THE SCHOOL YEAR OVER THE SCHOOL DISTRICT'S ESTIMATE OF JULY 1, SHALL CAUSE THE TUITION CHARGES TO BE ADJUSTED ACCORDINGLY. IN THE EVENT OF OVERPAYMENT BY THE DISTRICT OF RESIDENCE, THE NECESSARY ADJUSTMENT SHALL BE MADE AT THE CLOSE OF THE SCHOOL YEAR.

Sec. 16. Section 15-1017, Arizona Revised Statutes, is amended to read:

15-1017. Appropriation and apportionment; approval of program; budget limit exception

A. All students as defined by section 15-1011 shall be included in the ~~appropriation~~ ENTITLEMENT TO STATE AID COMPUTED PURSUANT TO CHAPTER 16, ARTICLE 1 and apportionment made pursuant to ~~sections 15-1211 and SECTION 15-1212. and the county levy as provided in section 15-1235.~~ In addition:

~~1. The legislature shall appropriate the following amounts per unit of average daily attendance per annum for each special education student taught, the appropriation being made on an actual per capita per annum basis as shown by the records of the superintendent of public instruction.~~

~~(a) Three hundred eighty dollars per unit of average daily attendance of educable mentally handicapped pupils.~~

LAWS OF ARIZONA

- ~~(b) Three hundred eighty dollars per unit of average daily attendance of emotionally handicapped pupils.~~
 - ~~(c) Fifty dollars per unit of average daily attendance of gifted pupils.~~
 - ~~(d) Five hundred twenty six dollars per unit of average daily attendance of homebound pupils.~~
 - ~~(e) Five hundred ninety dollars per unit of average daily attendance of multiple handicapped pupils.~~
 - ~~(f) Three hundred eighty dollars per unit of average daily attendance of physically handicapped pupils.~~
 - ~~(g) Three hundred eighty dollars per unit of average daily attendance of specific learning disabled pupils.~~
 - ~~(h) Six hundred ninety dollars per unit of average daily attendance of trainable mentally handicapped pupils.~~
 - ~~(i) Seven hundred dollars per unit of average daily attendance of hearing handicapped pupils.~~
 - ~~(j) Seven hundred dollars per unit of average daily attendance of vision handicapped pupils.~~
- ~~2. The county shall provide the following amounts per unit of average daily attendance for each special education student taught by the district.~~
- ~~(a) Ten dollars per unit of average daily attendance of educable mentally handicapped pupils.~~
 - ~~(b) Ten dollars per unit of average daily attendance of emotionally handicapped pupils.~~
 - ~~(c) Ten dollars per unit of average daily attendance of homebound pupils.~~
 - ~~(d) Ten dollars per unit of average daily attendance of multiple handicapped pupils.~~
 - ~~(e) Ten dollars per unit of average daily attendance of physically~~

LAWS OF ARIZONA

~~handicapped pupils.~~

~~(f) Ten dollars per unit of average daily attendance of specific learning disabled pupils.~~

~~(g) Ten dollars per unit of average daily attendance of trainable mentally handicapped pupils.~~

~~3. The legislature shall appropriate fifty five dollars for each speech handicapped pupil, except that such monies shall not be paid on behalf of more than ninety pupils for each certified speech therapist employed by the school district or county.~~

1. THE LEGISLATURE SHALL APPROPRIATE AN AMOUNT EQUAL TO NINETY PER CENT OF THE EXCESS COST TO PROVIDE SPECIAL EDUCATION PROGRAMS TO ALL HANDICAPPED CHILDREN.

2. THE LEGISLATURE SHALL APPROPRIATE FIFTY DOLLARS FOR EACH GIFTED PUPIL ENROLLED IN A SPECIAL EDUCATION PROGRAM APPROVED BY THE DIVISION OF SPECIAL EDUCATION.

B. FOR THE PURPOSES OF SUBSECTION A OF THIS SECTION, EXCESS COST SHALL BE DETERMINED BY UTILIZING A SEPARATE BUDGET FORMAT, AS PRESCRIBED BY THE DEPARTMENT OF EDUCATION, WHICH DETERMINES THE ACTUAL PER HANDICAPPED PUPIL COST OF THE DISTRICT AND THEN SUBTRACTS FROM THAT AMOUNT THE PER PUPIL COST OF EDUCATING A NONHANDICAPPED PUPIL IN THE DISTRICT. IN NO EVENT SHALL THE EXCESS COST EXCEED THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM DIVIDED BY TWENTY-SIX FOR A COMMON SCHOOL DISTRICT OR TWENTY-FOUR FOR A HIGH SCHOOL DISTRICT, WHICHEVER IS APPLICABLE.

C. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL REQUIRE EACH DISTRICT WHICH PROVIDED SPECIAL EDUCATION PROGRAMS IN THE CURRENT YEAR TO FURNISH THE SUPERINTENDENT WITH RECORDS DETAILING FOR SPECIAL EDUCATION PROGRAMS PRIOR TO FEBRUARY 1 OF EACH YEAR. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL REVIEW ALL REQUESTS FOR SPECIAL EDUCATION FOR EACH DISTRICT

LAWS OF ARIZONA

AUTHORIZED UNDER SUBSECTION A OF THIS SECTION, IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION DETERMINES THAT THE REQUESTS FOR STATE MONIES ARE CONSISTENT WITH PROGRAM LEVELS OFFERED BY THE SCHOOL DISTRICT IN THE CURRENT YEAR PLUS AN ALLOWANCE FOR REASONABLE GROWTH, HE SHALL FURNISH THE TREASURER AND THE SCHOOL SUPERINTENDENT OF EACH COUNTY AN ABSTRACT OF THE APPORTIONMENT AND SHALL CERTIFY THE APPORTIONMENT TO THE DIVISION OF FINANCE WHICH SHALL DRAW ITS WARRANT IN FAVOR OF THE COUNTY TREASURER FOR EACH COUNTY FOR THE AMOUNT APPORTIONED THERETO. IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION DETERMINES THAT THE REQUESTS FOR MONIES ARE INCONSISTENT WITH PROGRAM LEVELS IN THE CURRENT YEAR, HE SHALL REDUCE THE EXCESS COST OF SUCH DISTRICT WHICH REDUCED EXCESS COST SHALL BE USED AS THE BASIS TO PROVIDE STATE MONIES FOR PROGRAM LEVELS CONSISTENT WITH THE PROGRAM LEVELS OFFERED BY THE SCHOOL DISTRICT IN THE CURRENT YEAR PLUS AN ALLOWANCE FOR REASONABLE GROWTH.

D. FOR A DISTRICT WHICH DOES NOT OFFER SPECIAL EDUCATION IN THE CURRENT YEAR, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL DETERMINE THE PROGRAM LEVEL FOR SPECIAL EDUCATION FOR THE SCHOOL DISTRICT BUDGET YEAR WHICH IS CONSISTENT WITH COSTS OF SIMILAR PROGRAMS OFFERED BY OTHER SCHOOL DISTRICTS.

E. IN NO EVENT SHALL MONIES APPROVED BY THE SUPERINTENDENT PURSUANT TO THIS SECTION BE GREATER THAN THE MONIES APPROPRIATED BY THE LEGISLATURE FOR SPECIAL EDUCATION PROGRAMS AUTHORIZED BY SUBSECTION A OF THIS SECTION.

~~B.~~ F. The appropriations and apportionment shall be computed with reference to the estimated number of special education students to be taught during the current year in classes and programs having a minimum of two hundred forty minutes of instruction or work experience as provided for in section 15-1015, subsection A per school day, except that a child receiving instruction under the homebound teaching program shall be deemed in ~~full attendance~~ THE SCHOOL MEMBERSHIP when he attends classes or receives instruction for a period of not less than four hours per week. Any additional cost resulting from the special education program and not provided for under the provisions of this section shall be

LAWS OF ARIZONA

met by each school district having students receiving special instruction or by the county in the case of a county special education program.

~~C.~~ G. The appropriations and apportionment provided under the terms of this section shall not be granted to the governing body of a school district or county school superintendent unless the district or county complies with the provisions of this article and the conditions and standards prescribed by the director of the division of special education. A school district or county program for education of handicapped children, as prescribed by the terms of this article, shall be presented to the state board of education for approval.

~~D.~~ Any special education per capita operational cost over and above the per capita operational cost of a district as shown in item 7 of the six per cent budget limit check shall be exempted from the six per cent budget limit.

~~E.~~ The budget six per cent limit does not apply to any school district acting as either fiscal or administrative agent for an intergovernmental agreement, pursuant to section 11-952, for the provision of programs provided for in section 15-1015, subsection D, paragraph 1 to the extent of tuition monies budgeted and received from other cooperating school districts.

H. AMOUNTS BUDGETED IN THE SPECIAL EDUCATION PORTION OF THE SCHOOL DISTRICT BUDGET AS PROVIDED IN SECTION 15-1201 SHALL BE EXEMPT FROM THE BUDGET COST LEVEL.

I. TUITION MONIES BUDGETED AND RECEIVED FROM COOPERATING SCHOOL DISTRICTS BY A SCHOOL DISTRICT ACTING AS EITHER FISCAL OR ADMINISTRATIVE AGENT FOR AN INTERGOVERNMENTAL AGREEMENT PURSUANT TO SECTION 11-952 FOR THE PROVISION OF PROGRAMS PROVIDED FOR IN SECTION 15-1015, SUBSECTION D, PARAGRAPH 1, SHALL BE EXEMPT FROM THE BUDGET COST LEVEL.

Sec. 17. Section 15-1073, Arizona Revised Statutes, is amended to read:

15-1073. Eligibility for training; limitations

A. Training courses may be offered on a voluntary basis to all

LAWS OF ARIZONA

purchasers of hunting licenses, and to students in elementary and high schools who have reached the age of ten years, but the commission may require any hunter whose license has been revoked or suspended by the commission under authority of law to show a certificate of completion of such training course as a condition to issuance or renewal of a license.

B. The courses held for students in the elementary and high schools shall be elective only, shall be completed in not more than six hours in any one school year, and attendance in such classes shall not be considered in computing average daily ~~attendance~~ MEMBERSHIP.

Sec. 18. Section 15-1092, Arizona Revised Statutes, is amended to read:

15-1092. Eligibility; allocations; plan

A. A school district or a district formed for the purposes of this article as prescribed by the terms of this article may be eligible for allocation of funds from the state board of vocational education provided the district offering vocational education meets minimum standards and requirements recommended by the advisory council for technical-vocational education and approved by the state board of vocational education.

B. The state board of vocational education with the consent of the advisory council may allocate from its available appropriation any amount it deems appropriate for the use of a school district or a district formed for the purposes of this article and such allocation may be for administrative costs, equipment or capital outlay. ~~without regard to the provisions of subsection D of section 15-1211.~~

C. The state board of vocational education with the advice of the advisory council for technical-vocational education shall develop a state plan for vocational education which provides for the distribution of technical-vocational funds to school districts or districts formed for the purposes of this article meeting the minimum requirements provided for in the state plan for technical-vocational education.

Sec. 19. Section 15-1099, Arizona Revised Statutes, is amended to read:

15-1099. Appropriation and apportionment; approval of program

A. Those students who qualify for a special program of instruction under this article ~~who are presently included in the appropriation and apportionment made pursuant to sections 15-1211 and 15-1212 and the~~

LAWS OF ARIZONA

~~county levy as provided in section 15-1235 shall receive in addition thereto,~~ an appropriation by the legislature APPORTIONED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 15-1212 to each school district providing special education classes under the provisions of this article an amount specified by the superintendent of public instruction but not exceeding fifty dollars per unit of average daily ~~attendance~~ MEMBERSHIP per annum per program for each special education student taught by the district and this appropriation shall be made on an actual per capita per annum basis as shown by the records of the superintendent of public instruction. THE APPORTIONMENT MADE PURSUANT TO THIS SECTION SHALL BE IN ADDITION TO THE ENTITLEMENT TO STATE AID COMPUTED PURSUANT TO CHAPTER 16, ARTICLE 1.

B. The appropriation shall be computed with reference to the estimated number of special education students as provided in section 15-1097 to be taught during the current year for common schools, in classes having a minimum of not less than one hundred twenty minutes nor more than three hundred sixty minutes of instruction per school day.

C. The appropriations and apportionment provided under the terms of this section shall not be granted to the governing body of a school district unless the district complies with the provisions of this article and the conditions and standards prescribed by the superintendent of public instruction pursuant to rules and regulations of the state board of education. A school district program for education of children having difficulty with oral English or children who come from environments where the dominant language is other than English, shall be presented to the state board of education for approval.

D. Funds provided under the terms of this section shall be allocated for all eligible students in grades one through four prior to the allocation of remaining funds to the eligible students in grades five through eight.

E. A student may only qualify for bilingual instruction and special English training after a showing of proof satisfactory to the superintendent that the student is legally present in this state.

F. Per capita appropriations made pursuant to this section shall not be included in the ~~budget six per cent limit check for the purpose of determining the permissible total operational budget~~ COST LEVEL of a

LAWS OF ARIZONA

school district.

Sec. 20. Repeals

Sections 15-1201, 15-1201.02 and 15-1202, Arizona Revised Statutes, are repealed.

Sec. 21. Title 15, chapter 12, article 1, Arizona Revised Statutes, is amended by adding a new section 15-1201, to read:

15-1201. Budget format

A. THE STATE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL IN CONJUNCTION WITH THE AUDITOR GENERAL PREPARE AND PRESCRIBE A BUDGET FORMAT TO BE UTILIZED BY ALL SCHOOL DISTRICTS.

B. THE BUDGET FORMAT SHALL BE DESIGNED TO ALLOW ALL SCHOOL DISTRICTS TO PLAN AND PROVIDE IN DETAIL FOR THE USE OF AVAILABLE FUNDS. THE BUDGET FORMAT SHALL CONTAIN DISTINCT SECTIONS FOR, BUT NEED NOT BE LIMITED TO, MAINTENANCE AND OPERATION, TRANSPORTATION AND CAPITAL OUTLAY. THE MAINTENANCE AND OPERATION SECTION SHALL INCLUDE, BUT NEED NOT BE LIMITED TO, SEPARATE SUBSECTIONS FOR SPECIAL EDUCATION AND ADMINISTRATIVE SERVICES. THE CAPITAL OUTLAY SECTION SHALL INCLUDE SPECIAL LEVIES AND DEBT SERVICE.

C. THE MAINTENANCE AND OPERATION SECTION OF THE BUDGET FORMAT SHALL INCLUDE ALL EXPENDITURES EXCEPT FOR THOSE INCLUDED UNDER TRANSPORTATION OR CAPITAL OUTLAY.

D. THE BUDGET FORMAT FOR THE TRANSPORTATION SECTION SHALL PROVIDE FOR THE BUDGETING OF TRANSPORTATION EXPENSES AS IDENTIFIED IN THE DEPARTMENT OF EDUCATION ACCOUNT CODE AS NUMBERS 5030 AND 5300 FOR THE FISCAL YEAR 1973-74, AND EXPENSES FOR TRANSPORTATION EQUIPMENT AS IDENTIFIED IN THE DEPARTMENT OF EDUCATION ACCOUNT CODE AS NUMBER 8400 FOR THE FISCAL YEAR 1973-74.

LAWS OF ARIZONA

E. THE BUDGET FORMAT FOR CAPITAL OUTLAY EXPENDITURES SHALL PROVIDE FOR THE BUDGETING OF CAPITAL OUTLAY EXPENSES, INCLUDING THE ITEMS IDENTIFIED IN THE DEPARTMENT OF EDUCATION ACCOUNT CODE AS NUMBERS 8100, 8200, 8300, 8500, 8520, 8530 AND 8600 FOR THE FISCAL YEAR 1973-74. THE BUDGET FORMAT FOR CAPITAL OUTLAY SHALL ALSO INCLUDE NECESSARY INFORMATION RELATING TO SPECIAL LEVIES AND BOND SERVICE. EXPENSES FOR SALARIES AND WAGES AS IDENTIFIED IN THE DEPARTMENT OF EDUCATION ACCOUNT CODE AS NUMBER 8010 SHALL BE BUDGETED UNDER THE MAINTENANCE AND OPERATION SECTION OF THE BUDGET.

F. THE SPECIAL EDUCATION SUBSECTION SHALL INCLUDE EXPENDITURE ITEMS IN CONNECTION WITH PROGRAMS FUNDED IN PART BY THE STATE UNDER SECTION 15-1017, SUBSECTION A, PARAGRAPHS 1 AND 2, SPECIAL ENGLISH INSTRUCTION ASSISTANCE OF CHAPTER 10, ARTICLE 10, AND OTHER SPECIAL EDUCATION PROGRAMS.

G. THE STATE DEPARTMENT OF EDUCATION SHALL FURNISH TO EACH SCHOOL DISTRICT THE BUDGET FORM AS REQUIRED BY THIS SECTION NO LATER THAN OCTOBER 1 OF EACH YEAR, EXCEPT FOR THE BUDGET YEAR 1974-75 WHICH SHALL BE FEBRUARY 15, 1974.

Sec. 22. Section 15-1201.01, Arizona Revised Statutes, is amended to read:

15-1201.01. **Budget control; exceptions**

A. The funds budgeted under ~~item VIII~~ THE CAPITAL OUTLAY SECTION of the budget prescribed by section 15-1201 shall be used only for the purpose of capital outlay.

B. For the purposes of the ~~budget six per cent limit check only, as prescribed by section 15-1201~~ BUDGET COST LEVEL, the actual average daily ~~attendance~~ MEMBERSHIP for the previous year may be used when such actual average daily ~~attendance~~ MEMBERSHIP is greater than the estimated actual average daily ~~attendance~~ MEMBERSHIP for the ~~proposed~~ budget year.

LAWS OF ARIZONA

~~C. The budget six per cent limit check as prescribed by the terms of section 15-1201 shall not apply to any school district employing four classroom teachers or less.~~

~~D. C. For any school district which establishes a kindergarten, for the first year only all expenses incident to the operation of the kindergarten shall be excluded from the computation OF THE BUDGET COST LEVEL. included in the budget six per cent limit check prescribed by the terms of section 15-1201. Thereafter, the expenses incident to the operation of the kindergarten shall be included in the proposed school district budget including the budget six per cent limit check BUDGET COST LEVEL. The superintendent of public instruction IN CONJUNCTION WITH THE AUDITOR GENERAL shall prescribe any new or optional school district budget forms which may be required for the purpose of this subsection.~~

Sec. 23. Title 15, chapter 12, article 1, Arizona Revised Statutes, is amended by adding sections 15-1201.04, 15-1201.05, 15-1202 and 15-1202.01 through 15-1202.03 and 15-1202.06, to read:

15-1201.04. Duties of auditor general for uniform records on operation of schools

A. THE AUDITOR GENERAL SHALL NOT LATER THAN SEPTEMBER 1, 1974 DETERMINE THE ACCOUNTING SYSTEMS, ACCOUNTING METHODS AND ACCOUNTING PROCEDURES UTILIZED BY SCHOOL DISTRICTS OF THE STATE.

B. THE AUDITOR GENERAL IN CONJUNCTION WITH THE STATE BOARD OF EDUCATION SHALL ON OR BEFORE JANUARY 1, 1975 PRESCRIBE A UNIFORM SYSTEM OF FINANCIAL RECORDS TO BE UTILIZED BY ALL SCHOOL DISTRICTS FOR THE FISCAL YEAR BEGINNING JULY 1, 1975 AND EACH FISCAL YEAR THEREAFTER.

C. THE UNIFORM SYSTEM OF FINANCIAL RECORDS PRESCRIBED BY THE AUDITOR GENERAL SHALL:

1. SO FAR AS PRACTICABLE TAKE INTO CONSIDERATION EXISTING CAPABILITIES AVAILABLE AT A REASONABLE COST TO SCHOOL DISTRICTS.
2. ALLOW SCHOOLS TO MAINTAIN NECESSARY RECORDS AT A MINIMUM COST.

LAWS OF ARIZONA

3. PROVIDE THE DEPARTMENT OF EDUCATION, THE AUDITOR GENERAL, THE GOVERNOR AND THE LEGISLATURE WITH SUFFICIENT UNIFORM INFORMATION TO ASSIST IN DETERMINING EQUITABLE DISTRIBUTION OF STATE AID TO SCHOOL DISTRICTS AND NECESSARY INFORMATION TO DETERMINE THE NECESSITY AND AVAILABILITY OF STATE FUNDS FOR TRANSPORTATION, SPECIAL EDUCATION AND CAPITAL OUTLAY PURPOSES ON THE BASIS OF NEED OF A SCHOOL DISTRICT.

4. PROVIDE INFORMATION CONTAINING AT A MINIMUM THE ADM, ADA, MAINTENANCE AND OPERATIONS EXPENDITURES, TRANSPORTATION COSTS, SPECIAL EDUCATION PROGRAM COSTS, CAPITAL OUTLAY PROJECTS OF ALL SCHOOL DISTRICTS AND ADMINISTRATIVE COSTS.

D. THE AUDITOR GENERAL SHALL INFORM ANY SCHOOL DISTRICT WHICH FAILS TO ESTABLISH AND MAINTAIN THE UNIFORM SYSTEM OF FINANCIAL RECORDS AND SHALL DETAIL IN WRITING THE DEFICIENCIES OF THE SCHOOL DISTRICT SYSTEM GIVING SUCH DISTRICT SIXTY DAYS TO CORRECT SUCH DEFICIENCIES.

E. THE AUDITOR GENERAL SHALL REPORT TO THE DEPARTMENT OF EDUCATION ANY SCHOOL DISTRICT WHICH EITHER FAILS TO ESTABLISH AND MAINTAIN THE UNIFORM SYSTEM OF FINANCIAL RECORDS PRESCRIBED BY THE AUDITOR GENERAL OR FAILS TO CORRECT DEFICIENCIES IN SUCH SYSTEM WITHIN SIXTY DAYS AFTER RECEIVING SUCH NOTICE.

15-1201.05. **Duties of department of education for uniform records on operations of schools**

A. THE DEPARTMENT OF EDUCATION SHALL ADVISE AND CONSULT WITH THE AUDITOR GENERAL IN THE PREPARATION AND IMPLEMENTATION OF A UNIFORM SYSTEM OF FINANCIAL RECORDS.

B. THE STATE BOARD OF EDUCATION SHALL UPON REPORT FROM THE AUDITOR GENERAL DETERMINE WHETHER SCHOOL DISTRICTS ARE MAINTAINING THE UNIFORM SYSTEM OF FINANCIAL RECORDS. IF THE STATE BOARD OF EDUCATION

LAWS OF ARIZONA

DETERMINES THAT A SCHOOL DISTRICT IS NOT IN COMPLIANCE WITH THE UNIFORM SYSTEM OF FINANCIAL RECORDS AT ANY TIME AFTER OCTOBER 1, 1975 OR HAS FAILED TO CORRECT A DEFICIENCY WITHIN SIXTY DAYS AFTER RECEIVING NOTICE FROM THE AUDITOR GENERAL, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL, UNLESS A HEARING IS REQUESTED PURSUANT TO SUBSECTION C, WITHHOLD FURTHER DISTRIBUTION OF STATE FUNDS TO THE SCHOOL DISTRICT FROM THE DATE OF THE DETERMINATION UNTIL SUCH TIME AS THE AUDITOR GENERAL REPORTS COMPLIANCE WITH THE UNIFORM SYSTEM OF FINANCIAL RECORDS. THE AUDITOR GENERAL AND THE DEPARTMENT OF EDUCATION SHALL ASSIST THE SCHOOL DISTRICT TO ACHIEVE COMPLIANCE DURING SUCH PERIOD AND MAY GRANT A FURTHER EXTENSION OF TIME IN EVENT THAT MORE THAN SIXTY DAYS ARE NECESSARY TO BRING THE SCHOOL'S SYSTEM IN COMPLIANCE WITH THE UNIFORM SYSTEM OF FINANCIAL RECORDS.

C. IN THE EVENT THE STATE BOARD OF EDUCATION DETERMINES THAT A SCHOOL DISTRICT IS NOT IN COMPLIANCE WITH THE UNIFORM SYSTEM OF FINANCIAL RECORDS, THE SCHOOL DISTRICT MAY REQUEST A HEARING BEFORE THE BOARD WHICH HEARING SHALL BE HELD IN ACCORDANCE WITH THE PROVISIONS OF TITLE 41, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL NOT WITHHOLD DISTRIBUTION OF STATE FUNDS UNTIL SUCH TIME AS THE HEARING, IF REQUESTED, IS COMPLETED AND THE BOARD HAS FOUND THAT THE SCHOOL DISTRICT IS NOT IN COMPLIANCE WITH THE UNIFORM SYSTEM OF FINANCIAL RECORDS.

D. THE DECISION OF THE STATE BOARD OF EDUCATION SHALL BE SUBJECT TO JUDICIAL REVIEW IN ACCORDANCE WITH THE PROVISIONS OF TITLE 12, CHAPTER 7, ARTICLE 6, ARIZONA REVISED STATUTES. IN THE EVENT THAT AN APPEAL IS TAKEN BY THE SCHOOL DISTRICT FROM THE RULING OF THE STATE BOARD OF EDUCATION, THE SUPERINTENDENT SHALL NOT WITHHOLD DISTRIBUTION OF STATE FUNDS UNTIL A DECISION IS RENDERED ON THE APPEAL.

15-1202. **School district budgets; limitation on increases; notice; adoption; budgets for new districts**

LAWS OF ARIZONA

A. NOT LATER THAN JUNE 1 OF EACH YEAR, THE GOVERNING BOARD OF EACH COMMON OR HIGH SCHOOL DISTRICT SHALL PREPARE AND FURNISH TO THE STATE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE COUNTY SCHOOL SUPERINTENDENT A PROPOSED BUDGET FOR THE BUDGET YEAR, WHICH SHALL CONTAIN THE INFORMATION AND BE IN THE FORM AS PROVIDED BY THE STATE DEPARTMENT OF EDUCATION.

B. THE GOVERNING BOARD OF EACH DISTRICT SHALL PREPARE A NOTICE FIXING A TIME NOT LATER THAN JUNE 15 AND DESIGNATING A PUBLIC PLACE WITHIN EACH DISTRICT AT WHICH A MEETING SHALL BE HELD. THE GOVERNING BOARD SHALL PRESENT THE PROPOSED BUDGET FOR CONSIDERATION OF THE RESIDENTS OR TAXPAYERS OF THE DISTRICT AT SUCH MEETING.

C. THE GOVERNING BOARD OF EACH DISTRICT, PRIOR TO THE MEETING, SHALL PUBLISH A COPY OF THE NOTICE WITH A COPY OF THE PROPOSED BUDGET TWO TIMES IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE SCHOOL DISTRICT. THE NOTICE SHALL CONTAIN THE PERCENTAGE INCREASE OR DECREASE OF THE AGGREGATE BUDGET LIMIT FOR THE BUDGET YEAR AS COMPARED TO THE AGGREGATE BUDGET LIMIT FOR THE CURRENT YEAR. THE SECOND PUBLICATION SHALL BE MADE NO LATER THAN FIVE DAYS PRIOR TO THE MEETING. THE COST OF PUBLICATION SHALL BE A CHARGE AGAINST THE SCHOOL DISTRICT. THE PUBLISHER'S AFFIDAVIT OF PUBLICATION SHALL BE FILED BY THE GOVERNING BOARD WITH THE STATE SUPERINTENDENT OF PUBLIC INSTRUCTION WITHIN THIRTY DAYS AFTER PUBLICATION.

D. AT THE TIME AND PLACE FIXED IN THE NOTICE, THE MEMBERS OF THE GOVERNING BOARD SHALL HOLD THE MEETING AND PRESENT THE PROPOSED BUDGET TO THE RESIDENTS OR TAXPAYERS ATTENDING THE MEETING. UPON REQUEST OF ANY PERSON, THE GOVERNING BOARD SHALL EXPLAIN THE BUDGET AND ANY RESIDENT OR TAXPAYER MAY PROTEST THE INCLUSION OF ANY ITEM.

E. AFTER THE MEETING, THE GOVERNING BOARD SHALL ADOPT THE BUDGET WHICH SHALL NOT EXCEED THE

LAWS OF ARIZONA

AGGREGATE BUDGET LIMIT MAKING SUCH DEDUCTIONS THEREFROM AS IT SEES FIT BUT MAKING NO ADDITIONS THERETO, AND SHALL ENTER THE BUDGET AS ADOPTED IN ITS MINUTES. NOT LATER THAN JUNE 18, THE BUDGET AS FINALLY ADOPTED SHALL BE FILED BY THE GOVERNING BOARD WITH THE COUNTY SCHOOL SUPERINTENDENT WHO SHALL IMMEDIATELY TRANSMIT A COPY TO THE BOARD OF SUPERVISORS OF THE COUNTY AND A COPY TO THE STATE SUPERINTENDENT OF PUBLIC INSTRUCTION.

F. FOR THE YEAR 1973-74 EACH DISTRICT SHALL COMPUTE A BUDGET COST LEVEL AS FOLLOWS:

1. ADD ESTIMATED MONEY RECEIVED IN THE FISCAL YEAR 1973-74 FROM THE BASIC GRANT AS DEFINED BY SECTION 15-1211, FINANCIAL ASSISTANCE AS DEFINED BY SECTION 15-1221, EQUALIZATION AID AS DEFINED BY SECTION 15-1228, COUNTY AID AS DEFINED BY SECTION 15-1235, ESTIMATED AUTO LIEU RECEIPTS AS DEFINED BY SECTION 28-1591, ESTIMATED MONIES FROM THE STATE PERMANENT SCHOOL FUND AS DEFINED BY SECTION 37-521, DISTRICT MAINTENANCE AND OPERATION LEVIES AND BALANCES USED FOR REDUCTION OF SCHOOL DISTRICT TAXES AS PROVIDED BY SECTION 15-1204.

2. SUBTRACT FROM THE SUM OBTAINED IN PARAGRAPH 1 THE SUM BUDGETED FOR TRANSPORTATION EXPENSES FOR FISCAL YEAR 1973-74 AS DEFINED IN SECTION 15-1601.

G. NO SCHOOL DISTRICT SHALL BE ALLOWED TO INCREASE ITS MAINTENANCE AND OPERATION BUDGET BY TRANSFERRING MONIES BUDGETED AND EXPENDED FOR CAPITAL OUTLAY IN A PRIOR YEAR. FOR DETERMINATION OF THIS LIMITATION EACH SCHOOL DISTRICT SHALL:

1. DETERMINE THE AMOUNT BUDGETED FOR MAINTENANCE AND OPERATION AS DEFINED BY SECTION 15-1601, FOR THE FISCAL YEAR 1973-74 AND EACH YEAR THEREAFTER.

2. DETERMINE THE INCREASE OR DECREASE ALLOWED IN THE BUDGET COST LEVEL FOR THE BUDGET YEAR FROM THE CURRENT YEAR.

LAWS OF ARIZONA

3. ADD THE AMOUNTS BUDGETED FOR MAINTENANCE AND OPERATIONS AUTHORIZED BY AN ELECTION FOR BUDGET INCREASE IN ACCORDANCE WITH SECTION 15-1202.01 AND INCREASED REVENUES FOR THE BUDGET YEAR FROM THE SOURCES LISTED IN PARAGRAPHS 3, 4, 5, 6 AND 7 OF SUBSECTION 1 OF THIS SECTION TO THE FIGURE OBTAINED IN PARAGRAPH 2.

4. ADD OR SUBTRACT, AS THE CASE MAY BE, THE FIGURE OBTAINED IN PARAGRAPH 3 TO OR FROM THE FIGURE OBTAINED IN PARAGRAPH 1.

5. COMPARE THE FIGURE OBTAINED IN PARAGRAPH 4 WITH THE MONIES BUDGETED FOR MAINTENANCE AND OPERATION AND IF THE TOTAL MONIES BUDGETED FOR MAINTENANCE AND OPERATION FOR THE BUDGET YEAR IS GREATER, REDUCE THE BUDGET AMOUNT SO THAT IT DOES NOT EXCEED THE FIGURE OBTAINED IN PARAGRAPH 4.

H. FOR THE BUDGET YEAR 1974-75 AND EACH BUDGET YEAR THEREAFTER EACH DISTRICT SHALL COMPUTE A BUDGET COST LEVEL AS FOLLOWS:

1. FOR COMMON SCHOOL DISTRICTS:

(a) MULTIPLY THE NUMBER OF STATE SUPPORTED CLASSROOMS FOR THE BUDGET YEAR BY THE BUDGET COST LEVEL PER STATE SUPPORTED CLASSROOM FOR THE CURRENT YEAR.

(b) SUBTRACT THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM FOR COMMON SCHOOL DISTRICTS FOR THE CURRENT YEAR FROM THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM FOR COMMON SCHOOL DISTRICTS FOR THE BUDGET YEAR.

(c) MULTIPLY THE DIFFERENCE OBTAINED FROM SUBDIVISION (b) BY THE NUMBER OF STATE SUPPORTED CLASSROOMS FOR THE BUDGET YEAR.

(d) ADD THE PRODUCT OBTAINED IN SUBDIVISION (a) TO THE PRODUCT OBTAINED IN SUBDIVISION (c).

LAWS OF ARIZONA

2. FOR HIGH SCHOOL DISTRICTS:

(a) MULTIPLY THE NUMBER OF STATE SUPPORTED CLASSROOMS FOR THE BUDGET YEAR BY THE BUDGET COST LEVEL PER STATE SUPPORTED CLASSROOM FOR THE CURRENT YEAR.

(b) SUBTRACT THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM FOR HIGH SCHOOL DISTRICTS FOR THE CURRENT YEAR FROM THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM FOR HIGH SCHOOL DISTRICTS FOR THE BUDGET YEAR.

(c) MULTIPLY THE DIFFERENCE OBTAINED FROM SUBDIVISION (b) BY THE NUMBER OF STATE SUPPORTED CLASSROOMS FOR THE BUDGET YEAR.

(d) ADD THE PRODUCT OBTAINED IN SUBDIVISION (a) TO THE PRODUCT OBTAINED IN SUBDIVISION (c).

3. ADD TO THE SUM OBTAINED IN PARAGRAPH 1 OR 2, AS THE CASE MAY BE, SPECIAL BUDGET INCREASES COMPUTED IN ACCORDANCE WITH SECTION 15-1202.02.

I. FOR THE BUDGET YEAR 1974-75 AND EACH YEAR THEREAFTER, THE AGGREGATE SCHOOL DISTRICT BUDGET LIMIT SHALL BE THE SUM OF THE FOLLOWING:

1. THE BUDGET COST LEVEL FOR THE BUDGET YEAR.

2. THE AMOUNT OF BUDGET INCREASE AUTHORIZED FOR THE CURRENT OR A PREVIOUS YEAR SUBSEQUENT TO JULY 1, 1973 BY A SPECIAL ELECTION CALLED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 15-1202.01.

3. DISTRIBUTION FROM THE COUNTY SCHOOL FUND, SECTION 15-1238 AND FROM THE COUNTY SCHOOL RESERVE FUND, SECTIONS 15-1246 AND 15-1247.

4. FEDERAL ASSISTANCE.

5. TUITION PAID FOR ATTENDANCE OF NONRESIDENT PUPILS.

LAWS OF ARIZONA

- 6. STATE IMPACT ASSISTANCE FROM SECTION 15-1214.
 - 7. SPECIAL GRANT MONIES FROM SECTION 15-1242.
 - 8. SPECIAL EDUCATION ASSISTANCE FOR EXCEPTIONAL CHILDREN FROM CHAPTER 10, ARTICLE 2.
 - 9. SPECIAL ENGLISH INSTRUCTION ASSISTANCE FROM CHAPTER 10, ARTICLE 10.
 - 10. TRANSPORTATION LEVIES AND TRANSPORTATION AID SPECIFICALLY AUTHORIZED BY LAW.
 - 11. CAPITAL OUTLAY LEVIES SPECIFICALLY AUTHORIZED BY LAW.
 - 12. ANY OTHER BUDGET ITEM EXEMPT FROM THE BUDGET COST LEVEL.
- J. NO EXPENDITURE SHALL BE MADE BY ANY SCHOOL DISTRICT FOR A PURPOSE NOT PARTICULARLY ITEMIZED AND INCLUDED IN THE BUDGET AND NO EXPENDITURE SHALL BE MADE AND NO DEBT, OBLIGATION, OR LIABILITY SHALL BE INCURRED OR CREATED IN ANY YEAR FOR ANY PURPOSE ITEMIZED IN THE BUDGET IN EXCESS OF THE AMOUNT SPECIFIED FOR SUCH ITEM IRRESPECTIVE OF WHETHER THE DISTRICT AT ANY TIME HAS RECEIVED OR HAS ON HAND FUNDS IN EXCESS OF THOSE REQUIRED TO MEET THE EXPENDITURES, DEBTS, OBLIGATIONS AND LIABILITIES PROVIDED FOR UNDER SUCH BUDGET EXCEPT PURSUANT TO THE PROVISION OF SECTION 15-1245.
- K. WHEN A NEW SCHOOL DISTRICT IS CREATED PURSUANT TO THE PROVISIONS OF LAW, THE GOVERNING BOARD SHALL ADOPT A BUDGET IN THE FORM PRESCRIBED BY THE STATE DEPARTMENT OF EDUCATION, WHICH WILL PROVIDE FUNDS SUFFICIENT FOR OPERATION OF THE DISTRICT DURING ITS FIRST YEAR, BUT THEREAFTER, SUCH DISTRICTS SHALL BE SUBJECT TO THE PROVISIONS OF THIS ARTICLE.

15-1202.01. **Election for budget increases**

LAWS OF ARIZONA

A. NO SCHOOL DISTRICT SHALL HOLD AN ELECTION FOR A SPECIAL BUDGET INCREASE FOR THE BUDGET YEAR 1974-75.

B. IF THE PROPOSED BUDGET INCLUDES AN INCREASE OF MORE THAN THE AGGREGATE BUDGET LIMIT FOR A BUDGET YEAR SUBSEQUENT TO THE BUDGET YEAR 1974-75, THE GOVERNING BOARD SHALL CALL AN ELECTION FOR THE PURPOSE OF PRESENTING THE BUDGET TO THE QUALIFIED ELECTORS OF THE SCHOOL DISTRICT WHO SHALL BY A MAJORITY OF THOSE VOTING EITHER AFFIRM OR REJECT SUCH BUDGET. IF APPROVED, IN ACCORDANCE WITH THE PROVISIONS OF SECTION 15-1202.07, THE PROPOSED BUDGET SHALL BE IMMEDIATELY TRANSMITTED TO THE BOARD OF SUPERVISORS OF THE COUNTY AND A COPY TO THE STATE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE COUNTY SCHOOL SUPERINTENDENT. IF DISAPPROVED, AN ALTERNATE BUDGET WHICH DOES NOT INCLUDE AN INCREASE IN THE BUDGET OF THE CURRENT YEAR OF MORE THAN THAT AMOUNT PERMITTED UNDER SECTION 15-1202 SHALL BE IMMEDIATELY TRANSMITTED TO THE BOARD OF SUPERVISORS AND A COPY TO THE STATE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE COUNTY SCHOOL SUPERINTENDENT. IF SUCH ELECTION IS NECESSARY THE NOTICE REQUIRED BY THIS SECTION SHALL BE GIVEN NO LATER THAN JUNE 1. THE BOARD OF TRUSTEES SHALL PUBLISH A COPY OF THE PROPOSED INCREASE IN THE BUDGET ONE TIME IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE SCHOOL DISTRICT. THE COST OF PUBLICATION SHALL BE A CHARGE AGAINST THE SCHOOL DISTRICT. THE PUBLISHER'S AFFIDAVIT OF PUBLICATION SHALL BE FILED BY THE BOARD OF TRUSTEES WITH THE STATE SUPERINTENDENT OF PUBLIC INSTRUCTION WITHIN THIRTY DAYS AFTER PUBLICATION.

C. THE ELECTION PRESCRIBED BY SUBSECTION B SHALL BE HELD IN ACCORDANCE WITH THE PROVISIONS OF SECTION 15-1202.07 AND SHALL BE CONDUCTED AS NEARLY AS PRACTICABLE IN THE MANNER PRESCRIBED IN ARTICLE 1, CHAPTER 13 OF THIS TITLE, RELATING TO SCHOOL BOND ELECTIONS. ABSENTEE VOTING IN SUCH ELECTIONS SHALL BE CONDUCTED AS NEARLY AS PRACTICABLE IN THE MANNER PRESCRIBED IN CHAPTER 8 OF TITLE 16. THE BALLOT SHALL CONTAIN THE WORDS "BUDGET INCREASE, YES" AND "BUDGET INCREASE, NO", AND THE VOTER SHALL SIGNIFY HIS DESIRED

LAWS OF ARIZONA

CHOICE. THE BALLOT SHALL ALSO CONTAIN THE AMOUNT OF THE PROPOSED INCREASE OF THE BUDGET YEAR OVER THE CURRENT YEAR AND THE FOLLOWING STATEMENT:

“ANY BUDGET INCREASE AUTHORIZED BY THIS ELECTION SHALL BE FUNDED BY A LEVY OF TAXES UPON THE TAXABLE PROPERTY WITHIN THIS SCHOOL DISTRICT FOR THE YEAR IN WHICH ADOPTED AND FOR ALL SUBSEQUENT YEARS, AND SHALL NOT BE REALIZED FROM FUNDS FURNISHED BY THE STATE. BASED ON AN ESTIMATE OF ASSESSED VALUATION, THE PROPOSED INCREASE IN THE DISTRICT’S BUDGET OVER THAT ALLOWED BY LAW WOULD RESULT IN AN ESTIMATED INCREASE IN THE DISTRICT’S TAX LEVY OF _____ DOLLAR PER ONE HUNDRED DOLLARS OF ASSESSED VALUATION.”

AT LEAST THIRTY DAYS PRIOR TO SUCH AN ELECTION, THE STATE DIVISION OF PROPERTY VALUATION SHALL PROVIDE THE DISTRICT GOVERNING BOARD WITH AN ESTIMATE OF THE DISTRICT’S ASSESSED VALUATION FOR THE ENSUING FISCAL YEAR, AND THE GOVERNING BOARD SHALL USE THIS ESTIMATE TO TRANSLATE THE AMOUNT OF THE PROPOSED DOLLAR INCREASE IN ITS BUDGET OVER THAT ALLOWED BY LAW INTO A TAX RATE FIGURE.

D. IF THE VOTERS IN A COMMON OR HIGH SCHOOL DISTRICT VOTE TO ADOPT A BUDGET IN EXCESS OF THE AGGREGATE BUDGET LIMIT, ANY SUCH ADDITIONAL INCREASE SHALL BE EXCLUDED FROM THE DETERMINATION OF STATE AID IN THE BUDGET YEAR AND ALL SUBSEQUENT YEARS. THE DISTRICT MAY, HOWEVER, LEVY ON THE ASSESSED VALUATION OF THE PROPERTY IN THE SCHOOL DISTRICT SUCH ADDITIONAL INCREASE FOR SUBSEQUENT YEARS WITHOUT FURTHER VOTE OF THE PEOPLE.

15-1202.02. **Special budget increases**

FOR A PERIOD OF FIVE YEARS BEGINNING WITH THE FISCAL YEAR 1974-75, IN ADDITION TO THE BUDGET INCREASES AUTHORIZED BY SECTION 15-1202 AND AT THE OPTION OF THE GOVERNING BOARD OF A COMMON OR HIGH SCHOOL DISTRICT

LAWS OF ARIZONA

A SCHOOL DISTRICT IN WHICH THE DISTRICT BUDGET COST LEVEL FOR THE CURRENT YEAR IS LESS THAN THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM FOR THE CURRENT YEAR MULTIPLIED BY THE NUMBER OF STATE SUPPORTED CLASSROOMS FOR THE COMMON OR HIGH SCHOOL DISTRICT, WHICHEVER IS APPLICABLE, SHALL BE PERMITTED TO INCREASE ITS BUDGET UP TO AN ADDITIONAL AMOUNT COMPUTED AS FOLLOWS:

1. MULTIPLY THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM FOR THE BUDGET YEAR BY THE NUMBER OF STATE SUPPORTED CLASSROOMS.
2. SUBTRACT THE COMPUTATION OBTAINED IN PARAGRAPH 1 OF SUBSECTION H OF SECTION 15-1202 FOR COMMON SCHOOL DISTRICTS AND PARAGRAPH 2 OF SUBSECTION H OF SECTION 15-1202 FOR HIGH SCHOOL DISTRICTS FOR THE BUDGET YEAR FROM THE PRODUCT OBTAINED IN PARAGRAPH 1.
3. DIVIDE THE DIFFERENCE OBTAINED IN PARAGRAPH 2 BY THE NUMBER OF YEARS REMAINING IN THE FIVE-YEAR PERIOD.

15-1202.03. **Basic support level; annual growth rate; action of legislature**

- A. FOR THE FISCAL YEAR 1973-74 THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM FOR COMMON SCHOOLS SHALL BE NINETEEN THOUSAND THREE HUNDRED SEVENTY DOLLARS.
- B. FOR THE FISCAL YEAR 1973-74 THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM FOR HIGH SCHOOLS SHALL BE TWENTY-FOUR THOUSAND THREE HUNDRED SIXTY DOLLARS.
- C. FOR THE FISCAL YEAR 1974-75 THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM SHALL BE INCREASED BY SEVEN PER CENT.
- D. FOR THE FISCAL YEAR 1975-76 AND EACH BUDGET YEAR THEREAFTER THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM SHALL BE ADJUSTED IN THE FOLLOWING MANNER:

LAWS OF ARIZONA

1. THE ECONOMIC ESTIMATES COMMISSION SHALL RECOMMEND TO THE LEGISLATURE NOT LATER THAN JANUARY 15 OF EACH YEAR A GROWTH RATE BASED ON THE COMMISSION'S REQUIRED FINDINGS.

2. THE LEGISLATURE SHALL, AFTER CONSIDERATION OF THE RECOMMENDATION, PRESCRIBE THE GROWTH RATE FOR THE BUDGET YEAR NOT LATER THAN MARCH 1 OF EACH YEAR.

3. IN THE EVENT THE LEGISLATURE FAILS TO PRESCRIBE THE GROWTH RATE FOR THE BUDGET YEAR BY MARCH 1, THE GROWTH RATE FOR THE CURRENT YEAR SHALL BE UTILIZED TO ADJUST THE BASIC SUPPORT PER STATE SUPPORTED CLASSROOM FOR THE BUDGET YEAR.

15-1202.06. Levy for capital outlay purposes

AT THE REQUEST OF THE GOVERNING BOARD OF A SCHOOL DISTRICT, THE COUNTY SCHOOL SUPERINTENDENT SHALL INCLUDE IN HIS ESTIMATE TO THE BOARD OF SUPERVISORS THE AMOUNT OF MONEY WHICH WILL BE NECESSARY TO MEET THE BUDGETED CAPITAL OUTLAY EXPENSES OF THE DISTRICT AS DEFINED IN SECTION 15-1201. THE BOARD OF SUPERVISORS SHALL MAKE A LEVY ON THE PROPERTY OF THE SCHOOL DISTRICT SUFFICIENT TO PRODUCE REVENUES FOR THE PAYMENT OF THESE EXPENSES.

Sec. 24. Title 15, chapter 12, article 1, Arizona Revised Statutes, is amended by adding section 15-1202.07, to read:

15-1202.07. School district elections; statutory budget limits; number of electors required

NO SCHOOL DISTRICT SHALL EXCEED STATUTORY BUDGET LIMITATIONS BY VIRTUE OF ELECTION APPROVAL BY A MAJORITY VOTE OF THE QUALIFIED ELECTORS OF THE DISTRICT UNLESS THE TOTAL NUMBER OF ELECTORS VOTING AT SUCH ELECTION IS EQUAL TO OR MORE THAN TEN PER CENT OF THE NUMBER OF REGISTERED ELECTORS OF SUCH SCHOOL DISTRICT REGISTERED AS OF THE FIFTIETH DAY PRECEDING THE DATE OF SUCH ELECTION.

LAWS OF ARIZONA

Sec. 25. Section 15-1204, Arizona Revised Statutes, is amended to read:

15-1204. Procedure for payment of obligations after close of fiscal year; lapsing of funds

A. Annually on or before June 30, each school district having outstanding obligations attributable to the budgetary allotments of the fiscal year just ending shall file with the county school superintendent, in the manner and upon a form prescribed by the state superintendent of public instruction and under oath, an "advice of encumbrance" for each item of outstanding obligations. The county school superintendent shall encumber such funds as are necessary and available to pay such properly entered encumbrances. Any cash balance remaining after encumbrances shall lapse, and the balance shall be used for reduction of school district taxes for the ~~ensuing fiscal~~ BUDGET year.

B. The county school superintendent may draw warrants against the available balances of the budgetary items made for a fiscal year for a period of one month after the close of such fiscal year or for two months thereafter for payment of compensation to school personnel. ~~warrants~~ WARRANTS may be drawn after the close of a fiscal year only for payment of obligations incurred during the fiscal year for which such budget was approved or fulfillment of contracts properly made during or applicable to such year for goods received or services rendered prior to the close of such fiscal year.

C. After expiration of the period of two months from the beginning of each fiscal year, the balance shall lapse and be applied as provided in subsection A of this section and no further payments shall be made on any claim for expenditures of such prior fiscal year.

Sec. 26. Section 15-1212, Arizona Revised Statutes, is amended to read:

15-1212. Apportionment of funds

A. The board shall apportion ~~the sum in~~ STATE AID FROM the state school fund to the several counties on the basis of ~~average daily attendance~~ in STATE AID ENTITLEMENT FOR the common and high schools in each county. No allowance shall be made for ~~attendance of~~ nonresident alien children, nor for wards of the United States for whom tuition is paid, but attendance of a student in a school of a county adjoining the county of his residence, whether within or without the state, under a certificate of

LAWS OF ARIZONA

educational convenience as provided by section 15-304, shall be deemed to be ~~attendance~~ MEMBERSHIP in the school of the county or district of his residence.

B. Apportionments shall be made as follows:

1. On July 15, one-twelfth of the total amount to be apportioned during the fiscal year.
2. On September 15, ~~one-sixth~~ ONE-TWELFTH of the total amount to be apportioned during the fiscal year.
3. On ~~November~~ OCTOBER 15, ~~one-fourth~~ ONE-TWELFTH of the total amount to be apportioned during the fiscal year.
4. On ~~January~~ DECEMBER 15, one-twelfth of the total amount to be apportioned during the fiscal year.
5. On ~~March~~ JANUARY 15, ~~one-sixth~~ ONE-TWELFTH of the total amount to be apportioned during the fiscal year.
6. On ~~May~~ FEBRUARY 15, ~~one-fourth~~ ONE-TWELFTH of the total amount to be apportioned during the fiscal year.
7. ON MARCH 15, ONE-TWELFTH OF THE TOTAL AMOUNT TO BE APPORTIONED DURING THE FISCAL YEAR.
8. ON APRIL 15, ONE-SIXTH OF THE TOTAL AMOUNT TO BE APPORTIONED DURING THE FISCAL YEAR.
9. ON MAY 15, ONE-SIXTH OF THE TOTAL AMOUNT TO BE APPORTIONED DURING THE FISCAL YEAR.
10. ON JUNE 15, ONE-TWELFTH OF THE TOTAL AMOUNT TO BE APPORTIONED DURING THE FISCAL YEAR.

The superintendent of public instruction shall furnish the treasurer and the school superintendent of each county an abstract of the apportionment, and shall certify the apportionment to the ~~assistant director for the~~ division of finance, which shall draw its warrant in favor of the county treasurer of each county for the amount apportioned thereto. Upon receipt of the warrant the county treasurer shall notify the county

LAWS OF ARIZONA

superintendent ~~that~~ OF the amount thereof, together with any other monies standing to the credit of SUCH DISTRICT IN the county school fund. ~~is subject to apportionment as prescribed by law.~~

C. As used in this title:

1. "Common school" means kindergarten and the first to eighth grades inclusive.
2. "High school" means the ninth to twelfth grades inclusive.
3. "Night school" means a school operated at hours other than those during which the regular school is in session. For each student who attends and satisfactorily completes a specific course, the district shall be reimbursed by the state in the amount of ten dollars for each course satisfactorily completed.
4. "Daily attendance" means:
 - (a) For common schools, days in which a pupil:
 - (i) Of the kindergarten attends a minimum of one hundred twenty minutes but such attendance shall be counted as one-half day's attendance.
 - (ii) Of the first, second or third grades attends a minimum of two hundred forty minutes.
 - (iii) Of the fourth, fifth or sixth grades attends a minimum of three hundred minutes.
 - (iv) Of the seventh or eighth grades attends a minimum of three hundred sixty minutes, including in each case recreational periods, and in which a pupil regardless of grade is actually present during one or both of the two sessions into which the school day is divided, but attendance at one session only shall be counted as one-half day's attendance.
 - (b) For high schools, the attendance of a high school pupil shall not be counted a full day unless such pupil is actually and physically in attendance, enrolled in and carrying four subjects or the equivalent thereof that count toward graduation as defined by the state board of education, in a recognized high school, but attendance of a pupil carrying less than the load prescribed shall be prorated.

LAWS OF ARIZONA

(c) For common or high schools which maintain an approved extended school operation, attendance shall be based on a computation, as prescribed by the superintendent of public instruction, of the one hundred seventy-five days equivalency of instructional time as approved by the superintendent during which each pupil is enrolled.

5. "AVERAGE DAILY MEMBERSHIP" MEANS THE TOTAL ENROLLMENT OF FRACTIONAL STUDENTS AND FULL-TIME STUDENTS, MINUS WITHDRAWALS, OF EACH SCHOOL DAY FOR THE CURRENT YEAR. IN COMPUTING THE AVERAGE DAILY MEMBERSHIP, KINDERGARTEN STUDENTS SHALL BE COUNTED AS ONE-HALF OF A FULL-TIME STUDENT AND PART-TIME HIGH SCHOOL STUDENTS SHALL BE COUNTED IN THE PROPORTION THAT THE NUMBER OF COURSES IN WHICH THE STUDENT IS ENROLLED BEARS TO THE NUMBER OF COURSES IN WHICH A FULL-TIME STUDENT CARRYING A NORMAL COURSE SCHEDULE IS ENROLLED. WITHDRAWALS INCLUDE STUDENTS FORMALLY WITHDRAWN FROM PUBLIC SCHOOLS AND STUDENTS ABSENT FOR TEN CONSECUTIVE SCHOOL DAYS EXCEPT FOR EXCUSED ABSENCES AS IDENTIFIED BY THE STATE DEPARTMENT OF EDUCATION. FOR COMPUTATION PURPOSES, THE EFFECTIVE DATE OF WITHDRAWAL SHALL BE RETROACTIVE TO THE LAST DAY OF ACTUAL ATTENDANCE OF THE STUDENT.

(a) "FRACTIONAL STUDENT" MEANS:

(i) FOR COMMON SCHOOLS, A KINDERGARTEN STUDENT AT LEAST FIVE YEARS OF AGE PRIOR TO JANUARY 1 OF THE SCHOOL YEAR AND ENROLLED IN A PUBLIC SCHOOL KINDERGARTEN PROGRAM OF ONE HUNDRED TWENTY MINUTES EACH DAY.

(ii) FOR HIGH SCHOOLS, A PART-TIME STUDENT ENROLLED IN LESS THAN FOUR SUBJECTS THAT COUNT TOWARD GRADUATION AS DEFINED BY THE STATE BOARD OF EDUCATION IN A RECOGNIZED HIGH SCHOOL.

(b) "FULL-TIME STUDENT" MEANS:

(i) FOR COMMON SCHOOLS, A STUDENT AT LEAST SIX YEARS OF AGE PRIOR TO JANUARY 1 OF A SCHOOL YEAR NOT GRADUATED FROM THE HIGHEST GRADE TAUGHT IN THE

LAWS OF ARIZONA

SCHOOL DISTRICT AND REGULARLY ENROLLED IN A COURSE OF STUDY REQUIRED BY THE STATE BOARD OF EDUCATION. FIRST, SECOND AND THIRD GRADE STUDENTS MUST BE ENROLLED FOR A MINIMUM OF TWO HUNDRED FORTY MINUTES EACH DAY. FOURTH, FIFTH AND SIXTH GRADE STUDENTS MUST BE ENROLLED FOR A MINIMUM OF THREE HUNDRED MINUTES EACH DAY. SEVENTH AND EIGHTH GRADE STUDENTS MUST BE ENROLLED FOR A MINIMUM OF THREE HUNDRED SIXTY MINUTES EACH DAY.

(ii) FOR HIGH SCHOOLS, A STUDENT NOT GRADUATED FROM THE HIGHEST GRADE TAUGHT IN THE SCHOOL DISTRICT AND ENROLLED IN AT LEAST FOUR SUBJECTS OR THE EQUIVALENT THEREOF THAT COUNT TOWARDS GRADUATION AS DEFINED BY THE STATE BOARD OF EDUCATION IN A RECOGNIZED HIGH SCHOOL. NO FULL-TIME STUDENT SHALL BE COUNTED MORE THAN ONCE FOR COMPUTATION OF AVERAGE DAILY MEMBERSHIP.

FOR PURPOSES OF THIS PARAGRAPH AND CHAPTER 16, ARTICLES 1 AND 2, OF THIS TITLE, IF A PUPIL IS A RESIDENT OF A COMMON SCHOOL DISTRICT WITHIN THE STATE WHICH HAS NEITHER A HIGH SCHOOL NOR A SCHOOL IN WHICH HIGH SCHOOL SUBJECTS ARE TAUGHT, OR IF A PUPIL ATTENDS A HIGH SCHOOL IN A DISTRICT ACCEPTING STUDENTS UNDER A CERTIFICATE OF EDUCATIONAL CONVENIENCE, AS PROVIDED IN SECTION 15-304, THE DISTRICT OF THE PUPIL'S RESIDENCE SHALL RECEIVE STATE AID IN THE SAME AMOUNT PER STUDENT AS THE DISTRICT OF ATTENDANCE AND SHALL REQUEST THE BOARD OF SUPERVISORS TO LEVY WITHIN THE DISTRICT AN AMOUNT WHICH WHEN COUPLED WITH STATE AID WILL RAISE SUFFICIENT REVENUE TO PAY THE PER CAPITA COST PLUS AN ADDITIONAL SUM NOT TO EXCEED ONE HUNDRED DOLLARS PER PUPIL PER ANNUM FOR CAPITAL OUTLAY. A COMMON SCHOOL WHICH HAS NEITHER A HIGH SCHOOL NOR A SCHOOL IN WHICH HIGH SCHOOL SUBJECTS ARE TAUGHT SHALL HAVE EXEMPT FROM ITS BUDGET COST LEVEL THE FOLLOWING:

(i) THE DOLLAR DIFFERENCE BETWEEN THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM FOR HIGH SCHOOLS DIVIDED BY TWENTY-FOUR AND THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM FOR COMMON SCHOOLS

LAWS OF ARIZONA

DIVIDED BY TWENTY-SIX FOR THE BUDGET YEAR MULTIPLIED BY THE NUMBER OF STUDENTS IN ATTENDANCE IN A HIGH SCHOOL DISTRICT.

(ii) THE DOLLAR AMOUNT PER STUDENT AUTHORIZED BY AN ELECTION FOR BUDGET INCREASE HELD IN ACCORDANCE WITH THE PROVISIONS OF SECTION 15-1202.01 BY THE HIGH SCHOOL DISTRICT OF ATTENDANCE MULTIPLIED BY THE NUMBER OF STUDENTS IN ATTENDANCE AT SUCH HIGH SCHOOL DISTRICT.

~~5. For the purpose of making appropriations and apportionment of the state and county aid and the determination of financial assistance, "average daily attendance" means the actual average daily attendance within the current school year. The board of trustees shall submit, for approval or revision, to the county school superintendent and the superintendent of public instruction the estimated actual average daily attendance of the district for the first six months of the school year. Prior to the final apportionment of state school funds on May 15, an adjustment shall be made based on actual average daily attendance for the first six months. In addition, a new estimate and apportionment shall be made for the last three months by the school district which is approved by the superintendent of public instruction and which estimate shall be consistent with the actual average daily attendance achieved during the first six months of the school year.~~

6. EXCEPT AS PROVIDED IN SUBSECTION D, FOR THE PURPOSES OF MAKING APPROPRIATIONS AND DETERMINATION OF STATE AID, AVERAGE DAILY MEMBERSHIP MEANS THE ACTUAL AVERAGE DAILY MEMBERSHIP WITHIN THE CURRENT SCHOOL YEAR. THE GOVERNING BOARD OF A SCHOOL DISTRICT SHALL SUBMIT FOR APPROVAL OR REVISION TO THE COUNTY SCHOOL SUPERINTENDENT AND THE SUPERINTENDENT OF PUBLIC INSTRUCTION THE ESTIMATED AVERAGE DAILY MEMBERSHIP OF THE DISTRICT THROUGH APRIL 15 OF THE SCHOOL YEAR. PRIOR TO THE APPORTIONMENTS OF STATE AID FUNDS ON MAY 15 AND JUNE 15, ADJUSTMENTS SHALL BE MADE BASED UPON THE ACTUAL AVERAGE DAILY MEMBERSHIP WHICH SHALL BE CONSISTENT WITH THE AVERAGE DAILY MEMBERSHIP ACHIEVED THROUGH APRIL 15 OF THE SCHOOL YEAR.

7. "AVERAGE DAILY ATTENDANCE" OR "ADA" MEANS

LAWS OF ARIZONA

ACTUAL AVERAGE DAILY ATTENDANCE FOR THE SCHOOL YEAR.

D. FOR A SCHOOL DISTRICT IN WHICH THE AVERAGE DAILY MEMBERSHIP THROUGH APRIL 15 OF THE CURRENT YEAR HAS EXCEEDED THE AVERAGE DAILY ATTENDANCE THROUGH APRIL 15 OF THE CURRENT YEAR BY MORE THAN SIX PER CENT, THE APPROPRIATION AND DETERMINATION OF STATE AID SHALL BE DETERMINED BY AN ADJUSTED AVERAGE DAILY MEMBERSHIP COMPUTED BY MULTIPLYING THE ACTUAL AVERAGE DAILY ATTENDANCE BY ONE HUNDRED SIX PER CENT.

E. A SCHOOL DISTRICT REQUIRED TO UTILIZE ADJUSTED AVERAGE DAILY MEMBERSHIP AS PROVIDED IN THIS SECTION MAY APPLY TO THE STATE DEPARTMENT OF EDUCATION FOR A FURTHER ADJUSTMENT IN THE EVENT THAT STUDENT ABSENCES FOR ANY PERIOD OF THREE CONSECUTIVE DAYS OR MORE RESULT FROM ANY OF THE FOLLOWING REASONS:

1. WIDESPREAD ILLNESS.
2. ADVERSE WEATHER CONDITIONS.
3. CONCERTED REFUSAL BY STUDENTS TO ATTEND CLASSES.

ALL STUDENT ABSENCE FIGURES SUBMITTED TO THE STATE DEPARTMENT OF EDUCATION SHALL BE CERTIFIED BY THE GOVERNING BOARD OF THE DISTRICT. THE STATE DEPARTMENT OF EDUCATION SHALL REVIEW THE MATERIALS AND DOCUMENTS SUBMITTED AND MAY, IF IT DETERMINES THAT THE ABSENCES RESULTED FROM THE REASONS PRESCRIBED BY THIS SECTION, FURTHER ADJUST THE AVERAGE DAILY MEMBERSHIP FIGURES OF THE DISTRICT.

F. FOR ALL SCHOOL DISTRICTS REQUIRED TO UTILIZE ADJUSTED AVERAGE DAILY MEMBERSHIP, THE SUPERINTENDENT SHALL COMPUTE THE NUMBER OF STATE SUPPORTED CLASSROOMS AND STATE AID TO WHICH THE SCHOOL DISTRICT IS ENTITLED FOR THE CURRENT YEAR BASED ON THE ADJUSTED AVERAGE DAILY MEMBERSHIP. PRIOR TO THE APPORTIONMENTS OF STATE AID FUNDS ON MAY 15 AND JUNE 15, ADJUSTMENTS SHALL BE MADE IN THE

LAWS OF ARIZONA

APPORTIONMENT SO THAT THE SCHOOL DISTRICT DOES NOT RECEIVE STATE AID IN EXCESS OF THAT TO WHICH IT IS ENTITLED BY USING ADJUSTED AVERAGE DAILY MEMBERSHIP COMPUTED IN ACCORDANCE WITH THIS SECTION.

~~D.~~ G. The provisions of subsection C, paragraph ~~5~~ 6 of this section, shall apply to title 15, chapter 12, articles 1 to 3, inclusive, and any reference to "average daily ~~attendance~~ MEMBERSHIP for the preceding year", or "for the previous year", shall be determined as provided in paragraph ~~5~~ 6.

H. A PUPIL SHALL BE DEEMED TO BE ENROLLED WHEN THE PUPIL IS CURRENTLY REGISTERED IN THE SCHOOL DISTRICT. IN ADDITION, THE STATE BOARD OF EDUCATION SHALL PROMULGATE RULES TO INSURE THAT ENROLLMENT IS DETERMINED BY ALL SCHOOL DISTRICTS ON A UNIFORM BASIS.

~~E.~~ I. Any determination of average daily attendance AND MEMBERSHIP shall be based on the records of the superintendent of public instruction.

J. ON OR BEFORE MAY 15 OF THE CURRENT YEAR, THE GOVERNING BOARD OF A SCHOOL DISTRICT SHALL ADJUST THE EXPENDITURES BASED ON THE AVERAGE DAILY MEMBERSHIP OR ADJUSTED AVERAGE DAILY MEMBERSHIP AS DETERMINED THROUGH APRIL 15, OR IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION B OF SECTION 15-1201.01 FOR SCHOOL DISTRICTS WITH A DECLINING ENROLLMENT, SO THAT THE BUDGET COST LEVEL FOR THE CURRENT YEAR REFLECTS THE AVERAGE DAILY MEMBERSHIP OR ADJUSTED AVERAGE DAILY MEMBERSHIP RATHER THAN THE ESTIMATED AVERAGE DAILY MEMBERSHIP. SCHOOL DISTRICTS WHICH APPEAR TO HAVE OVERESTIMATED OR UNDERESTIMATED ADM OR ADJUSTED ADM COUNT OR WHICH HAVE HAD ADA WHICH FALLS BELOW NINETY-FOUR PER CENT OF ADM SHALL BEGIN TO ADJUST THEIR BUDGETS NOT LATER THAN FEBRUARY FIRST SO THAT THE FINAL ADJUSTMENT CAN BE MADE BY MAY FIFTEENTH.

K. ANNUALLY, THE DEPARTMENT OF EDUCATION SHALL EXAMINE THE MAINTENANCE AND OPERATION EXPENDITURE PATTERNS OF EACH SCHOOL DISTRICT AS ADJUSTED PURSUANT TO SUBSECTION J. ATTENTION SHALL BE GIVEN IN THIS

LAWS OF ARIZONA

EXAMINATION TO THE USES MADE OF INCREASED MONIES DERIVED UNDER THE ALLOWABLE BUDGET GROWTH LIMITATION. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL, WITHIN FIFTEEN DAYS FOLLOWING THE BEGINNING OF EACH REGULAR SESSION OF THE LEGISLATURE, FILE A REPORT OF SUCH FINDINGS WITH THE APPROPRIATION COMMITTEE AND EDUCATION COMMITTEE OF EACH HOUSE OF THE LEGISLATURE. THE ADMINISTRATION OF EACH COMMON AND HIGH SCHOOL DISTRICT SHALL CERTIFY TO THE DEPARTMENT OF EDUCATION ALL DATA NECESSARY TO ACCOMPLISH THE DIRECTIVE OF THIS SUBSECTION.

L. FOR COMMON OR HIGH SCHOOLS WHICH MAINTAIN AN APPROVED EXTENDED SCHOOL OPERATION, AVERAGE DAILY MEMBERSHIP SHALL BE BASED ON A COMPUTATION AS PRESCRIBED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION ON THE ONE HUNDRED AND SEVENTY-FIVE DAYS EQUIVALENCY OF INSTRUCTIONAL TIME AS APPROVED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION DURING WHICH EACH PUPIL IS ENROLLED.

M. SCHOOL DISTRICTS SHALL BE REQUIRED TO RECORD MEMBERSHIP AND ATTENDANCE FOR EACH DAY SCHOOL IS IN SESSION. RECORDS SHALL BE CERTIFIED AND FORWARDED AT MONTHLY INTERVALS TO THE DEPARTMENT OF EDUCATION.

N. THE REASON FOR ABSENCES SHALL BE MADE PART OF THE ATTENDANCE RECORD AND SHALL BE FORWARDED WITH OTHER RECORDS TO THE DEPARTMENT OF EDUCATION IF AN ADJUSTMENT IS TO BE REQUESTED IN ADM PURSUANT TO PARAGRAPH E, SECTION 15-1212.

O. NOTWITHSTANDING THE PROVISIONS OF SUBSECTION B OF THIS SECTION, WHEN SUFFICIENT REVENUES EXIST IN THE STATE SCHOOL FUND AND UPON A SHOWING BY A SCHOOL DISTRICT THAT ADDITIONAL STATE FUNDS ARE NECESSARY FOR CURRENT EXPENSES, AN APPORTIONMENT OR PART OF AN APPORTIONMENT OF STATE AID MAY BE PAID TO THE SCHOOL DISTRICT PRIOR TO THE DATE SET FOR SUCH APPORTIONMENT BY SUBSECTION B, AND PROVIDED THAT IN NO EVENT SHALL A SCHOOL DISTRICT HAVE RECEIVED MORE THAN THREE-FOURTHS OF ITS TOTAL APPORTIONMENT BEFORE APRIL

LAWS OF ARIZONA

15 OF THE FISCAL YEAR. EARLY PAYMENTS PURSUANT TO THIS SUBSECTION MUST BE APPROVED BY THE STATE TREASURER, THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION, AND THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

Sec. 27. Section 15-1214, Arizona Revised Statutes, is amended to read:

15-1214. Assistance of school districts by the state

A. The state superintendent of public instruction shall assist public school districts in educating children whose parents or legal guardians are employed by and domiciled at the following state institutions and stations: the state hospital, Arizona state school for the deaf and the blind, mental retardation centers, ports of entry inspection stations and institutions and facilities maintained by the state department of corrections. The assistance shall be the full per capita cost of the district less the amount of state ~~and county~~ aid apportioned to the districts under the provisions of ~~sections 15-1211, 15-1212 and 15-1235~~. SECTION 15-1212. Claims for such payments shall be made by the districts through the county school superintendent to the state superintendent of public instruction. Such approved claims shall be paid by the department of administration division of finance and shall be a charge against the state general fund.

B. For the purposes of this section "per capita cost" includes district special levies and bond service requirements.

Sec. 28. Section 15-1233, Arizona Revised Statutes, is amended to read:

15-1233. Annual estimate by county superintendent of funds for ensuing year

The county school superintendent, not later than July 10 each year, shall file, in writing, with the board of supervisors his estimate of the amount of school funds required by each district for the ensuing year, based on the budgets adopted by the governing boards of the school districts. The estimate shall also contain a statement of the average daily ~~attendance~~ MEMBERSHIP in the common and high schools, respectively, of each school district during the preceding year, and the anticipated average daily ~~attendance~~ MEMBERSHIP for the ensuing year, the number of one-room and the number of two-room rural schools in each school district and the average daily ~~attendance~~ MEMBERSHIP in the one and two-room rural

LAWS OF ARIZONA

schools of each district during the preceding year. It shall also contain an estimate of the total amount to be received for the year by each district from the county school fund and the special county school reserve fund. The county school superintendent shall ~~determine whether the estimated amount to be received by each school district from the county school fund and the special county school reserve fund, together with any other anticipated revenue of the district except special school district taxes, will produce the amount of money budgeted by the governing body of the school district for the year, and if not, he shall include in his estimate the additional amount~~ AMOUNTS needed for each district and certify such ~~amount~~ AMOUNTS to the board of supervisors in writing at the time of filing his estimate.

Sec. 29. **Repealed**

Section 15-1234, Arizona Revised Statutes, is repealed.

Sec. 30. **Repealed**

Section 15-1235, Arizona Revised Statutes, is repealed.

Sec. 31. Section 15-1238, Arizona Revised Statutes, is amended to read:

15-1238. **County school fund**

The county school fund of each county shall consist of all revenues accruing to the credit of each county from:

- ~~1. State aid apportionment as provided in section 15-1212.~~
- ~~2. County aid as provided in section 15-1235.~~
- ~~3. That portion of the auto lieu tax designated for school purposes under the provisions of section 28-1591.~~
- ~~4. That portion of the tax on dogs designated for school purposes under the provisions of section 24-369.~~
1. That portion of the payments made under section 36-1419, which represents payment in lieu of the county levy for school purposes.
- ~~6.~~ 2. That portion of any excess funds or revenue transferred under

LAWS OF ARIZONA

the provisions of section 15-1239.

- ~~7.~~ 3. That portion of the penalties designated for school purposes under the provisions of section 42-1107.
- ~~8.~~ 4. That portion of the proceeds designated for the school fund of the county under the provisions of section 33-1023, subsection C.
- ~~9.~~ 5. Taylor grazing act money as provided in section 37-723.
- ~~10.~~ 6. All receipts from the lease of public lands as provided in section 37-724.
- ~~11.~~ 7. All balances remaining in the county school fund and in the special county school reserve fund at the end of the fiscal year and all balances of lapsed districts remaining after the payments authorized under section 15-413.
- ~~12.~~ 8. All dividends, proceeds from sales, refunds, credits arising from cancelled warrants and any other sums or amounts that are attributable to the county school fund.
- ~~13.~~ 9. All other federal lieu taxes which are not specifically allocated by law.
- ~~14.~~ 10. Any gratuity, devise or bequest designated for specific school purposes.

Sec. 32. Section 15-1241, Arizona Revised Statutes, is amended to read:

15-1241. Apportionment of county school fund by county superintendent

The county school superintendent, ~~after deducting the amount fixed for the special county school reserve fund,~~ shall apportion all monies to the credit of the county school fund to the several school districts on the basis of average daily ~~attendance~~ MEMBERSHIP in the common and high schools of the county pursuant to the procedures prescribed by section 15-1212, ~~subsection C, paragraph 4.~~

Sec. 33. Section 15-1242, Arizona Revised Statutes, is amended to read:

LAWS OF ARIZONA

15-1242. Special grant from municipal and county rentals

If the board of supervisors of a county or the governing body of an incorporated city or town finds that a financial hardship is created within a school district of the county by reason of the ~~attendance~~ MEMBERSHIP in the schools of the district by children residing within county-owned or city-owned income property within the district, such board or governing body may, upon petition by the board of trustees of the district, order payment into the general funds of the district of such portion of the income derived or accumulated by reason of the county or city ownership of such property as will wholly or in part compensate such district for the financial hardship so incurred.

Sec. 34. Section 15-1243, Arizona Revised Statutes, is amended to read:

15-1243. Apportionment to new district

Any new district duly organized and filing with the county school superintendent on or before July 1, a sworn statement of the clerk of the board stating the number of children of school age residing in the district, and the probable average ~~attendance~~ MEMBERSHIP, shall be entitled to its pro rata of the apportionment provided in section 15-1241.

Sec. 35. Section 15-1244, Arizona Revised Statutes, is amended to read:

15-1244. Apportionment when school house destroyed

When a school house is destroyed or rendered useless, the county superintendent shall, upon resumption of school in such district, make the first apportionment of funds following the calamity upon the basis of the ~~attendance~~ MEMBERSHIP at the school for that portion of the school term prior to the time the school house was destroyed or made useless.

Sec. 36. Section 15-1245, Arizona Revised Statutes, is amended to read:

15-1245. Incurring liabilities in excess of district budget; petition; approval; procedure for expenditures

A. When it appears that a school which has been maintained for four months has an average daily ~~attendance~~ MEMBERSHIP greater than the average daily ~~attendance~~ MEMBERSHIP recorded in the budget ~~as item 8 under "budget six per cent limit check" in section 15-1201~~, or in event of

LAWS OF ARIZONA

the destruction of or damage to the facilities of a school, the governing board of the district may petition the county superintendent of schools requesting authority to incur liabilities in excess of the district budget, in an amount the board deems necessary.

B. The county superintendent shall forward the petition together with his recommendation and a copy of the budget of the district to the board of supervisors.

C. The board of supervisors shall hold a hearing on the petition within twenty days after receipt thereof and shall determine whether the petition shall be allowed, allowed after revision, or denied, but in no event shall an allowance be made on account of increased school ~~attendance~~ MEMBERSHIP which will increase the per capita expenditures per school child allowed by the budget of the district for that year.

D. If the petition is allowed in whole or in part, the governing board shall be authorized to incur liabilities in accordance therewith, and a copy of the order of the board of supervisors authorizing the incurring of such liabilities shall be certified by the clerk of the board and filed by him with the county treasurer. The county school superintendent, upon presentation of proper vouchers, shall draw his warrants against the additional allowance. The liability so incurred shall be included as a separate item in the estimate of the district for the succeeding year.

Sec. 37. Section 15-1246, Arizona Revised Statutes, is amended to read:

15-1246. **Special county school reserve fund**

~~The treasurer of each county shall transfer each fiscal year from the county school fund to the special county school reserve fund an amount estimated by the county school superintendent to be required for such fund. The estimate shall be submitted, not later than July 10, to the board of supervisors for their approval. A copy of the estimate as finally adopted by the board of supervisors shall be filed with the county treasurer. THE BOARD OF SUPERVISORS OF EACH COUNTY SHALL ANNUALLY BUDGET FOR THE SPECIAL COUNTY SCHOOL RESERVE FUND AN AMOUNT TO MEET THE REQUIREMENTS OF THAT FUND. Warrants drawn on the special county school reserve fund shall be approved prior to payment by the board of supervisors, as other county warrants are approved. The estimate shall be itemized and shall include the amounts estimated by the county school superintendent to be needed. THE~~

LAWS OF ARIZONA

BUDGETED AMOUNTS FOR THE SPECIAL COUNTY SCHOOL RESERVE FUND SHALL BE ITEMIZED AND ESTIMATED TO MEET THE FOLLOWING NEEDS:

1. For transportation of school children to and from one and two-room rural schools that are determined by the county school superintendent to be in need of such aid.
2. For transportation from unorganized territory to organized districts, of children who are eligible to receive state aid and tuition for such children.
3. For transportation to and from the nearest public high school of pupils residing in elementary districts which are contiguous or not contiguous to and which are not within a high school district if it is determined by the county school superintendent that such elementary districts are in need of such aid.
4. For one and two-room school districts, an amount which when added to the ~~sum of the estimated~~ STATE AID FOR A COMMON OR HIGH SCHOOL DISTRICT, AS THE CASE MAY BE, ~~per capita apportionment from the state monies appropriated by the terms of section 15-1211, and the county school fund and the proceeds of a special school district levy of twenty five cents per one hundred dollars assessed valuation on the property within the district,~~ will provide not more than five thousand dollars for a one-room school and not more than nine thousand dollars for a two-room school, provided that such schools are maintained for a minimum of one hundred seventy-five days per year.
5. For necessary expenses ~~in excess of the per capita apportionment from the county school fund~~ for the establishment and conducting of schools in unorganized territory.
6. For expenditures necessary to establish and maintain, for the first year of operation, a county special education program for handicapped children pursuant to section 15-1011.

Sec. 38. Title 15, Arizona Revised Statutes, is amended by adding chapter 16, articles 1, 2 and 3, to read:

LAWS OF ARIZONA

CHAPTER 16
SCHOOL DISTRICT REVENUE
ARTICLE 1. GENERAL PROVISIONS15-1601. **Definitions**

IN THIS TITLE, FOR THE PURPOSES OF COMMON AND HIGH SCHOOL DISTRICTS UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "ASSESSED VALUATION" MEANS THE PERCENTAGE OF FULL CASH VALUE OF ALL TAXABLE PROPERTY IN EACH SCHOOL DISTRICT OR COUNTY TO WHICH THE TAX RATE IS TO BE APPLIED.

2. "AVERAGE DAILY MEMBERSHIP" OR "ADM" MEANS THE AVERAGE DAILY MEMBERSHIP OR ADJUSTED AVERAGE DAILY MEMBERSHIP, WHICHEVER IS APPLICABLE, AS DEFINED IN SECTION 15-1212.

3. "BUDGET YEAR" MEANS THE FISCAL YEAR FOR WHICH THE COMMON OR HIGH SCHOOL DISTRICT IS BUDGETING AND WHICH IMMEDIATELY FOLLOWS THE CURRENT YEAR.

4. "BUDGETED CAPITAL OUTLAY" MEANS THE ITEMS IDENTIFIED IN THE DEPARTMENT OF EDUCATION ACCOUNT CODE AS NUMBERS 8100, 8200, 8300, 8500, 8520, 8530, AND 8600 FOR THE FISCAL YEAR 1973-74. EXPENSES FOR SALARIES AND WAGES AS IDENTIFIED IN THE DEPARTMENT OF EDUCATION ACCOUNT CODE AS NUMBER 8010 SHALL BE INCLUDED IN THE MAINTENANCE AND OPERATION SECTION OF THE BUDGET.

5. "COMMON SCHOOL DISTRICT" MEANS A POLITICAL SUBDIVISION OF THE STATE OFFERING INSTRUCTION TO STUDENTS FOR GRADES KINDERGARTEN OR ONE THROUGH EIGHT.

6. "CURRENT YEAR" MEANS THE FISCAL YEAR IN WHICH A COMMON OR HIGH SCHOOL DISTRICT IS OPERATING.

7. "ESTIMATED ADM" MEANS THE ACTUAL ADM OR ADJUSTED ADM, WHICHEVER IS APPLICABLE, COMPUTED IN

LAWS OF ARIZONA

ACCORDANCE WITH SECTION 15-1212 FOR THE CURRENT YEAR PLUS OR MINUS THE ESTIMATED INCREASE OR DECREASE OVER THE CURRENT ADM OR ADJUSTED ADM, WHICHEVER IS APPLICABLE, FOR THE BUDGET YEAR.

8. "FISCAL YEAR" MEANS THE YEAR BEGINNING JULY 1 AND ENDING JUNE 30 NEXT FOLLOWING.

9. "HIGH SCHOOL DISTRICT" MEANS A POLITICAL SUBDIVISION OF THE STATE OFFERING INSTRUCTION TO STUDENTS FOR GRADES NINE THROUGH TWELVE OR THAT PORTION OF A COMMON SCHOOL DISTRICT, GRADES NINE THROUGH TWELVE, WHICH TEACHES HIGH SCHOOL SUBJECTS WITH PERMISSION OF THE STATE BOARD OF EDUCATION.

10. "MAINTENANCE AND OPERATION" MEANS ALL MONIES BUDGETED OR EXPENDED BY A COMMON OR HIGH SCHOOL DISTRICT EXCEPT FOR BUDGETED CAPITAL OUTLAY, TRANSPORTATION, SPECIAL LEVIES AND BOND SERVICE ITEMS.

11. "NON-STATE AID CLASSROOMS" MEANS:

(a) FOR COMMON SCHOOL DISTRICTS, THE NUMBER OF STUDENTS OVER THE AGE OF TWENTY-ONE IN ADM DIVIDED BY TWENTY-SIX WHICH DIVISION SHALL BE CARRIED TO FOUR DECIMAL PLACES THEREBY ALLOWING FOR A FRACTIONAL CLASSROOM.

(b) FOR HIGH SCHOOL DISTRICTS, THE NUMBER OF STUDENTS OVER THE AGE OF TWENTY-ONE IN ADM DIVIDED BY TWENTY-FOUR WHICH DIVISION SHALL BE CARRIED TO FOUR DECIMAL PLACES THEREBY ALLOWING FOR A FRACTIONAL CLASSROOM.

12. "SPECIAL DISTRICT LEVY" MEANS THE LEVY IMPOSED UNDER SECTION 15-1236.

13. "STATE SUPPORTED CLASSROOMS" MEANS:

(a) FOR COMMON SCHOOL DISTRICTS, THE NUMBER OBTAINED BY DIVIDING THE DISTRICT'S ADM BY TWENTY-SIX WHICH DIVISION SHALL BE CARRIED TO FOUR DECIMAL PLACES

LAWS OF ARIZONA

THEREBY ALLOWING FOR A FRACTIONAL CLASSROOM.

(b) FOR HIGH SCHOOL DISTRICTS, THE NUMBER OBTAINED BY DIVIDING THE DISTRICT'S ADM BY TWENTY-FOUR WHICH DIVISION SHALL BE CARRIED TO FOUR DECIMAL PLACES THEREBY ALLOWING FOR A FRACTIONAL CLASSROOM.

14. "QUALIFYING TAX RATE" MEANS A TAX RATE OF ONE DOLLAR AND THIRTY CENTS PER ONE HUNDRED DOLLARS OF ASSESSED VALUATION IN A COMMON SCHOOL DISTRICT AND A TAX RATE OF ONE DOLLAR AND THIRTY CENTS PER ONE HUNDRED DOLLARS OF ASSESSED VALUATION IN A HIGH SCHOOL DISTRICT IN ORDER FOR SUCH DISTRICT TO PARTICIPATE IN THE STATE AID PROGRAM UNDER THIS CHAPTER.

15. "TRANSPORTATION" MEANS THE ITEMS IDENTIFIED IN THE DEPARTMENT OF EDUCATION ACCOUNT CODE AS NUMBERS 5030, 5300 AND 8400 FOR THE FISCAL YEAR 1973-74.

15-1602. **State school fund**

A. THE STATE SCHOOL FUND SHALL CONSIST OF THE FOLLOWING:

1. ALL INCOME DERIVED FROM THE PERMANENT STATE SCHOOL FUND.
2. VEHICLE LICENSE TAX MONIES PAYABLE UNDER SECTION 28-1591.
3. RECEIPTS FOR THE BENEFIT OF COMMON AND HIGH SCHOOL EDUCATION FROM ALL SOURCES REQUIRED BY LAW TO BE DEPOSITED IN THE STATE SCHOOL FUND.
4. LEGISLATIVE APPROPRIATIONS AS PROVIDED BY LAW.

B. THE STATE SCHOOL FUND SHALL BE DEPOSITED WITH THE STATE TREASURER. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL FURNISH THE TREASURER AND THE SCHOOL SUPERINTENDENT OF EACH COUNTY AN ABSTRACT OF THE APPORTIONMENT, AND SHALL CERTIFY THE

LAWS OF ARIZONA

APPORTIONMENT TO THE DIVISION OF FINANCE, WHICH SHALL DRAW ITS WARRANT IN FAVOR OF THE COUNTY TREASURER FOR EACH COUNTY FOR THE AMOUNT APPORTIONED THERETO.

15-1603. Determination of state aid

A. STATE AID FOR COMMON SCHOOL DISTRICTS SHALL BE COMPUTED AS FOLLOWS:

1. DETERMINE THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM FOR COMMON SCHOOLS MULTIPLIED BY THE NUMBER OF STATE SUPPORTED CLASSROOMS, INCLUDING ANY FRACTIONAL CLASSROOM, OF THE DISTRICT REDUCED BY THE NUMBER OF NON-STATE AID CLASSROOMS, INCLUDING ANY FRACTIONAL CLASSROOM, OF THE DISTRICT.

2. DETERMINE THE DISTRICT'S BUDGET COST LEVEL PER STATE SUPPORTED CLASSROOM MULTIPLIED BY THE NUMBER OF STATE SUPPORTED CLASSROOMS, INCLUDING ANY FRACTIONAL CLASSROOM, OF THE DISTRICT REDUCED BY THE NUMBER OF NON-STATE AID CLASSROOMS, INCLUDING ANY FRACTIONAL CLASSROOM, OF THE DISTRICT.

3. FROM THE LESSER OF THE AMOUNTS PRODUCED IN PARAGRAPH 1 AND PARAGRAPH 2, SUBTRACT THE AMOUNT OF REVENUE RAISED ON THE ASSESSED VALUATION OF THE DISTRICT BY THE QUALIFYING TAX RATE. IN THE EVENT THE QUALIFYING TAX RATE GENERATES REVENUE IN EXCESS OF THE LESSER OF THE AMOUNTS PRODUCED IN PARAGRAPH 1 AND PARAGRAPH 2, THE SCHOOL DISTRICT SHALL NOT BE ENTITLED TO RECEIVE ANY STATE AID.

B. STATE AID FOR HIGH SCHOOL DISTRICTS SHALL BE COMPUTED AS FOLLOWS:

1. DETERMINE THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM FOR HIGH SCHOOLS MULTIPLIED BY THE NUMBER OF STATE SUPPORTED CLASSROOMS, INCLUDING ANY FRACTIONAL CLASSROOM, OF THE DISTRICT REDUCED BY THE NUMBER OF NON-STATE AID CLASSROOMS, INCLUDING ANY FRACTIONAL CLASSROOM, OF THE DISTRICT.

LAWS OF ARIZONA

2. DETERMINE THE DISTRICT'S BUDGET COST LEVEL PER STATE SUPPORTED CLASSROOM MULTIPLIED BY THE NUMBER OF STATE SUPPORTED CLASSROOMS, INCLUDING ANY FRACTIONAL CLASSROOM, OF THE DISTRICT REDUCED BY THE NUMBER OF NON-STATE AID CLASSROOMS, INCLUDING ANY FRACTIONAL CLASSROOM, OF THE DISTRICT.

3. FROM THE LESSER OF THE AMOUNTS PRODUCED IN PARAGRAPH 1 AND PARAGRAPH 2, SUBTRACT THE AMOUNT OF REVENUE RAISED ON THE ASSESSED VALUATION OF THE DISTRICT BY THE QUALIFYING TAX RATE. IN THE EVENT THE QUALIFYING TAX RATE GENERATES REVENUE IN EXCESS OF THE LESSER OF THE AMOUNTS PRODUCED IN PARAGRAPH 1 AND PARAGRAPH 2, THE SCHOOL DISTRICT SHALL NOT BE ENTITLED TO RECEIVE ANY STATE AID.

C. AT SUCH TIME AND TO THE EXTENT AS PROVIDED BY FEDERAL LAW OR REGULATION THE STATE AID SHALL BE REDUCED AS FOLLOWS:

1. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL COMPUTE THE AMOUNT OF MONEY WHICH EACH SCHOOL DISTRICT IS ELIGIBLE TO RECEIVE UNDER P.L. 81-874 AND P.L. 73-167 AND FOR WHICH MONIES HAVE BEEN APPROPRIATED.

2. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL DETERMINE THE AMOUNT OF MONIES RECEIVED BY EACH SCHOOL DISTRICT FROM P.L. 81-874 AND P.L. 73-167.

3. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL SUBTRACT THE FIGURE OBTAINED IN PARAGRAPH 2 FROM THE FIGURE OBTAINED IN PARAGRAPH 1.

4. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL COMPUTE 80 PER CENT OF THE DIFFERENCE OBTAINED IN PARAGRAPH 3.

5. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL DEDUCT FROM STATE AID THE SUM OF THE FIGURE OBTAINED IN PARAGRAPH 2 AND PARAGRAPH 4.

D. STATE AID SHALL BE PAID FROM THE STATE SCHOOL FUND

LAWS OF ARIZONA

TO THE DISTRICTS IN ACCORDANCE WITH SECTION 15-1212.

15-1604. **Financial aid for accommodation schools**

FINANCIAL AID SHALL BE ALLOCATED UNDER SECTION 15-1212 TO EACH COUNTY ACCOMMODATION SCHOOL IN AN AMOUNT FOR THE FISCAL YEAR EQUAL TO ONE-THIRD OF THE BASIC SUPPORT LEVEL PER STATE SUPPORTED CLASSROOM FOR COMMON SCHOOLS MULTIPLIED BY THE NUMBER OF STATE SUPPORTED CLASSROOMS, INCLUDING ANY FRACTIONAL CLASSROOM, OF THE ACCOMMODATION SCHOOL.

ARTICLE 2. TRANSPORTATION AID

15-1621. **Definitions**

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "DAILY ROUTE MILEAGE" MEANS:

(a) THE TOTAL NUMBER OF MILES DRIVEN DAILY BY ALL BUSES OF A SCHOOL DISTRICT WHILE TRANSPORTING ELIGIBLE STUDENTS ON SCHEDULED ROUTES FROM THEIR RESIDENCE TO THE SCHOOL OF ATTENDANCE AND FROM THE SCHOOL OF ATTENDANCE TO THEIR RESIDENCE ON ROUTES APPROVED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

(b) THE TOTAL NUMBER OF MILES DRIVEN DAILY ON ROUTES APPROVED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION FOR WHICH A PRIVATE PARTY IS REIMBURSED FOR BRINGING AN ELIGIBLE STUDENT FROM THE PLACE OF HIS RESIDENCE TO A SCHOOL TRANSPORTATION PICK UP POINT OR TO THE SCHOOL FACILITY OF ATTENDANCE AND FROM THE SCHOOL TRANSPORTATION SCHEDULED RETURN POINT OR FROM THE SCHOOL FACILITY TO HIS RESIDENCE.

2. "ELIGIBLE STUDENTS" MEANS:

(a) STUDENTS TRANSPORTED BY OR FOR A SCHOOL DISTRICT WHO QUALIFY AS FULL-TIME STUDENTS OR FRACTIONAL STUDENTS AND:

LAWS OF ARIZONA

(i) FOR COMMON SCHOOL STUDENTS, THOSE WHOSE PLACE OF ACTUAL RESIDENCE WITHIN THE DISTRICT IS OUTSIDE A ONE MILE RADIUS FROM THE SCHOOL FACILITY OF ATTENDANCE;

(ii) FOR HIGH SCHOOL STUDENTS, THOSE WHOSE PLACE OF ACTUAL RESIDENCE WITHIN THE DISTRICT IS OUTSIDE A ONE AND ONE-HALF MILE RADIUS FROM THE SCHOOL FACILITY OF ATTENDANCE;

(b) HANDICAPPED CHILDREN, AS DEFINED BY SECTION 15-1011, TRANSPORTED BY OR FOR THE SCHOOL DISTRICT WHO QUALIFY AS FULL-TIME STUDENTS OR FRACTIONAL STUDENTS REGARDLESS OF LOCATION OR RESIDENCE WITHIN THE DISTRICT.

3. "SCHOOL DISTRICT" MEANS A COMMON OR HIGH SCHOOL DISTRICT.

15-1622. State school transportation fund

A. THE STATE SCHOOL TRANSPORTATION FUND SHALL CONSIST OF LEGISLATIVE APPROPRIATIONS MADE THEREFOR.

B. THE STATE SCHOOL TRANSPORTATION FUND SHALL BE DEPOSITED WITH THE STATE TREASURER. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL FURNISH THE STATE TREASURER AND THE SCHOOL SUPERINTENDENT OF EACH COUNTY AN ABSTRACT OF THE APPORTIONMENT AND SHALL CERTIFY THE APPORTIONMENT TO THE DIVISION OF FINANCE WHICH SHALL DRAW ITS WARRANT IN FAVOR OF THE COUNTY TREASURER FOR EACH COUNTY FOR THE AMOUNT APPORTIONED THERETO.

15-1623. Duties of the school district

A. FOR THE YEAR 1974-75 EACH SCHOOL DISTRICT DESIRING TO RECEIVE TRANSPORTATION AID SHALL ON OR BEFORE APRIL 1, 1974 CERTIFY TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION THE FOLLOWING:

1. THE DAILY ROUTE MILEAGE TRAVELED BY THE SCHOOL DISTRICT IN THE YEAR 1973-74.

LAWS OF ARIZONA

2. THE NUMBER OF ELIGIBLE STUDENTS DURING THE YEAR 1973-74.
 3. THE ESTIMATED TRANSPORTATION EXPENSES FOR THE YEAR 1973-74.
 4. THE ESTIMATED DAILY ROUTE MILEAGE FOR THE YEAR 1974-75.
 5. THE ESTIMATED NUMBER OF ELIGIBLE STUDENTS FOR THE YEAR 1974-75.
 6. THE ESTIMATED TRANSPORTATION EXPENSES FOR THE YEAR 1974-75.
- B. FOR THE YEAR 1975-76 EACH SCHOOL DISTRICT DESIRING TO RECEIVE TRANSPORTATION AID SHALL ON OR BEFORE APRIL 1, 1975 CERTIFY TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION THE FOLLOWING:
1. THE DAILY ROUTE MILEAGE TRAVELED BY THE SCHOOL DISTRICT IN THE YEAR 1974-75.
 2. THE NUMBER OF ELIGIBLE STUDENTS DURING THE YEAR 1974-75.
 3. THE ESTIMATED TRANSPORTATION EXPENSES FOR THE YEAR 1974-75.
 4. THE ESTIMATED DAILY ROUTE MILEAGE FOR THE YEAR 1975-76.
 5. THE ESTIMATED NUMBER OF ELIGIBLE STUDENTS FOR THE YEAR 1975-76.
 6. THE ESTIMATED TRANSPORTATION EXPENSES FOR THE YEAR 1975-76.

15-1624. Duties of the superintendent of public instruction

- A. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL SUPERVISE THE PROVISION OF PUPIL TRANSPORTATION

LAWS OF ARIZONA

SERVICES FOR WHICH ASSISTANCE IS PAID UNDER THIS ARTICLE.

B. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL EVALUATE THE TRANSPORTATION PROGRAM AND ROUTE FOR THE PURPOSE OF EVALUATING THE ACCURATE TRANSPORTATION AID ELIGIBILITY.

C. FOR THE YEAR 1974-75 THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ON OR BEFORE MAY 1, 1974 INFORM EACH SCHOOL DISTRICT OF THE DAILY ROUTE MILEAGE WHICH WILL BE SUPPORTED BY STATE TRANSPORTATION AID.

D. FOR THE YEAR 1974-75 THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ON OR BEFORE MAY 1, 1974 INFORM EACH SCHOOL DISTRICT OF THE ESTIMATED ELIGIBLE STUDENTS WHICH WILL BE SUPPORTED BY TRANSPORTATION AID FOR THE YEAR 1974-75.

E. FOR THE YEAR 1974-75 THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ON OR BEFORE MAY 1, 1974 INFORM EACH SCHOOL DISTRICT OF THE ESTIMATED TRANSPORTATION AID FOR THE YEAR 1974-75 BY USING THE FORMULA PROVIDED IN SECTION 15-1625.

F. FOR THE YEAR 1975-76 THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ON OR BEFORE MAY 1, 1975 INFORM EACH SCHOOL DISTRICT OF THE DAILY ROUTE MILEAGE WHICH WILL BE SUPPORTED BY STATE TRANSPORTATION AID.

G. FOR THE YEAR 1975-76 THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ON OR BEFORE MAY 1, 1975 INFORM EACH SCHOOL DISTRICT OF THE ESTIMATED ELIGIBLE STUDENTS WHICH WILL BE SUPPORTED BY STATE TRANSPORTATION AID FOR THE YEAR 1975-76.

H. FOR THE YEAR 1975-76 THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ON OR BEFORE MAY 1, 1975 INFORM EACH SCHOOL DISTRICT OF THE ESTIMATED TRANSPORTATION AID FOR THE YEAR 1975-76 BY USING THE FORMULA PROVIDED IN SECTION 15-1625.

LAWS OF ARIZONA

I. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL BE RESPONSIBLE FOR ASSEMBLING THE INFORMATION PROVIDED BY THE SCHOOL DISTRICTS AND DETERMINING THE ACCURACY THEREOF. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL, ON OR BEFORE DECEMBER 1, 1975, FILE WITH THE LEGISLATURE A REPORT CONTAINING THE TRANSPORTATION EXPENSES, LEVIES, AND STATE AID FOR THE YEAR 1974-75 AND FOR THE YEAR 1975-76, AND SHALL RECOMMEND TO THE LEGISLATURE CHANGES FOR PROVIDING STATE AID FOR SCHOOL TRANSPORTATION FOR FUTURE YEARS.

15-1625. Computation of transportation aid

A. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL CALCULATE TRANSPORTATION AID FOR THE YEAR 1974-75 FOR EACH SCHOOL DISTRICT IN THE FOLLOWING MANNER:

1. DIVIDE THE APPROVED DAILY ROUTE MILEAGE OF THE SCHOOL DISTRICT FOR THE YEAR 1974-75 BY THE APPROVED ELIGIBLE STUDENTS OF THE SCHOOL DISTRICT IN THE YEAR 1974-75.

2. MULTIPLY THE QUOTIENT OBTAINED IN PARAGRAPH ONE BY THIRTY-FOUR DOLLARS.

3. ADD TWENTY DOLLARS TO THE PRODUCT OBTAINED IN PARAGRAPH TWO.

4. MULTIPLY THE SUM OBTAINED FROM PARAGRAPH THREE BY 1.12.

5. MULTIPLY THE PRODUCT OBTAINED IN PARAGRAPH FOUR BY THE NUMBER OF APPROVED ELIGIBLE STUDENTS FOR THE YEAR 1974-75.

6. SUBTRACT THE CONTRACT PAYMENTS RECEIVED FOR TRANSPORTING STUDENTS IN THE YEAR 1973-74 FROM THE TRANSPORTATION EXPENSE FOR THE YEAR 1973-74.

7. MULTIPLY THE DIFFERENCE OBTAINED IN PARAGRAPH SIX BY 1.12.

LAWS OF ARIZONA

8. COMPARE THE PRODUCT OBTAINED IN PARAGRAPH FIVE WITH THE PRODUCT OBTAINED IN PARAGRAPH SEVEN AND SELECT THE LESSER FIGURE AS THE SCHOOL DISTRICT'S ALLOCATED TRANSPORTATION AID.

9. COMPUTE THE SUM OF THE TRANSPORTATION AID ALLOCATED TO ALL SCHOOL DISTRICTS IN THE STATE.

10. COMPARE THE TOTAL ALLOCATION TO THE APPROPRIATION FOR TRANSPORTATION AID. IF THE TOTAL OF ALL SCHOOL DISTRICTS' ALLOCATION EXCEEDS THE STATE APPROPRIATION, COMPUTE THE SCHOOL DISTRICT'S TRANSPORTATION AID AS FOLLOWS:

(a) DIVIDE THE STATE APPROPRIATION FOR TRANSPORTATION AID BY THE TOTAL OF ALL SCHOOL DISTRICTS' TRANSPORTATION AID ALLOCATION.

(b) MULTIPLY THE QUOTIENT OBTAINED IN SUBDIVISION (a) BY THE LESSER OF THE PRODUCT OBTAINED IN PARAGRAPH FIVE OR SEVEN.

B. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL CALCULATE TRANSPORTATION AID FOR THE YEAR 1975-76 FOR EACH SCHOOL DISTRICT IN THE FOLLOWING MANNER:

1. DIVIDE THE APPROVED DAILY ROUTE MILEAGE OF THE SCHOOL DISTRICT FOR THE YEAR 1975-76 BY THE APPROVED ELIGIBLE STUDENTS OF THE SCHOOL DISTRICT IN THE YEAR 1975-76.

2. MULTIPLY THE QUOTIENT OBTAINED IN PARAGRAPH ONE BY THIRTY-FOUR DOLLARS.

3. ADD TWENTY DOLLARS TO THE PRODUCT OBTAINED IN PARAGRAPH TWO.

4. MULTIPLY THE SUM OBTAINED FROM PARAGRAPH THREE BY 1.25.

5. MULTIPLY THE PRODUCT OBTAINED IN PARAGRAPH FOUR BY THE NUMBER OF APPROVED ELIGIBLE STUDENTS FOR THE

LAWS OF ARIZONA

YEAR 1975-76.

6. SUBTRACT THE CONTRACT PAYMENTS RECEIVED FOR TRANSPORTING STUDENTS IN THE YEAR 1973-74 FROM THE TRANSPORTATION EXPENSE FOR THE YEAR 1973-74.

7. MULTIPLY THE DIFFERENCE OBTAINED IN PARAGRAPH SIX BY 1.25.

8. COMPARE THE PRODUCT OBTAINED IN PARAGRAPH FIVE WITH THE PRODUCT OBTAINED IN PARAGRAPH SEVEN AND SELECT THE LESSER FIGURE AS THE SCHOOL DISTRICT'S ALLOCATED TRANSPORTATION AID.

9. COMPUTE THE SUM OF THE TRANSPORTATION AID ALLOCATED TO ALL SCHOOL DISTRICTS IN THE STATE.

10. COMPARE THE TOTAL ALLOCATION TO THE APPROPRIATION FOR TRANSPORTATION AID. IF THE TOTAL OF ALL SCHOOL DISTRICTS' ALLOCATION EXCEEDS THE STATE APPROPRIATION, COMPUTE THE SCHOOL DISTRICTS' ALLOCATION AS FOLLOWS:

(a) DIVIDE THE STATE APPROPRIATION FOR TRANSPORTATION AID BY THE TOTAL OF ALL SCHOOL DISTRICTS' TRANSPORTATION AID ALLOCATION.

(b) MULTIPLY THE QUOTIENT OBTAINED IN SUBDIVISION (a) BY THE LESSER OF THE PRODUCT OBTAINED IN PARAGRAPH FIVE OR SEVEN.

C. NOTWITHSTANDING THE PROVISIONS OF PARAGRAPHS SIX AND SEVEN OF SUBSECTIONS A AND B, A SCHOOL DISTRICT WHOSE TRANSPORTATION PROGRAM BEGINS DURING THE YEAR 1974-75 OR THE YEAR 1975-76, THE COMPUTATION REQUIRED BY PARAGRAPH EIGHT MAY BE ELIMINATED IN THE YEAR OF IMPLEMENTATION.

15-1626. **Contracts for transportation**

A. AS AN ALTERNATIVE TO MAINTAINING AND OPERATING A TRANSPORTATION PROGRAM OR IN CONJUNCTION THEREWITH,

LAWS OF ARIZONA

A SCHOOL DISTRICT MAY, WHEN IT IS FOUND TO BE ECONOMICALLY ADVANTAGEOUS, CONTRACT FOR TRANSPORTATION. CONTRACTS MAY BE WITH ANOTHER POLITICAL SUBDIVISION OR A COMMON OR CONTRACT CARRIER.

B. IN ADDITION TO OTHER POWERS AND DUTIES PRESCRIBED BY TITLE 11, CHAPTER 2, ARTICLE 4, ANY BOARD OF SUPERVISORS MAY AT THE REQUEST OF ANY OR ALL OF THE BOARDS OF TRUSTEES OR BOARDS OF EDUCATION WITHIN THE COUNTY PROVIDE NECESSARY STUDENT TRANSPORTATION. IF THE BOARD OF SUPERVISORS AND THE GOVERNING BOARD OR BOARDS OF SUCH SCHOOL DISTRICTS MUTUALLY AGREE THAT SUCH AN ARRANGEMENT IS ECONOMICALLY ADVANTAGEOUS, THE BOARD OF TRUSTEES OR BOARD OF EDUCATION IS AUTHORIZED TO SELL OR LEASE ITS BUS OR BUSES TO THE BOARD OF SUPERVISORS FOR SUCH PURPOSES. AGREEMENT BETWEEN THE PARTIES SHALL BE BY WRITTEN CONTRACT. THE BOARD OF TRUSTEES OR BOARD OF EDUCATION SHALL REQUEST THE COUNTY SCHOOL SUPERINTENDENT PURSUANT TO SECTION 15-1628 TO LEVY THE NECESSARY TAXES ON THE PROPERTY OF THE DISTRICT WHICH WHEN COUPLED WITH STATE AID FOR TRANSPORTATION WILL PAY THE CONTRACT PRICE.

C. IN COMPUTING TRANSPORTATION AID FOR A DISTRICT WITH TRANSPORTATION CONTRACTS, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL:

1. DETERMINE THE APPROVED DAILY ROUTE MILEAGE TRAVELED UNDER CONTRACT.
2. DETERMINE THE APPROVED ELIGIBLE STUDENTS TRANSPORTED UNDER CONTRACT.
3. ADD THE TOTAL OF SUCH DETERMINATIONS TO DAILY ROUTE MILEAGE AND ELIGIBLE STUDENTS IN COMPUTING THE TRANSPORTATION AID AS PROVIDED IN SECTION 15-1625.

D. IN NO EVENT SHALL AN ELIGIBLE STUDENT WHO IS TRANSPORTED PART BY CONTRACT AND PART BY DISTRICT TRANSPORTATION FACILITIES BE COUNTED AS MORE THAN ONE

LAWS OF ARIZONA

STUDENT.

15-1627. **Distribution of transportation aid**

A. APPORTIONMENT OF TRANSPORTATION AID SHALL BE MADE AS FOLLOWS:

1. ONE-THIRD OF THE ESTIMATED ENTITLEMENT ON SEPTEMBER 1.
2. ONE-THIRD OF THE ESTIMATED ENTITLEMENT ON JANUARY 1.
3. THE REMAINING AMOUNT SHALL BE ADJUSTED TO REFLECT THE ACTUAL ELIGIBLE STUDENTS AND PAID ON MAY FIFTEENTH.

B. PRIOR TO FINAL APPORTIONMENT OF TRANSPORTATION AID ON THE FIFTEENTH DAY OF MAY, AN ADJUSTMENT SHALL BE MADE BASED ON THE ACTUAL ELIGIBLE STUDENTS COMPUTED BY DETERMINING THE AVERAGE DAILY ELIGIBLE STUDENTS FOR EACH SCHOOL DAY OF THE CURRENT YEAR.

C. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL FURNISH THE STATE TREASURER AND SCHOOL SUPERINTENDENT OF EACH COUNTY AN ABSTRACT OF THE APPORTIONMENT AND SHALL CERTIFY THE APPORTIONMENT TO THE DIVISION OF FINANCE WHO SHALL DRAW ITS WARRANT IN FAVOR OF THE COUNTY TREASURER OF EACH COUNTY FOR THE AMOUNT APPORTIONED THERETO. UPON RECEIPT OF THE WARRANT, THE COUNTY TREASURER SHALL NOTIFY THE COUNTY SUPERINTENDENT OF THE AMOUNT THEREOF AND SHALL PAY SUCH AMOUNT TO THE SCHOOL FUND OF SUCH SCHOOL DISTRICT.

15-1628. **Levy for transportation purposes**

AT THE REQUEST OF THE GOVERNING BOARD OF A SCHOOL DISTRICT, THE COUNTY SCHOOL SUPERINTENDENT SHALL INCLUDE IN HIS ESTIMATE TO THE BOARD OF SUPERVISORS THE AMOUNT OF MONEY WHICH WHEN ADDED TO STATE AID FOR TRANSPORTATION WILL BE NECESSARY TO MEET BUDGETED

LAWS OF ARIZONA

TRANSPORTATION EXPENSES AS DEFINED IN SECTION 15-1601. THE BOARD OF SUPERVISORS SHALL MAKE A LEVY ON THE PROPERTY OF THE SCHOOL DISTRICT SUFFICIENT TO PRODUCE REVENUES FOR PAYMENT OF TRANSPORTATION EXPENSES.

15-1629. **Limitation**

TRANSPORTATION AID MONIES AUTHORIZED BY THIS ARTICLE AND THE LEVY PROVIDED FOR IN THIS ARTICLE SHALL BE EXPENDED FOR TRANSPORTATION PURPOSES ONLY.

ARTICLE 3. FACILITIES EMERGENCY AID

15-1661. **Ranking of school districts**

A. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL DETERMINE THE RANKING OF EACH SCHOOL DISTRICT IN THE STATE, WITH SEPARATE RANKINGS BEING PREPARED FOR COMMON SCHOOL DISTRICTS AND FOR HIGH SCHOOL DISTRICTS, ON THE BASIS OF THE FOLLOWING CRITERIA FOR USE IN PROCESSING APPLICATIONS FOR FACILITIES EMERGENCY AID TO BE DISTRIBUTED IN FISCAL YEAR 1974-75:

1. **GROWTH RATE:** THE ADM FOR FISCAL YEAR 1972-1973 SHALL BE SUBTRACTED FROM THE ADM FOR FISCAL YEAR 1973-1974, AND THE DIFFERENCE SHALL BE DIVIDED BY THE ADM FOR FISCAL YEAR 1972-1973. THE RESULTING QUOTIENT IS THE GROWTH RATE FOR THE DISTRICT. THE GROWTH RATES SHALL BE RANKED FROM HIGHEST TO LOWEST, WITH THE HIGHEST BEING ASSIGNED A RANK OF ONE. IDENTICAL GROWTH RATES SHALL BE ASSIGNED THE SAME RANK NUMBERS.

2. **UTILIZATION OF AVAILABLE BONDING CAPACITY:** THE HIGHEST DOLLAR AMOUNT OF BONDS OUTSTANDING DURING THE CALENDAR YEAR ENDING DECEMBER 31, 1973, AND THE DATE OF SUCH BALANCE SHALL BE DETERMINED. FUNDS HELD TO THE CREDIT OF EACH DISTRICT FOR THE PURPOSE OF BOND REDEMPTION ON THE SAME DATE AS THE HIGHEST BALANCE, INCLUDING BOTH CASH ON DEPOSIT AND REDEMPTION MONEY WHICH IS INVESTED, SHALL ALSO BE DETERMINED. THE SUM OF SUCH REDEMPTION FUNDS SHALL BE DEDUCTED FROM THE HIGHEST BALANCE OF BONDS OUTSTANDING, AND THE RESULT

LAWS OF ARIZONA

SHALL BE MULTIPLIED BY ONE HUNDRED AND DIVIDED BY A SUM EQUAL TO TEN PER CENT OF THE 1973 ASSESSED VALUATION FOR THE DISTRICT. THE RESULTING QUOTIENT IS THE PER CENT OF BOND CAPACITY USED. THE CAPACITIES SHALL BE RANKED FROM HIGHEST TO LOWEST, WITH THE HIGHEST BEING ASSIGNED A RANK OF ONE. IDENTICAL CAPACITIES SHALL BE ASSIGNED THE SAME RANK NUMBERS.

3. **ASSESSED VALUATION PER ADM:** THE 1973 ASSESSED VALUATION OF THE DISTRICT AS USED FOR THE LEVY OF TAXES FOR FISCAL YEAR 1973-74 SHALL BE DIVIDED BY THE ADM FOR FISCAL YEAR 1973-1974. THE ADM FIGURE USED FOR THE CALCULATION IN THIS PARAGRAPH SHALL BE THE DISTRICT'S ACTUAL ADM LESS THE NUMBER OF STUDENTS IN ACTUAL DAILY MEMBERSHIP FOR WHOM THE DISTRICT HAS RECEIVED FEDERAL FUNDS FOR CAPITAL OUTLAY PURPOSES FOR FISCAL YEAR 1973-1974. THE RESULTING QUOTIENTS SHALL BE RANKED FROM HIGHEST TO LOWEST, WITH THE LOWEST BEING ASSIGNED A RANK OF ONE. IDENTICAL QUOTIENTS SHALL BE ASSIGNED THE SAME RANK NUMBERS.

4. **TAX RATE FOR CAPITAL OUTLAY:** THE TAX RATES LEVIED BY A DISTRICT UNDER THE PROVISIONS OF SECTIONS 15-445, 15-1321 AND 35-458 FOR FISCAL YEARS 1972-1973 AND 1973-1974 SHALL BE ADDED TOGETHER AND DIVIDED BY TWO. THE RESULTING SUM IS THE TAX RATE FOR CAPITAL OUTLAY, AND SUCH SUMS SHALL BE RANKED FROM HIGHEST TO LOWEST, WITH THE HIGHEST BEING ASSIGNED A RANK OF ONE. IDENTICAL TAX RATES SHALL BE ASSIGNED THE SAME RANK NUMBERS.

5. **COMPOSITE RANKING:** THE RESULTS OF EACH OF ITEMS 1 THROUGH 4 SHALL BE TOTALED AND RANKED FROM HIGHEST TO LOWEST, WITH THE LOWEST BEING ASSIGNED A RANK OF ONE. IDENTICAL TOTALS SHALL BE ASSIGNED THE SAME RANK NUMBERS.

LAWS OF ARIZONA

B. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL DETERMINE THE RANKING OF EACH SCHOOL DISTRICT IN THE STATE, WITH SEPARATE RANKINGS BEING PREPARED FOR COMMON SCHOOL DISTRICTS AND FOR HIGH SCHOOL DISTRICTS, ON THE BASIS OF THE FOLLOWING CRITERIA FOR USE IN PROCESSING APPLICATIONS FOR FACILITIES EMERGENCY AID TO BE DISTRIBUTED IN FISCAL YEAR 1975-1976:

1. **GROWTH RATE:** THE ADM FOR FISCAL YEAR 1973-1974 SHALL BE SUBTRACTED FROM THE ADM FOR FISCAL YEAR 1974-1975, AND THE DIFFERENCE SHALL BE DIVIDED BY THE ADM FOR FISCAL YEAR 1973-1974. THE RESULTING QUOTIENT IS THE GROWTH RATE FOR THE DISTRICT. THE GROWTH RATES SHALL BE RANKED FROM HIGHEST TO LOWEST, WITH THE HIGHEST BEING ASSIGNED A RANK OF ONE. IDENTICAL GROWTH RATES SHALL BE ASSIGNED THE SAME RANK NUMBERS.

2. **UTILIZATION OF AVAILABLE BONDING CAPACITY:** THE HIGHEST DOLLAR AMOUNT OF BONDS OUTSTANDING DURING THE CALENDAR YEAR ENDING DECEMBER 31, 1974, AND THE DATE OF SUCH BALANCE SHALL BE DETERMINED. FUNDS HELD TO THE CREDIT OF EACH DISTRICT FOR THE PURPOSE OF BOND REDEMPTION ON THE SAME DATE AS THE HIGHEST BALANCE, INCLUDING BOTH CASH ON DEPOSIT AND REDEMPTION MONEY WHICH IS INVESTED, SHALL ALSO BE DETERMINED. THE SUM OF SUCH REDEMPTION FUNDS SHALL BE DEDUCTED FROM THE HIGHEST BALANCE OF BONDS OUTSTANDING, AND THE RESULT SHALL BE MULTIPLIED BY ONE HUNDRED AND DIVIDED BY A SUM EQUAL TO TEN PER CENT OF THE 1974 ASSESSED VALUATION FOR THE DISTRICT. THE RESULTING QUOTIENT IS THE PER CENT OF BOND CAPACITY USED. THE CAPACITIES SHALL BE RANKED FROM HIGHEST TO LOWEST, WITH THE HIGHEST BEING ASSIGNED A RANK OF ONE. IDENTICAL CAPACITIES SHALL BE ASSIGNED THE SAME RANK NUMBERS.

LAWS OF ARIZONA

3. **ASSESSED VALUATION PER ADM:** THE 1974 ASSESSED VALUATION OF THE DISTRICT AS USED FOR THE LEVY OF TAXES FOR FISCAL YEAR 1974-1975 SHALL BE DIVIDED BY THE ADM FOR FISCAL YEAR 1974-1975. THE ADM FIGURE USED FOR THE CALCULATION IN THIS PARAGRAPH SHALL BE THE DISTRICT'S ACTUAL ADM LESS THE NUMBER OF STUDENTS IN ACTUAL DAILY MEMBERSHIP FOR WHOM THE DISTRICT HAS RECEIVED FEDERAL FUNDS FOR CAPITAL OUTLAY PURPOSES FOR FISCAL YEAR 1974-75. THE RESULTING QUOTIENTS SHALL BE RANKED FROM HIGHEST TO LOWEST, WITH THE LOWEST BEING ASSIGNED A RANK OF ONE. IDENTICAL QUOTIENTS SHALL BE ASSIGNED THE SAME RANK NUMBERS.

4. **TAX RATE FOR CAPITAL OUTLAY:** THE TAX RATES LEVIED BY A DISTRICT UNDER THE PROVISIONS OF SECTIONS 15-445, 15-1321 AND 35-458 FOR FISCAL YEARS 1973-1974 AND 1974-1975 SHALL BE ADDED TOGETHER AND DIVIDED BY TWO. THE RESULTING SUM IS THE TAX RATE FOR CAPITAL OUTLAY, AND SUCH SUMS SHALL BE RANKED FROM HIGHEST TO LOWEST, WITH THE HIGHEST BEING ASSIGNED A RANK OF ONE. IDENTICAL TAX RATES SHALL BE ASSIGNED THE SAME RANK NUMBERS.

5. **COMPOSITE RANKING:** THE RESULTS OF EACH OF ITEMS 1 THROUGH 4 SHALL BE TOTALED AND RANKED FROM HIGHEST TO LOWEST, WITH THE LOWEST BEING ASSIGNED A RANK OF ONE. IDENTICAL TOTALS SHALL BE ASSIGNED THE SAME RANK NUMBERS.

15-1662. **Qualified districts; aid application; approval**

A. ANY SCHOOL DISTRICT MAY APPLY TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION ON FORMS PREPARED BY THE DEPARTMENT OF EDUCATION FOR SCHOOL

LAWS OF ARIZONA

DISTRICT FACILITIES EMERGENCY AID IF THE DISTRICT HAS SUSTAINED AN INCREASE IN STUDENT POPULATION OF AT LEAST ONE HUNDRED FIFTY ADM IN FISCAL YEAR 1973-1974 OVER 1972-1973 OR IN FISCAL YEAR 1974-1975 OVER 1973-1974, AS APPLICABLE.

B. ANY SCHOOL DISTRICT WHICH QUALIFIES UNDER SUBSECTION A MAY ON OR BEFORE AUGUST 1 OF EACH YEAR SUBMIT AN APPLICATION FOR SCHOOL DISTRICT FACILITIES EMERGENCY AID TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION. THE SUPERINTENDENT SHALL FORTHWITH REVIEW ALL SUCH APPLICATIONS AND SHALL COMPILE A REPORT CONCERNING THE ELIGIBLE SCHOOL DISTRICTS INCLUDING THEIR AID ENTITLEMENT COMPUTED PURSUANT TO SECTION 15-1663, WHICH SHALL BE SUBMITTED TO THE JOINT LEGISLATIVE BUDGET COMMITTEE.

C. UPON RECEIPT OF THE SUPERINTENDENT'S REPORT, THE JOINT LEGISLATIVE BUDGET COMMITTEE SHALL, AFTER REVIEW, APPROVE AS SUBMITTED, APPROVE AFTER REDUCING, OR SHALL DECLINE TO APPROVE THE AMOUNT OF FACILITIES EMERGENCY AID COMPUTED FOR ANY SCHOOL DISTRICT BY THE SUPERINTENDENT.

D. DISTRIBUTIONS OF FACILITIES EMERGENCY AID APPROVED BY THE JOINT LEGISLATIVE BUDGET COMMITTEE SHALL BE MADE BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION BY THE FIFTEENTH DAY OF JANUARY FOLLOWING THE DATE OF APPLICATION. NO SUCH DISTRIBUTIONS SHALL BE MADE WITHOUT THE PRIOR APPROVAL OF THE JOINT LEGISLATIVE BUDGET COMMITTEE.

E. THE JOINT LEGISLATIVE BUDGET COMMITTEE SHALL REPORT BY JANUARY 15 TO THE LEGISLATURE ON THE DISTRIBUTION OF FACILITIES EMERGENCY AID APPROVED FOR THE CURRENT FISCAL YEAR AND ON ANY DIFFERENCES BETWEEN THE AMOUNTS COMPUTED BY THE SUPERINTENDENT AND THE AID APPROVED FOR DISTRIBUTION BY THE COMMITTEE.

F. THE DISTRICT APPLICATION PROVIDED FOR IN THIS SECTION SHALL BE CERTIFIED BY THE DISTRICT AND SHALL

LAWS OF ARIZONA

INCLUDE:

1. A DISTRICT SURVEY OF AVAILABLE INSTRUCTIONAL FACILITIES WHICH DETAILS THE CONDITION AND USE OF ALL FACILITIES.
 2. A DETAILED REPORT OF MONIES AVAILABLE FOR FACILITIES FUNDING THROUGH THE SPECIAL DISTRICT LEVY UNDER SECTION 15-445, FEDERAL ASSISTANCE, THE DISTRICT FACILITIES EMERGENCY FUND BALANCE REMAINING FROM THE PREVIOUS YEAR AND ANY OTHER SOURCE.
 3. THE AMOUNT OF MONIES RECEIVED DURING THE PRECEDING FISCAL YEAR FROM FEDERAL FUNDS FOR CAPITAL OUTLAY PURPOSES.
 4. A THREE-YEAR PROJECTION OF STUDENT GROWTH AND CLASSROOM NEEDS.
 5. ANY ADDITIONAL INFORMATION REQUIRED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION NECESSARY TO COMPLY WITH THE PROVISIONS OF THIS ARTICLE.
- G. FOR THE FISCAL YEAR 1975-1976, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL INCLUDE IN THE ANNUAL BUDGET REQUEST FOR THE DEPARTMENT OF EDUCATION AN AMOUNT SUFFICIENT TO PROVIDE THE AID DISTRIBUTABLE UNDER SECTION 15-1663.

15-1663. Computation of facilities emergency aid

- A. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL COMPUTE ENTITLEMENT TO FACILITIES EMERGENCY AID AS FOLLOWS:
1. FOR A QUALIFYING COMMON SCHOOL DISTRICT WHICH UNDER THE PROVISIONS OF SECTION 15-1661 IS:
 - (a) IN THE UPPER TWO PER CENT OF THE RANKINGS FOR ALL SUCH SCHOOL DISTRICTS IN THE STATE, ONE HUNDRED DOLLARS PER ADM.

LAWS OF ARIZONA

(b) IN THE SUBSEQUENT TWO PER CENT OF THE RANKINGS FOR ALL SUCH SCHOOL DISTRICTS IN THE STATE, SEVENTY-FIVE DOLLARS PER ADM.

(c) IN THE SUBSEQUENT THREE PER CENT OF THE RANKINGS FOR ALL SUCH SCHOOL DISTRICTS IN THE STATE, FIFTY DOLLARS PER ADM.

(d) IN THE SUBSEQUENT THREE PER CENT OF THE RANKINGS FOR ALL SUCH SCHOOL DISTRICTS IN THE STATE, TWENTY-FIVE DOLLARS PER ADM.

2. FOR A QUALIFYING HIGH SCHOOL DISTRICT WHICH UNDER THE PROVISIONS OF SUBSECTION D OF SECTION 15-1661 IS:

(a) IN THE UPPER TWO PER CENT OF THE RANKINGS FOR ALL SUCH SCHOOL DISTRICTS IN THE STATE, SIXTY DOLLARS PER ADM.

(b) IN THE SUBSEQUENT THREE PER CENT OF THE RANKINGS FOR ALL SUCH SCHOOL DISTRICTS IN THE STATE, FORTY-FIVE DOLLARS PER ADM.

(c) IN THE SUBSEQUENT THREE PER CENT OF THE RANKINGS FOR ALL SUCH SCHOOL DISTRICTS IN THE STATE, THIRTY DOLLARS PER ADM.

3. THE AMOUNT OF AID PROVIDED UNDER THIS SUBSECTION SHALL BE DECREASED, WHERE APPLICABLE, BY A SUM EQUAL TO THE AMOUNT OF MONIES RECEIVED DURING THE PRECEDING FISCAL YEAR BY THE DISTRICT FROM P.L. 81-815 FUNDS.

B. THE AMOUNT OF ENTITLEMENT COMPUTED UNDER SUBSECTION A OF THIS SECTION SHALL BE PROPORTIONATELY INCREASED OR DECREASED IN ACCORDANCE WITH THE AMOUNT OF FUNDS APPROPRIATED.

15-1664. Use of facilities emergency aid by districts

A. SCHOOL DISTRICT FACILITIES EMERGENCY AID MONIES MAY BE EXPENDED FOR:

LAWS OF ARIZONA

1. SITE ACQUISITION.
2. PURCHASE, CONSTRUCTION, RENOVATION, REMODELING OR OTHER IMPROVEMENTS TO SCHOOL FACILITIES AND GROUNDS.
3. RENTAL OF NECESSARY FACILITIES FOR A TERM NOT EXTENDING BEYOND THE CURRENT YEAR.
4. PURCHASE OF FURNITURE AND EQUIPMENT FOR SCHOOL FACILITIES AND GROUNDS.
5. THE LEASE-PURCHASE OF CLASSROOM FACILITIES INCLUDING PORTABLE OR RELOCATABLE CLASSROOMS.
 - B. IF NOT NEEDED FOR USE WITHIN A PERIOD OF THREE MONTHS OR MORE, FACILITIES EMERGENCY AID MAY BE INVESTED BY A SCHOOL DISTRICT IN THE SAME MANNER AS SINKING FUND MONIES UNDER SECTION 15-1323.
 - C. NOTWITHSTANDING THE PROVISIONS OF SECTION 15-1302, FUNDS RECEIVED AS FACILITIES EMERGENCY AID MAY BE EXPENDED FOR PURPOSES SET FORTH IN THIS SECTION WITHOUT AN ELECTION PRIOR TO EXPENDITURE OF FUNDS. THE GOVERNING BOARD SHALL PUBLISH NOTICE OF THE PROPOSED EXPENDITURE OF SUCH FUNDS ONE TIME IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE SCHOOL DISTRICT. WITHIN TEN DAYS OF GIVING SUCH NOTICE, THE BOARD SHALL HOLD A PUBLIC HEARING ON THE PROPOSED EXPENDITURE.

15-1665. School facilities emergency aid fund

- A. THERE IS ESTABLISHED A SCHOOL FACILITIES EMERGENCY AID FUND.
- B. THE LEGISLATURE SHALL ANNUALLY APPROPRIATE MONIES FOR DEPOSIT IN THE SCHOOL FACILITIES EMERGENCY AID FUND FOR THE PURPOSE OF PROVIDING THE FINANCING REQUIRED UNDER SECTION 15-1662.
- C. THE MONIES DEPOSITED IN THE SCHOOL FACILITIES EMERGENCY AID FUND SHALL BE ADMINISTERED AND

LAWS OF ARIZONA

DISTRIBUTED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION AS FACILITIES EMERGENCY AID TO QUALIFIED SCHOOL DISTRICTS.

Sec. 39. Section 28-1591, Arizona Revised Statutes, as amended by Laws 1969, chapter 147, section 3, is amended to read:

28-1591. **Distribution of vehicle license tax**

A. The license tax upon vehicles operated upon the highways imposed by section 11, article 9 of the constitution shall be collected by the county assessor and promptly deposited with the county treasurer of the county in which the vehicle is registered.

B. Except as provided in section 28-1592, the county treasurer, not later than the fifteenth day of each month, shall distribute the monies deposited with him pursuant to subsection A of this section during the preceding calendar month as follows:

1. In a county containing no incorporated city or town:

(a) Twenty-five per cent to the state treasurer, to be placed in the general fund of the state.

(b) Thirty-seven and one-half per cent to the general fund of the county.

(c) Thirty-seven and one-half per cent to the ~~board of supervisors~~ STATE TREASURER, to be placed in the ~~county~~ STATE school fund.

2. In a county containing one or more incorporated cities or towns: ~~except as provided in paragraph 3 of this section:~~

(a) Twenty-five per cent to the state treasurer, to be placed in the general fund of the state.

(b) Twenty-five per cent to the general fund of the county.

(c) Twenty-five per cent to the ~~board of supervisors~~ STATE TREASURER, to be placed in the ~~county~~ STATE school fund.

(d) Twenty-five per cent to the several incorporated cities and towns of the county, apportioned in proportion to the population of each as shown

LAWS OF ARIZONA

by the most recent United States census.

~~3. In a county wherein the largest municipality has established arrangements to assist in urban mass transportation pursuant to title 40, chapter 6:~~

~~(a) Twenty five per cent to the state treasurer, to be placed in the general fund of the state.~~

~~(b) No less than twenty-three and one-half per cent to the general fund of the county.~~

~~(c) No less than twenty-three and one-half per cent to the board of supervisors, to be placed in the county school fund.~~

~~(d) No less than twenty-three and one-half per cent to the several incorporated cities and towns of the county, apportioned in proportion of each as shown by the most recent United States census.~~

~~(e) No more than four and one-half per cent to the qualifying municipality.~~

~~(f) A political subdivision indicated in subdivisions (b) through (d), in order to qualify for its share of funds for deposit in the transportation financial committee fund, shall pass a resolution by majority vote of its governing body authorizing the deduction and deposit of the funds for use as prescribed by the terms of this article.~~

~~(g) The provisions of paragraph 3 shall terminate September 15, 1970, and any unexpended funds at that date shall revert to the county, school district and incorporated cities as set forth in paragraph 1 or 2 of subsection B.~~

C. If any incorporated city or town has had no federal enumeration, the supervisors shall appoint a qualified person to take an accurate census of the incorporated city or town, and the supervisors shall certify the results to the county treasurer, whereupon the incorporated city or town shall share in the distribution as provided by this section.

D. In order for a school district to participate in the program as prescribed by this article, such district through action of a majority vote of its board of trustees shall pass a resolution which authorizes the deduction

LAWS OF ARIZONA

and deposit of its share of funds which have been placed in the transportation financial committee fund. A school district which fails to pass such a resolution shall be refunded its share of the funds placed in the transportation financial committee fund and shall not be subject to the terms of this article.

Sec. 40. Section 28-1591, Arizona Revised Statutes, as amended by Laws 1973, chapter 148, section 23, is amended to read:

28-1591. **Distribution of vehicle license tax**

A. The license tax upon vehicles operated upon the highways imposed by section 11, article 9 of the constitution shall be collected by the county assessor and promptly deposited with the county treasurer of the county in which the vehicle is registered. The license tax shall be assessed on the basis of the manufacturer's base retail price at the point of manufacture or port of entry and the age of the vehicle ~~is~~ AS determined by the date upon which it is first registered, in accordance with the following schedule:

MANUFACTURER'S BASE RETAIL PRICE	1st, 2nd AND 3rd YEARS	4th, 5th AND 6th YEARS	7th, 8th AND 9th YEARS	10th AND SUBSEQUENT YEARS
\$ 0- 500	\$ 4.00	\$ 1.00	\$ 1.00	\$ 1.00
\$ 501- 1,000	12.00	4.00	1.00	1.00
\$ 1,001- 1,500	23.00	9.00	4.00	1.00
\$ 1,501- 2,000	32.00	13.00	5.00	2.00
\$ 2,001- 2,500	41.00	17.00	7.00	3.00
\$ 2,501- 3,000	50.00	21.00	9.00	4.00
\$ 3,001- 4,000	64.00	27.00	11.00	5.00
\$ 4,001- 5,000	83.00	35.00	14.00	6.00
\$ 5,001- 6,000	101.00	42.00	18.00	7.00
\$ 6,001- 8,000	129.00	54.00	23.00	9.00
\$ 8,001-10,000	166.00	70.00	29.00	12.00
\$10,001-12,000	203.00	85.00	36.00	15.00
\$12,001-15,000	249.00	105.00	44.00	18.00
\$15,001-18,000	305.00	128.00	54.00	23.00
\$18,001-and over	360.00	152.00	64.00	27.00

B. The superintendent, in order to initiate a system of registering or reregistering motor vehicles during any month of the calendar year pursuant to section 28-313.01, may register or reregister a vehicle for more

LAWS OF ARIZONA

or less than a twelve-month period, but not to exceed eighteen months, prorating the annual license tax, when in his opinion such proration tends to fulfill the purpose of the monthly registration system.

C. Except as provided in section 28-1592, the county treasurer, not later than the fifteenth day of each month, shall distribute the monies deposited with him pursuant to subsection A of this section during the preceding calendar month as follows:

1. In a county containing one or more incorporated cities or towns, except as provided in paragraph 2 of this subsection:

(a) Twenty-five per cent to the state treasurer, to be placed in the general fund of the state.

(b) Twenty-five per cent to the general fund of the county.

(c) Twenty-five per cent to the ~~board of supervisors~~ STATE TREASURER, to be placed in the ~~county~~ STATE school fund.

(d) Twenty-five per cent to the several incorporated cities and towns of the county, apportioned in proportion to the population of each as shown by the most recent United States census.

2. In a county wherein the largest municipality has established arrangements to assist in urban mass transportation pursuant to title 40, chapter 6:

(a) Twenty-five per cent to the state treasurer, to be placed in the general fund of the state.

(b) No less than twenty-three and one-half per cent to the general fund of the county.

(c) No less than twenty-three and one-half per cent to the ~~board of supervisors~~ STATE TREASURER, to be placed in the ~~county~~ STATE school fund.

(d) No less than twenty-three and one-half per cent to the several incorporated cities and towns of the county, apportioned in proportion of each as shown by the most recent United States census.

LAWS OF ARIZONA

(e) No more than four and one-half per cent to the qualifying municipality.

(f) A political subdivision indicated in subdivisions (b) through (d), in order to qualify for its share of funds for deposit in the transportation financial committee fund, shall pass a resolution by majority vote of its governing body authorizing the deduction and deposit of the funds for use as prescribed by the terms of this article.

(g) The provisions of paragraph 2 shall terminate September 15, 1976, and any unexpended funds at that date shall revert to the county, STATE school ~~district~~ FUND and incorporated cities as set forth in paragraph 1 of subsection C.

D. If any incorporated city or town has had no federal enumeration, the supervisors shall appoint a qualified person to take an accurate census of the incorporated city or town, and the supervisors shall certify the results to the county treasurer, whereupon the incorporated city or town shall share in the distribution as provided by this section.

E. In order for a school district to participate in the program as prescribed by this article, such district through action of a majority vote of its board of trustees shall pass a resolution which authorizes the deduction and deposit of its share of funds which have been placed in the transportation financial committee fund. A school district which fails to pass such a resolution shall be refunded its share of the funds placed in the transportation financial committee fund and shall not be subject to the terms of this article.

Sec. 41. Section 35-473.01, Arizona Revised Statutes, is amended to read:

35-473.01. Refunding bonds issued in advance of maturity of the bonds to be refunded

A. Refunding bonds may also be issued hereunder for the purpose of refunding any bonds theretofore issued under the authority of article 3 of this chapter OR UNDER THE AUTHORITY OF CHAPTER 13 OF TITLE 15 in advance of the maturity or call date of the bonds to be refunded. No election on the issuance of such bonds shall be required, but if such bonds are combined into a single issue with bonds authorized for nonrefunding purposes, the bonds so authorized for nonrefunding purposes shall have

LAWS OF ARIZONA

been submitted at an election as otherwise provided ~~in article 3 of this chapter~~ BY LAW.

B. When refunding bonds issued pursuant to this section are sold, the net proceeds shall be invested in obligations issued by or guaranteed by the United States government so long as such investments will mature with interest so as to provide funds to pay when due, or called for redemption, the bonds to be refunded together with interest thereon and redemption premiums, if any, and such proceeds or obligations shall, and other funds legally available for such purposes may be deposited in the respective principal and interest redemption funds and shall be held in trust for the payment of the refunded bonds with interest and redemption premiums, if any, on maturity or upon an available redemption date or upon an earlier voluntary surrender with the consent of the issuer.

C. When bonds are issued in advance of maturity of the bonds being refunded the holder of the refunding bonds shall rely upon the sufficiency of the funds or securities held in trust for the payment of the refunded bonds. The issuance of refunding bonds shall in no way infringe upon the rights of the holder of the refunded bonds to rely upon a tax levy for the payment of principal and interest on the refunded bonds if the investments in the redemption funds prove insufficient. The total aggregate of taxes levied to pay principal and interest on the refunding bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the refunded bonds from the date of issuance of the refunding bonds to the final date of maturity on the bonds being refunded.

Sec. 42. Title 42, chapter 2, Arizona Revised Statutes, is amended by adding article 12, section 42-511, to read:

ARTICLE 12. LIEU TAX ON REAL PROPERTY
LOCATED OUTSIDE OF SCHOOL DISTRICT

42-511. Assessment of real property and improvements thereon not located in any school district; purpose; rate of levy

A. THERE SHALL BE LEVIED AND COLLECTED IN LIEU OF ANY COMMON OR HIGH SCHOOL LOCAL DISTRICT TAX, FOR THE PURPOSE OF RAISING ADDITIONAL MONEY TO BE USED FOR THE STATE SCHOOL FUND, A TAX UPON ALL REAL PROPERTY AND IMPROVEMENTS THEREON WITHIN THIS STATE NOT LOCATED IN

LAWS OF ARIZONA

ANY SCHOOL DISTRICT. THE TAX SHALL BE IMPOSED AND COLLECTED AT THE QUALIFYING RATE AS SET IN TITLE 15, CHAPTER 16. THE VALUATION SHALL BE DETERMINED AND THE TAX COLLECTED AS PRESCRIBED BY LAW.

B. ALL MONIES RECEIVED UNDER THE PROVISIONS OF THIS SECTION SHALL BE REMITTED TO THE STATE TREASURER TO BE PLACED IN THE STATE SCHOOL FUND FOR DISTRIBUTION AS PRESCRIBED BY SECTION 15-1603.

Sec. 43. Purpose

A. The legislature seeks by sections 43 through 60 of this act to provide a method of school district reorganization which is based on decentralized planning with maximum local citizen participation.

B. Sections 43 thru 60 are designed to:

1. Establish a system of reorganized public school districts which can offer comprehensive educational programs and services on an improved and more equalized bases for pupils throughout the state.
2. Assure greater economy in the use of public funds by providing a replacement of such with the single administration of reorganized common and reorganized high school districts.
3. Commence a procedure for an effective and orderly district reorganization program to be executed by designated administrative agencies.
4. Establish policies, standards or other criteria by which the administrative agencies must function.
5. Allow the initial reorganization process to be conducted on the local level.

Sec. 44. Definitions

In sections 43 thru 60 of this act, unless the context otherwise requires:

1. "Reorganized school district" means:

LAWS OF ARIZONA

(a) For a common school district, a school district which provides instruction for pupils in classes from kindergarten through eighth grade.

(b) For a high school district, a school district which provides instruction for pupils in classes from ninth grade through twelfth grade.

2. "School district boundary reorganization" means a process through which the purposes of education can be achieved at an acceptable quality level with efficiency of organization, economy of operation and whereby new reorganized school districts are formed through any combination of the alteration of established school district boundaries or dissolution or abandonment of established school districts or both.

Sec. 45. Standards for school district boundary reorganization

The school district boundary reorganization authorized by this act shall:

1. Include all territory within this state within a school district.
2. Establish reorganized districts for an estimated enrollment of not less than five hundred pupils within the coterminous boundaries of the reorganized common and high school districts. The estimated enrollment requirement may be waived by the county committee in the instance of a geographical area which would be excessively large in order to attain such minimum.
3. Prescribe a single, contiguous and reasonably compact area for each reorganized district, all areas of which are reasonably accessible to kindergarten through twelfth grade schools.

Sec. 46. Criteria for reorganized school districts

A. The reorganized school districts shall be subject to evaluation based on the following criteria:

1. The district shall be organized in accordance with the principle of local responsibility through effective citizen participation.
2. The boundaries of the districts shall be so drawn as to minimize, insofar as is practicable, large variations in the assessed valuation per pupil.
3. No socioeconomic, racial or ethnic group may be intentionally

LAWS OF ARIZONA

included in or excluded from a particular reorganized district merely on the basis of constituting a group.

4. The district shall be organized so that the enrollment does not exceed or will not exceed in the foreseeable future the number of students which would make efficient administration and operation impractical.

B. Each reorganized common school district shall be coterminous with a reorganized high school district which together provide instruction for pupils from kindergarten through twelfth grade. If such reorganized school district does not have either an existing common or high school facility, such reorganized school district may contract with another reorganized school district to provide education for such students and may transport such students to such contracting district.

C. The boundaries of reorganized districts may be drawn in such a manner as to include territory within more than one county pursuant to joint planning boundary alignment.

Sec. 47. Superintendent of public instruction; department of education

The superintendent of public instruction shall:

1. Supply all data collected by the department as may be requested by the county reorganization committees.
2. Allow the use of department of education staff as requested by the county reorganization committees as reasonably necessary to carry out the county reorganization programs.
3. Include in the department of education budget the cost of conducting the reorganization programs at the county committee level and authorize the disbursement of funds appropriated for such reorganization program.
4. Provide for the preparation of legislation to correct conflicting and inapplicable statutes and recommend necessary additions to statutes in order to effectuate the reorganization program and facilitate the operation of reorganized school districts.
5. Collect all material from each educational planning unit and furnish a report by January 1, 1977, to the legislature on the reorganization of

LAWS OF ARIZONA

school districts.

Sec. 48. County school superintendent; duties

Each county school superintendent shall:

1. Function as the chairman and be a nonvoting member of the county convention and the county reorganization committee and keep a record of all meetings.
2. Submit an annual report of progress of the county reorganization committee to the legislature by January 1 of each year.

Sec. 49. County reorganization planning; convention; county reorganization committee

A. The territory of each county of this state shall constitute an education planning unit.

B. The members of the governing boards of every common and high school district within each county shall convene in county conventions within thirty days of the effective date of this act. The county superintendent of schools shall prescribe the date and place for such county conventions. If portions of the area of any school district are located in more than one county, the board members of such district shall attend the convention of the county in which the greatest amount, on a replacement value basis, of property owned by the school district is located.

C. Voting within each county convention shall be weighted to reflect the various sizes of common and high school districts on an average daily membership basis as follows: each school district with an average daily membership of ten thousand students or less shall have fifteen votes. Each school district with an average daily membership of more than ten thousand students shall have fifteen additional votes for each additional ten thousand such students or major fraction thereof, except that no single school district shall have more than one-third of the total votes in such county convention. Each board member shall be allowed to cast one-fifth of the votes allocated to the school district in districts with a five-member board and one-third of the votes allocated to the school district in districts with a three-member board. Each board member may cast any number of votes in the aggregate to which such member is entitled for one candidate

LAWS OF ARIZONA

or distribute such votes among two or more candidates for the county reorganization committee authorized by subsection D. A board member may cast all of such member's votes for or against any proposed county reorganization plan, modification or amendments thereto presented pursuant to subsection E. A board member may vote in person or by proxy for the committee and for adoption or rejection of any proposed county reorganization plan, modification or amendment presented thereto.

D. At each county convention the membership, as determined under subsection B, shall elect nine persons from the county convention membership to serve as members of the county reorganization committee.

E. The county reorganization plan shall be presented to the county convention for approval by a majority vote of the convention membership. If the reorganization plan is disapproved, the county convention shall direct the county committee to make modifications to the reorganization plan in accordance with the provisions of paragraph 6, subsection A, section 52 of this act. If the county convention fails to approve the modified reorganization plan submitted by the committee, the county convention may amend the committee reorganization plan to meet the standards and criteria set forth in this act. Voting on the county reorganization plan, modifications or amendments thereto shall be on the weighted basis established by subsection C of this section.

F. If in the opinion of a majority of the county convention membership it is not feasible for geographic reasons to reorganize a school district, the majority of the members of the county convention shall inform the county school superintendent of this opinion and the county school superintendent shall include this opinion in his annual report to the legislature.

G. If a county reorganization plan is approved, as provided in this section the plan shall be submitted to the legislature for its approval through the enactment of a session law ratifying each county plan.

Sec. 50. Meetings; order of chairman; transaction of business

A. Within thirty days of their election the members of each county reorganization committee shall conduct an organization meeting. Thereafter all meetings shall be called by order of the chairman either on his own motion or on petition of a majority of the committee.

LAWS OF ARIZONA

B. While a majority constitutes a quorum for the transaction of business, no county plan of reorganization can be adopted except upon affirmative vote of a majority of the whole committee.

Sec. 51. Term; failure to attend; appointment to fill vacancy

A. Members of county reorganization committees shall have terms of office extending until a complete plan of reorganization becomes effective.

B. Failure to attend two consecutive meetings, without being excused in advance by the chairman, if such meetings were conducted after proper notice shall result in a forfeiture of office.

C. Appointment to fill vacancy caused by forfeiture or otherwise shall be made by a majority vote of the committee membership from among the county convention membership.

Sec. 52. County reorganization committee; duties

A. Each county committee shall:

1. Initiate joint planning with another county committee if it appears desirable that a proposed reorganized district include territory within the jurisdiction of another county committee.

2. Engage in joint planning with another county committee at the initiation of such other committee in an attempt to determine the most suitable alignment of reorganized school district boundaries.

3. Hold at least one public hearing, prior to preparation of the proposed reorganization plan within the territory of each established common and high school district, except that only one such meeting is required for coterminous common and high school districts. The county committee shall arrange the publication of a notice of each such hearing twice in a local newspaper of general circulation within such established district. Additionally, notice of each such meeting shall be mailed to each school board member of such established district.

4. Within one year of its first meeting, prepare a proposed reorganization plan and submit it to the county convention. The plan must encompass all territory within the county, including any which may be the subject of joint planning, and shall provide for one or more proposed

LAWS OF ARIZONA

reorganized districts. Each proposed reorganized district must conform to both the standards and criteria prescribed by this act.

5. Submit as part of the reorganization plan the following:

- (a) A name or numerical designation for each proposed reorganized district.
- (b) A description of the proposed boundaries of each proposed reorganized district.
- (c) A map showing the boundaries of the proposed reorganized district and any existing school district.
- (d) A statement of explanation and justification of the plan.
- (e) A record of all public hearings pertaining to the plan or any aspect of it.
- (f) Any other record, report or material as may be required by the county convention.

6. Revise the county reorganization plan or any portion of such as is rejected by the county convention. The committee shall base such revision on the county convention reasons for rejection and its recommendations. The deadline for submission of a new plan or modifications of the prior plan is within six months after notification by the county convention that the plan or any portion of such was rejected.

7. Prior to submission of the initial proposed reorganization plan, hold at least one public hearing in each proposed reorganized district for the purpose of considering objections by the public. Notice of each such hearing shall be published at least twice in a local newspaper of general circulation within such proposed reorganized district.

B. For joint planning under subsection A, paragraphs 1 and 2, not less than three members from each county committee shall be selected by the members of each respective committee. Any proposal resulting from such joint planning shall be subject to approval by a majority vote of each county committee.

Sec. 53. County committee budget

LAWS OF ARIZONA

A. Each county reorganization committee shall submit an annual budget request to the superintendent of public instruction for review, any necessary adjustment and approval.

B. The budget request shall include provision for necessary technical and clerical assistance and for expenses and the subsistence allowance which is payable to committee members under title 38, chapter 4, article 2, Arizona Revised Statutes.

Sec. 54. Creation of reorganized school districts

Notwithstanding the provision of section 15-402, the county superintendent of schools, immediately upon approval by the legislature of the county reorganization plan, shall file with his board of supervisors and his county assessor and the superintendent of public instruction a transcript of the boundaries of each district. If the adopted plan affects more than one county, a transcript of the boundaries shall be transmitted to each of the affected county boards of supervisors and such other county assessors. The boundaries shown in the transcript shall become the legal boundaries of the districts as of July 1, 1977.

Sec. 55. Operation of reorganized school district

A. The governing body of a reorganized common school district shall be an elected five-member board of trustees.

B. The board of trustees of the reorganized common school district shall be the ex officio board of education of the reorganized high school district having coterminous boundaries.

C. Such boards shall have the same powers and duties as are prescribed by law for boards of trustees and boards of education of common and high school districts except as follows:

1. The reorganized common school district and reorganized high school district shall be operated under a single administration.

2. The reorganized common school district and reorganized high school district shall be operated under a single operating budget.

Sec. 56. Capital facilities

LAWS OF ARIZONA

All school buildings of established districts which are located within any reorganized district shall, together with all equipment and furnishings, become the property of the reorganized district and title to the property shall pass by operation of law from the governing body of the established district to the governing body of the reorganized district.

Sec. 57. Issuance of bonds; limitation on bonded indebtedness

A. Reorganized common and reorganized high school districts shall have the power to incur debt and issue bonds pursuant to section 15-1301, Arizona Revised Statutes, and following and section 35-451, Arizona Revised Statutes, and following, provided, however, that in determining the limitation on indebtedness for either bond enabling statute or for article IX, section 8, Arizona constitution, the outstanding pro rata indebtedness of any established district or part thereof which is located within the reorganized district shall be charged to the reorganized district.

B. The pro rata indebtedness shall be calculated as of the date the reorganization plan becomes effective. Calculation of the pro rata indebtedness shall be made by multiplying the outstanding debt of the established district by a fraction which shall have for a numerator the assessed valuation of that portion of the established district located within the reorganized district and for a denominator the assessed valuation of the entire established district. Assessed valuation shall be determined by the last assessment roll for state and county purposes prior to the effective date of the reorganization plan.

C. All bonded or other indebtedness of an established district shall remain payable from an annual tax levy on the taxable property within the established district to be made by the board of supervisors of the county wherein the established district was located in accordance with the statutes pursuant to which the indebtedness was incurred.

D. Except in the instance of reorganized common and reorganized high school districts where the boundaries remain the same as those of the established district, all outstanding authorizations permitting the issuance of bonds or the incurring of debt by the established district shall cease to exist upon the effective date of the reorganization plan. In reorganized common and reorganized high school districts having the same boundaries as an established district, all outstanding authorizations permitting the issuance of bonds or the incurring of debt shall remain in full force and effect. The governing body of such reorganized district shall be vested with

LAWS OF ARIZONA

all powers to issue the bonds which were formerly vested in the governing body of the established district.

Sec. 58. Boundaries; election of boards; effective dates

A. If approved by the legislature in accordance with subsection G of section 49, on July 1, 1977, the reorganization plans shall become effective.

B. Common and high school districts which have coterminous boundaries prior to the effective date of the reorganization plan and which will have coterminous boundaries when the reorganization plan becomes effective shall be governed by a governing board of five members. In such cases the election required by the provisions of subsection C of this section shall not be required and the members serving on the governing board of the coterminous district on the effective date of the reorganization plan shall serve as the governing board for the reorganized districts until expiration of their respective terms.

C. All school districts which did not at the time of reorganization have coterminous boundaries shall at the general election in 1976 elect a governing board of five members for the reorganized common school district. The three candidates receiving the highest number of votes shall be elected to four-year terms. The remaining elected candidates shall be elected to a two-year term and thereafter all such offices shall have four-year terms.

D. Governing boards of school districts referred to in subsection C of this section and serving on November 1, 1976, shall continue to serve until June 30, 1977, at which time their authority shall be terminated.

E. Board members for reorganized common school districts elected as provided in subsection C of this section shall organize and have authority as provided by law to deal with all matters concerning reorganized school districts which affect the running of such school districts beginning July 1, 1977, and thereafter.

Sec. 59. Personnel; contracts; personal property

On the effective date of the school boundary reorganization plan all personnel, contracts for the supply of services or commodities, supplies and other personal property shall be deemed transferred to the reorganized

LAWS OF ARIZONA

district which assumes jurisdiction over the area in which the facility which employed such personnel, incurred the obligation of such contract or held such property was located.

Sec. 60. Appropriations

A. The sum of seventy-four thousand three hundred ninety dollars is appropriated effective July 1, 1974, to the department of education to be used to pay the cost of conducting the reorganization program of the fourteen county reorganization committees and conventions for expenditure during the fiscal year 1974-75.

B. The sum of fifteen thousand dollars is appropriated to the department of education to be used to pay the cost of conducting the reorganization program of the fourteen county reorganization committees and conventions for expenditure during the fiscal year 1973-74.

Sec. 61. Section 15-403, Arizona Revised Statutes, is amended to read:

15-403. Change of district boundaries

A. When ten or more qualified school electors residing in a district desire that the boundaries of the district be changed in such a manner as to include therein any unorganized territory, or that the boundaries be diminished, they may present a petition to the county school superintendent setting forth the change of boundaries desired and the reasons therefor. The superintendent shall approve or disapprove the petition and transmit it to the board of supervisors whose action on the petition shall be final.

B. WHEN THE GOVERNING BOARD OF A SCHOOL DISTRICT DESIRES TO CHANGE THE BOUNDARIES OF THE DISTRICT IN SUCH A MANNER AS TO INCLUDE ANY ADJACENT UNORGANIZED TERRITORY, SUCH BOARD MAY REQUEST THE COUNTY SCHOOL SUPERINTENDENT TO SUBMIT THE QUESTION OF THE MERGER OF THE UNORGANIZED TERRITORY INTO THE DISTRICT TO THE QUALIFIED ELECTORS OF THE UNORGANIZED TERRITORY AT THE ELECTION HELD IN ACCORDANCE WITH THE PROVISIONS OF SECTION 15-410. IF SUCH VOTERS APPROVE SUCH MERGER BY A MAJORITY OF THE VOTERS VOTING ON THE QUESTION THE MERGER SHALL BE EFFECTIVE AS PROVIDED IN SUBSECTION I OF THIS SECTION.

LAWS OF ARIZONA

~~B.~~ C. When ten per cent of all the owners of real property within a school district who are qualified school electors of that school district desire that the boundaries of the district be changed in such a manner as to include any part of an organized district, they may present a petition to the county school superintendent setting forth the change of boundaries desired and the reasons therefor. The superintendent shall approve or disapprove the petition within thirty days after receipt thereof and transmit it to the board of supervisors. The board shall approve or disapprove the petition within thirty days after receipt thereof and if disapproved its action shall be final. Notice of its action shall be given by the board to the county school superintendent and the clerks of the board of trustees of the affected districts.

D. WHEN A COMMON OR HIGH SCHOOL DISTRICT PROVIDES ONLY TRANSPORTATION AND FINANCING FOR PUPILS WHO ARE INSTRUCTED IN ANOTHER DISTRICT OR DISTRICTS, SUCH DISTRICT OR PARTS THEREOF MAY BE MERGED INTO THE DISTRICT TO WHICH ALL OR A MAJORITY OF THE PUPILS ARE TRANSPORTED IF EACH OF THE FOLLOWING EVENTS OCCUR:

1. THE GOVERNING BOARD OF THE TRANSPORTING DISTRICT APPROVES THE MERGER.
2. THE GOVERNING BOARD OF THE DISTRICT PROVIDING INSTRUCTION APPROVES THE MERGER.
3. THE COUNTY SCHOOL SUPERINTENDENT SUBMITS THE QUESTION OF WHETHER THE TRANSPORTING AND FINANCING DISTRICT OR PARTS THEREOF SHALL BE MERGED INTO THE DISTRICT TO WHICH ALL OR A MAJORITY OF THE PUPILS ARE TRANSPORTED FOR APPROVAL OR DISAPPROVAL BY THE QUALIFIED ELECTORS OF THE TRANSPORTING DISTRICT AT THE ELECTION HELD IN ACCORDANCE WITH THE PROVISIONS OF SECTION 15-410 AND THE QUESTION IS APPROVED BY A MAJORITY OF SUCH VOTERS VOTING ON THE QUESTION.

E. WHEN INDIVIDUAL COMMON SCHOOL DISTRICTS ARE WITHIN THE BOUNDARIES OF AN EXISTING UNION HIGH SCHOOL DISTRICT AND ALL GOVERNING BOARDS OF THE COMMON SCHOOL DISTRICTS APPROVE MERGING INTO A COTERMINOUS COMMON AND HIGH SCHOOL DISTRICT, THE COUNTY SCHOOL SUPERINTENDENT SHALL CAUSE THE QUESTION OF THE

LAWS OF ARIZONA

MERGER TO BE SUBMITTED FOR APPROVAL OF THE QUALIFIED ELECTORS OF EACH COMMON SCHOOL DISTRICT AT THE ELECTION HELD IN ACCORDANCE WITH THE PROVISIONS OF SECTION 15-410. APPROVAL OF A MAJORITY OF THOSE VOTING ON THE QUESTION IN EACH EXISTING DISTRICT IS REQUIRED FOR THE MERGER TO BE EFFECTIVE.

F. WHEN TWO OR MORE ADJACENT, EXISTING SCHOOL DISTRICTS OF LIKE CHARACTER, EITHER COMMON OR HIGH SCHOOL, BY APPROVAL OF EACH RESPECTIVE GOVERNING BOARD, DESIRE TO MERGE INTO A SINGLE SCHOOL DISTRICT, EITHER COMMON OR HIGH SCHOOL, THE COUNTY SUPERINTENDENT SHALL CAUSE THE QUESTION OF SUCH MERGER TO BE SUBMITTED TO THE QUALIFIED ELECTORS OF EACH SUCH DISTRICT FOR APPROVAL OR DISAPPROVAL AT THE ELECTION HELD IN ACCORDANCE WITH THE PROVISIONS OF SECTION 15-410. APPROVAL OF THE MERGER BY A MAJORITY OF THOSE VOTING ON THE QUESTION IN EACH OF TWO OR MORE OF SUCH ADJACENT DISTRICTS SHALL MERGE INTO A SINGLE DISTRICT THOSE DISTRICTS VOTING APPROVAL.

G. WHEN IN ANY AREA OF A SCHOOL DISTRICT MORE THAN SIXTY PER CENT OF THE PUPILS ARE TRANSPORTED AND THEIR TUITION PAID FOR INSTRUCTION PROVIDED BY ANOTHER DISTRICT, THE GOVERNING BOARDS OF THE SCHOOL DISTRICTS AFFECTED MAY APPROVE A MERGER OF THE AREA INTO THE INSTRUCTING DISTRICT AND THE COUNTY SCHOOL SUPERINTENDENT SHALL CAUSE THE QUESTION OF WHETHER SUCH AREA SHALL BE MERGED INTO THE INSTRUCTING DISTRICT TO BE SUBMITTED FOR APPROVAL OR DISAPPROVAL BY A MAJORITY OF THE QUALIFIED ELECTORS OF EACH OF THE AFFECTED DISTRICTS AND THE AREA AT THE ELECTION HELD IN ACCORDANCE WITH THE PROVISIONS OF SECTION 15-410.

~~G.~~ H. If the board approves the petition PROVIDED FOR IN SUBSECTION C, the county school superintendent shall cause the question of the approval or disapproval of the petition to be submitted for vote to the qualified school electors of the affected districts at ~~the next regular election of school trustees if the notice of the action of the board of supervisors is received at least thirty days prior to such election, and if not so received then the question shall be presented for vote at the next succeeding regular election of trustees.~~ THE ELECTION HELD IN

LAWS OF ARIZONA

ACCORDANCE WITH THE PROVISIONS OF SECTION 15-410.

~~D. The county school superintendent shall cause the question to be printed on the ballots in substantially the following form:~~

~~‘Shall _____ (describing the area) to be permitted to join (or separate from) this district?’~~

~~E. I. If a majority of the persons voting within each district OR PART OF A DISTRICT, IN ACCORDANCE WITH THIS SECTION, vote in favor of the change of boundaries, the change shall become effective from and after the first day of ~~January~~ JULY next following the election. ~~The term of any trustee who is a resident of that portion of an organized district being included in the boundaries of another organized district shall be terminated, and the vacancy caused thereby shall be filled by appointment by the county school superintendent.~~~~

J. MERGERS OF COMMON SCHOOL DISTRICTS, PARTS OF COMMON SCHOOL DISTRICTS OR UNORGANIZED TERRITORY PURSUANT TO PROVISIONS OF THIS SECTION SHALL NOT BE PERMITTED IF THE PROPOSED RESULTING COMMON SCHOOL DISTRICT WOULD HAVE AN AVERAGE DAILY MEMBERSHIP FOR THE CURRENT YEAR OF MORE THAN TEN PER CENT OF THE TOTAL AVERAGE DAILY MEMBERSHIP FOR COMMON SCHOOL DISTRICTS OF THE STATE.

K. MERGERS OF HIGH SCHOOL DISTRICTS, PARTS OF HIGH SCHOOL DISTRICTS OR UNORGANIZED TERRITORY PURSUANT TO PROVISIONS OF THIS SECTION SHALL NOT BE PERMITTED IF THE PROPOSED RESULTING HIGH SCHOOL DISTRICT WOULD HAVE AN AVERAGE DAILY MEMBERSHIP FOR THE CURRENT YEAR OF MORE THAN TEN PER CENT OF THE TOTAL AVERAGE DAILY MEMBERSHIP FOR HIGH SCHOOL DISTRICTS OF THE STATE.

~~F. L. Except as hereinbefore provided, the provisions of article 3, chapter 4 of this title relating to the conduct of election of trustees shall apply to the election provided for in this section.~~

Sec. 62. Title 15, chapter 4, article 1, Arizona Revised Statutes, is amended by adding sections 15-403.02 and 15-403.03, to read:

LAWS OF ARIZONA

15-403.02. Budget cost levels for new districts

A. EXCEPT AS PROVIDED IN SUBSECTION C, A RESULTING COMMON OR HIGH SCHOOL DISTRICT AFTER MERGER OF SCHOOL DISTRICTS AS AUTHORIZED IN SUBSECTIONS D, E OR F OF SECTION 15-403, MAY, IN THE FIRST BUDGET YEAR INCREASE ITS ALLOWABLE BUDGET COST LEVEL BY TEN PER CENT DETERMINED AS FOLLOWS:

1. DETERMINE THE ALLOWABLE BUDGET COST LEVEL FOR THE BUDGET YEAR FOR EACH OF THE DISTRICTS TO BE MERGED AS IT WOULD HAVE BEEN IN THE ABSENCE OF THE MERGER.

2. SUM THE BUDGET COST LEVELS DETERMINED IN PARAGRAPH ONE.

3. INCREASE THE SUM IN PARAGRAPH TWO BY TEN PER CENT TO DETERMINE THE ALLOWABLE BUDGET COST LEVEL OF THE RESULTING SCHOOL DISTRICT.

B. A RESULTING COMMON OR HIGH SCHOOL DISTRICT AFTER MERGER OF A SCHOOL DISTRICT AND UNORGANIZED TERRITORY OR AREAS WITHIN ANOTHER SCHOOL DISTRICT AS AUTHORIZED IN SUBSECTIONS B AND G OF SECTION 15-403 SHALL COMPUTE ITS ALLOWABLE BUDGET COST LEVEL FOR THE FIRST BUDGET YEAR AS FOLLOWS:

1. DIVIDE THE ALLOWABLE BUDGET COST LEVEL FOR THE BUDGET YEAR OF THE DISTRICT PRIOR TO MERGER BY THE NUMBER OF STATE SUPPORTED CLASSROOMS INCLUDING FRACTIONAL CLASSROOMS THEREOF FOR THE BUDGET YEAR.

2. MULTIPLY THE QUOTIENT OBTAINED IN PARAGRAPH ONE BY THE NUMBER OF STATE SUPPORTED CLASSROOMS INCLUDING FRACTIONAL CLASSROOMS OF THE RESULTING DISTRICT FOR THE BUDGET YEAR.

3. INCREASE THE SUM IN PARAGRAPH TWO BY TEN PER CENT TO DETERMINE THE ALLOWABLE BUDGET COST LEVEL OF THE RESULTING SCHOOL DISTRICT.

LAWS OF ARIZONA

C. IN NO EVENT MAY THE ALLOWABLE BUDGET COST LEVEL PER STATE SUPPORTED CLASSROOM FOR THE RESULTING SCHOOL DISTRICT BE GREATER THAN THE ALLOWABLE BUDGET COST LEVEL PER STATE SUPPORTED CLASSROOM WOULD HAVE BEEN FOR THE HIGHEST OF THE DISTRICTS TO BE MERGED IN THE ABSENCE OF THE MERGER.

15-403.03. Assumption of indebtedness

IF ANY ESTABLISHED COMMON OR HIGH SCHOOL DISTRICT MERGED UNDER THE PROVISIONS OF SUBSECTIONS B, D, E, F, OR G OF SECTION 15-403 HAS A BONDED INDEBTEDNESS LIABILITY, THE LIABILITY OR SO MUCH OF IT AS IS ATTRIBUTABLE TO FACILITIES LOCATED WITHIN THE BOUNDARIES OF ANY RESULTING DISTRICT SHALL BECOME AN ASSUMED INDEBTEDNESS LIABILITY OF THE RESULTING DISTRICT. THE RESULTING DISTRICT BOARD SHALL LEVY A TAX AGAINST THE PROPERTY OF THE DISTRICT FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST, BUT NOTHING IN THIS SECTION SHALL BE CONSTRUED TO RELIEVE THE TAXABLE PROPERTY IN THE THERETOFORE EXISTING DISTRICT FROM LIABILITY TO TAXATION FOR THE PAYMENT THEREOF IF NECESSARY TO PREVENT A DEFAULT IN SUCH PAYMENT. VOTER APPROVAL OF THE MERGER CONSTITUTES APPROVAL OF THE RESULTING DISTRICT'S ASSUMPTION OF INDEBTEDNESS. ANY ASSUMED INDEBTEDNESS SHALL BE REGARDED AS INDEBTEDNESS OF THE RESULTING DISTRICT FOR THE PURPOSE OF DETERMINING THE DEBT INCURRING CAPACITY OF THE RESULTING DISTRICT.

Sec. 63. Section 15-410, Arizona Revised Statutes, is amended to read:

15-410. Election to determine consolidation; notice; ballot; election officers; canvass of votes; effect

A. Notices of the election to determine consolidation of school districts shall be posted in not less than three public places in each of the districts proposed to be consolidated at least ten days before the election.

B. EXCEPT AS PROVIDED IN SUBSECTION E, ~~Ballots~~ **BALLOTS** shall be prepared by the county school superintendent and shall contain the words: "Consolidation, yes," and "Consolidation, no." They shall be delivered to the clerk of the board of supervisors at each district involved

LAWS OF ARIZONA

at least ten days before the election.

C. THE ELECTION SHALL BE HELD DURING THE SAME SCHOOL YEAR IN WHICH THE CONSOLIDATION OR MERGER IS PROPOSED AND NOT EARLIER THAN SEPTEMBER 1 NOR LATER THAN MAY 15 OF THE FISCAL YEAR. The election shall be held in the manner and electors shall possess qualifications as prescribed for the election of school trustees. The results of the election shall be reported to the county school superintendent.

D. The superintendent and the chairman of the board of supervisors shall, on the seventh day after the election, canvass the vote. If a majority of the votes cast in each district favor consolidation, the districts are consolidated and become one district.

E. BALLOTS FOR ELECTIONS HELD IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION B, D, E, F AND G OF SECTION 15-403 SHALL BE PREPARED BY THE COUNTY SCHOOL SUPERINTENDENT AND SHALL CONTAIN THE FOLLOWING:

MERGER INCLUDES THE ASSUMPTION OF INDEBTEDNESS LIABILITY OF ALL EXISTING DISTRICTS TO BE MERGED BY THE RESULTING DISTRICT AND ELECTION OF THE GOVERNING BOARD OF EACH OF THE EXISTING DISTRICTS TO GOVERN THE RESULTING DISTRICT UNTIL EXPIRATION OF THEIR TERMS IN THE EXISTING DISTRICTS.

MERGER

YES

NO

Sec. 64. Section 15-411, Arizona Revised Statutes, is amended to read:

15-411. **Appointment of trustees of newly consolidated district; election of trustees of consolidated districts; terms**

A. EXCEPT AS PROVIDED IN SUBSECTION C AND D OF THIS SECTION, ~~On~~ ON the effective date of the consolidation of school districts, the county superintendent shall appoint a three-member board of trustees for the consolidated district from among the members of the boards of trustees as they would have been constituted on that date if the consolidation had not been approved.

B. The trustees so appointed shall serve until January 1 following the

LAWS OF ARIZONA

next general election. At the general election held next following the consolidation, and thereafter, the trustees shall be elected as prescribed for three-member boards in section 15-471.

C. THE TERM OR UNEXPIRED PORTION THEREOF OF ANY SCHOOL DISTRICT BOARD OF TRUSTEES OR BOARD OF EDUCATION MEMBER WHO RESIDES IN AN AREA WHICH IS INCLUDED IN A MERGED DISTRICT UNDER PROVISIONS OF SUBSECTIONS B, D, E, F AND G OF SECTION 15-403 SHALL BE REAFFIRMED AND RATIFIED IN THE ELECTION APPROVING MERGER AND SHALL BE DEEMED TRANSFERRED TO THE MERGED DISTRICT BOARD OF EDUCATION. SUCH MEMBER SHALL BE ELIGIBLE TO COMPLETE AN UNEXPIRED TERM OF OFFICE EQUAL TO THAT WHICH THE BOARD MEMBER WAS SERVING ON THE PRECEDING DISTRICT BOARD. ANY VACANCY IN A SCHOOL BOARD POSITION PROVIDED FOR UNDER THIS SUBSECTION SHALL NOT BE FILLED EXCEPT THAT IF THE RESULTING BOARD MEMBERSHIP IS LESS THAN THREE, THE VACANT POSITION SHALL BE FILLED IN THE MANNER PRESCRIBED BY LAW.

D. AT THE FIRST GENERAL ELECTION AFTER THE FORMATION OF A MERGED DISTRICT, MEMBERS SHALL BE ELECTED IN THE FOLLOWING MANNER:

1. THE THREE CANDIDATES, OR IN A THREE-MEMBER BOARD THE TWO CANDIDATES, RECEIVING THE HIGHEST NUMBER OF VOTES SHALL BE ELECTED TO FOUR-YEAR TERMS.

2. THE TWO CANDIDATES, OR IN A THREE-MEMBER BOARD THE ONE CANDIDATE, RECEIVING THE NEXT HIGHEST NUMBER OF VOTES AFTER THOSE ELECTED UNDER PARAGRAPH ONE SHALL BE ELECTED TO TWO-YEAR TERMS.

THEREAFTER ALL SUCH OFFICES SHALL HAVE FOUR-YEAR TERMS.

Sec. 65. Title 15, Arizona Revised Statutes, is amended by adding chapter 4.1, articles 1 and 2, to read:

LAWS OF ARIZONA

CHAPTER 4.1
UNIFIED SCHOOLS

ARTICLE 1. UNIFIED SCHOOL DISTRICTS

15-491. **Formation of unified school district**

A. A COMMON AND HIGH SCHOOL DISTRICT WITH COTERMINOUS BOUNDARIES MAY ESTABLISH A UNIFIED SCHOOL DISTRICT PURSUANT TO THIS ARTICLE.

B. FORMATION OF A UNIFIED SCHOOL DISTRICT SHALL BE BY RESOLUTIONS APPROVED BY THE GOVERNING BOARDS OF THE SCHOOL DISTRICTS AFFECTED AND CERTIFICATION OF APPROVAL BY SUCH GOVERNING BOARDS TO THE COUNTY SUPERINTENDENT OF SCHOOLS OF THE COUNTY OR COUNTIES IN WHICH SUCH INDIVIDUAL SCHOOL DISTRICTS ARE LOCATED.

C. THE COUNTY SUPERINTENDENT OF SCHOOLS, IMMEDIATELY UPON RECEIPT OF THE APPROVED RESOLUTIONS PRESCRIBED BY SUBSECTION B SHALL FILE WITH THE BOARD OF SUPERVISORS, THE COUNTY ASSESSOR AND THE SUPERINTENDENT OF PUBLIC INSTRUCTION A TRANSCRIPT OF THE BOUNDARIES OF EACH SUCH UNIFIED DISTRICT. THE BOUNDARIES SHOWN IN THE TRANSCRIPT SHALL BECOME THE LEGAL BOUNDARIES OF THE DISTRICTS ON JULY 1 OF THE NEXT FISCAL YEAR.

ARTICLE 2. UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION15-495. **Board membership; terms**

THE GOVERNING BOARDS OF THE COTERMINOUS DISTRICTS SHALL BECOME THE GOVERNING BOARD OF THE UNIFIED DISTRICT.

15-496. **Powers and duties of board**

EXCEPT AS OTHERWISE PROVIDED BY LAW, A UNIFIED DISTRICT BOARD SHALL, FOR THE MANAGEMENT OF THE UNIFIED SCHOOL DISTRICT, HAVE ALL THE POWERS AND DUTIES VESTED

LAWS OF ARIZONA

IN COMMON SCHOOL BOARDS OF TRUSTEES.

15-497. Capital facilities; bonded indebtedness liability

A. ALL SCHOOL BUILDINGS OF ESTABLISHED DISTRICTS WHICH ARE LOCATED WITHIN ANY UNIFIED DISTRICT SHALL, TOGETHER WITH ALL EQUIPMENT AND FURNISHINGS, BECOME THE PROPERTY OF THE UNIFIED DISTRICT.

B. IF ANY ESTABLISHED COMMON OR HIGH SCHOOL DISTRICT HAS A BONDED INDEBTEDNESS LIABILITY, THE LIABILITY OR SO MUCH OF IT AS IS ATTRIBUTABLE TO FACILITIES LOCATED WITHIN THE BOUNDARIES OF ANY UNIFIED DISTRICT SHALL BECOME AN ASSUMED INDEBTEDNESS LIABILITY OF THE UNIFIED DISTRICT. THE UNIFIED DISTRICT BOARD SHALL LEVY A TAX AGAINST THE PROPERTY OF THE DISTRICT FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST, BUT NOTHING IN THIS SECTION SHALL BE CONSTRUED TO RELIEVE THE TAXABLE PROPERTY IN THE THERETOFORE EXISTING DISTRICTS FROM LIABILITY TO TAXATION FOR THE PAYMENT THEREOF IF NECESSARY TO PREVENT A DEFAULT IN SUCH PAYMENT. THE UNIFIED SCHOOL DISTRICT SHALL ASSUME THE INDEBTEDNESS LIABILITIES OF THE EXISTING DISTRICTS WHICH SHALL BE REGARDED AS AN INDEBTEDNESS OF THE UNIFIED DISTRICT FOR THE PURPOSE OF DETERMINING THE DEBT INCURRING CAPACITY OF THE UNIFIED DISTRICT.

15-498. Limitation on size of unified district

UNIFICATION OF SCHOOL DISTRICTS, PURSUANT TO PROVISIONS OF THIS ARTICLE, SHALL NOT BE PERMITTED IF THE PROPOSED RESULTING SCHOOL DISTRICT WOULD HAVE AN AVERAGE DAILY MEMBERSHIP FOR THE CURRENT YEAR OF MORE THAN TEN PER CENT OF THE TOTAL AVERAGE DAILY MEMBERSHIP OF THE STATE.

15-499. Preparation of budget

FOR THE FIRST YEAR OF OPERATION THE UNIFIED SCHOOL DISTRICT BOARD SHALL PREPARE A CONSOLIDATED BUDGET, NOT TO EXCEED THE SUM OF THE AGGREGATE BUDGET LIMITS FOR THE BUDGET YEAR ATTRIBUTABLE TO THE DISTRICTS

LAWS OF ARIZONA

COMPRISING THE UNIFIED DISTRICT.

Sec. 66. Title 15, chapter 9, article 2, Arizona Revised Statutes, is amended by adding section 15-914, to read:

15-914. Transfer of accommodation schools

A. FACILITIES, IF POSSIBLE, AND PUPILS OF AN EXISTING ACCOMMODATION SCHOOL OPERATED PURSUANT TO THIS ARTICLE MAY BE INCLUDED IN THE MOST ACCESSIBLE ADJACENT SCHOOL DISTRICT AS DIRECTED BY MAJORITY VOTE OF THE BOARD OF SUPERVISORS OF THE COUNTY IN WHICH SUCH SCHOOL IS LOCATED, SUBJECT TO APPROVAL BY A MAJORITY OF MEMBERS OF THE GOVERNING BOARD OF THE SCHOOL DISTRICT DESIGNATED TO RECEIVE SUCH PUPILS AND FACILITIES AND A VOTE OF APPROVAL AT AN ELECTION CALLED BY THE COUNTY SUPERINTENDENT OF SCHOOLS OF THE QUALIFIED ELECTORS IN THE AREA SERVED BY THE ACCOMMODATION SCHOOL.

B. FACILITIES OWNED BY A GOVERNMENTAL ENTITY OTHER THAN THE SCHOOL DISTRICT AND OPERATED AS AN ACCOMMODATION SCHOOL MAY BE ACCEPTED BY THE SCHOOL DISTRICT OR OPERATED BY THE SCHOOL DISTRICT PURSUANT TO AN AGREEMENT WITH OR PERMIT FROM SUCH OTHER GOVERNMENTAL ENTITY.

Sec. 67. Appropriations; purposes; exemption

A. The sum of seven million dollars is appropriated effective July 1, 1974 to the state school transportation fund for the purpose of state aid for school transportation for the year 1974-75.

B. The sum of thirty-six thousand five hundred thirty-two dollars is appropriated to the department of education for operational expenses in carrying out administrative duties prescribed in article 2 of chapter 16 of title 15 as provided in section 38 of this act for the year 1973-74.

C. The funds appropriated under the terms of subsection A of this section are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations except that any unencumbered and unexpended funds remaining on June 30, 1975 shall

LAWS OF ARIZONA

revert to the state general fund.

Sec. 68. Appropriation; purpose; exemption

A. The sum of nine million dollars is appropriated effective October 1, 1974 to the school facilities emergency aid fund to carry out the provisions contained in article 3 of chapter 16, title 15, Arizona Revised Statutes, as provided in section 38 of this act.

B. The funds appropriated under the terms of subsection A of this section are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 69. Fiscal years 1972-73 and 1973-74 computations of ADM

A. The department of education shall prescribe rules and regulations to be used by all school districts in determining average daily membership or adjusted average daily membership whichever is applicable for the fiscal year 1972-73 and 1973-74.

B. The superintendent of public instruction shall require a school district which submits a budget which does not have average daily membership or adjusted average daily membership for such years computed in accordance with the rules and regulations promulgated by the department to recompute average daily membership or adjusted average daily membership whichever is applicable. If the budget as resubmitted does not compute average daily membership or adjusted average daily membership for such years in accordance with the rules and regulations promulgated by the department the superintendent of public instruction may in accordance with such rules and regulations compute the average daily membership or adjusted average daily membership, whichever is applicable, and shall pay state aid and determine budget cost level on such computations.

Sec. 70. Legislative council study

The legislative council shall appoint a committee to review the effects of the implementation of article 3, chapter 16, title 15, Arizona Revised Statutes, and to develop a report and recommendations on a permanent, long-range program of state aid to school districts to assist in meeting their needs for emergency assistance for capital facilities, which program would be designed to become effective beginning with fiscal year 1976-77. The

LAWS OF ARIZONA

legislative council committee's report and recommendations shall be submitted to the legislature by January 1, 1976.

Sec. 71. Effective dates

A. The provisions of sections 20, 21, 22, 23, 39, 41, 43 through 64 inclusive, 66, 67, 68, 69, 72, 74 and 76 shall become effective as provided by law.

B. The provisions of sections 1 through 19 inclusive, 25 through 38 inclusive, 75 and 77 shall become effective from and after June 30, 1974.

C. The provisions of section 42 shall be retroactive to, from and after December 31, 1973.

D. The provisions of section 40 shall become effective from and after December 31, 1974.

Sec. 72. Expiration dates

A. The provisions contained in articles 2 and 3 of chapter 16, Arizona Revised Statutes, as provided in section 38 of this act shall expire on June 30, 1976.

B. The provisions of section 39 shall expire on December 31, 1974.

Sec. 73. Appointment of members to economic estimates commission

Initial appointive members of the economic estimates commission shall be appointed for a term commencing July 1, 1974 and ending June 30, 1976. Thereafter all appointments shall be as prescribed by law.

Sec. 74. Conditional enactment

A. The provision of title 15, chapter 4.1, Arizona Revised Statutes, as provided in section 65 of this act shall not become effective until such time as the constitution of Arizona is amended by vote of the people to permit a unified school district to become indebted to an amount not to exceed twenty per cent of the taxable property of such district.

B. The provisions of title 15, chapter 12, article 1, section 15-1202.07, Arizona Revised Statutes, as provided in section 24 of this act shall not

LAWS OF ARIZONA

become effective until such time as the constitution of Arizona is amended by vote of the people to prescribe minimum number of electors who must vote at election to exceed local debt limitations.

Sec. 75. Section 15-102, Arizona Revised Statutes, is amended to read:

15-102. Powers and duties

The state board of education shall:

1. Adopt and use an official seal in the authentication of its acts.
2. Keep a record of its proceedings.
3. Make rules and regulations for its own government.
4. Determine the policy and work undertaken by the board.
5. Appoint, on the recommendation of the superintendent of public instruction, employees of the board.
6. Make rules and regulations for the government of the employees of the board.
7. Prescribe the duties of employees of the board when not prescribed by law.
8. Delegate to the superintendent of public instruction the execution of policies decided upon.
9. Recommend to the legislature changes or additions to the statutes pertaining to schools.
10. Prepare, publish and distribute reports concerning the educational welfare of the state.
11. Devise plans for the increase and management of the state school fund and prepare a budget for expenditures necessary for proper maintenance of the board and accomplishment of its purposes, and present the plan and budget to the legislature.
12. Ascertain that the school laws are properly enforced.

LAWS OF ARIZONA

13. Aid in the enforcement of laws relating to schools, health, compulsory education, child labor and child conservation.
14. Exercise general supervision over and regulate the conduct of the public school system.
15. Prescribe and enforce a course of study in the common schools.
16. Prescribe the subjects to be taught in all common schools.
17. Prescribe a list of optional subjects to be taught in all common schools. The list shall include manual training, household economics, kindergarten and such other subjects as the board determines.
18. Prescribe textbooks for the common schools, and shall prepare a list of not less than three nor more than five textbooks for each grade and each subject taught in the common schools for the selection by the school district of one book from such list for each student, except that for courses which do not require that each student have a book other than for classroom instruction the district need only purchase one book for each student in the largest group which would be receiving classroom instruction at any one time. The books or instructional matter so selected shall be purchased by the school district direct from the publisher as provided in this title. Textbooks selected pursuant to the provisions of this title shall not be changed during the next five years.
19. Determine the number of credits necessary for graduation from high school.
20. Supervise and control the certification of teachers and prescribe rules and regulations therefor. "Teacher", as used in this paragraph, means a person engaged in instructional work directly, as classroom, laboratory or other teacher, or indirectly as supervisory teacher, speech therapists, principal or superintendent, in a public common or high school or other educational institution below college or university level.
21. Supervise and control the qualifications of professional nonteaching school personnel and prescribe standards relating to qualifications.
22. Charge the fees prescribed in section 15-103 for the issuance or renewal of teachers' certificates. The fees received shall be remitted to the state treasurer who shall deposit them in the state school fund to the

LAWS OF ARIZONA

credit of the state board of education.

23. Revoke all certificates or life diplomas for immoral or unprofessional conduct or for evident unfitness to teach.

24. ~~Prescribe, in consultation with~~ ASSIST the auditor general, ~~IN PRESCRIBING~~ a uniform system of records and accounting.

25. By June 30, 1975, in cooperation with all local school districts, develop, establish, and direct the implementation of a continuous uniform evaluation system of pupil achievements in relation to measurable performance objectives in basic subjects. The board shall assist in the development of alternate learning procedures to help pupils attain their individual learning expectancy levels based on intelligence factors, achievement factors and teacher evaluation. Basic subjects shall be defined for these purposes as reading, writing, and computation skills.

Sec. 76. Section 15-402, Arizona Revised Statutes, is amended to read:

15-402. **Record of district boundaries; limitation on change; notice to trustees**

A. The county school superintendent shall, on or before December 1 each ~~even numbered~~ year, file with the board of supervisors and the county assessor a transcript of the boundaries of each school district within the county. The boundaries shown in the transcript shall become the legal boundaries of the districts as of the following July 1.

~~B. District boundaries shall not be changed except between November 1 and December 1 each even numbered year.~~

~~C.~~ B. The boundaries of a district shall not be changed except as provided in this title and then only after the trustees of districts affected have had written notice of the proposed change from the county superintendent and have had an opportunity to be heard.

Sec. 77. Title 41, chapter 3, Arizona Revised Statutes, is amended by adding a new Article 9 to read:

ARTICLE 9. ECONOMIC ESTIMATES COMMISSION

41-641. **Economic estimates commission; members; vacancies; limitation**

LAWS OF ARIZONA

A. THERE SHALL BE AN ECONOMIC ESTIMATES COMMISSION COMPOSED OF THE FOLLOWING THREE MEMBERS:

1. THE DIRECTOR OF THE DEPARTMENT OF REVENUE, WHO SHALL SERVE AS CHAIRMAN.

2. ONE PERSON, WHO SHALL BE KNOWLEDGEABLE IN THE FIELD OF ECONOMICS, APPOINTED BY THE PRESIDENT OF THE SENATE.

3. ONE PERSON, WHO SHALL BE KNOWLEDGEABLE IN THE FIELD OF ECONOMICS, APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

B. THE APPOINTIVE COMMISSION MEMBERS SHALL BE APPOINTED FOR A TERM OF TWO YEARS AND SHALL RECEIVE COMPENSATION DETERMINED PURSUANT TO SECTION 38-611.

C. VACANCIES IN COMMISSION MEMBERSHIP SHALL BE FILLED FOR THE BALANCE OF THE UNEXPIRED TERM IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT.

D. NO MEMBER OF THE COMMISSION SHALL BE A MEMBER OF THE LEGISLATURE.

41-642. **Powers and duties of the commission**

A. THE ECONOMIC ESTIMATES COMMISSION SHALL DETERMINE AND REPORT TO THE LEGISLATURE PRIOR TO JANUARY 15 OF EACH YEAR THE FOLLOWING:

1. THE ESTIMATED TOTAL PERSONAL INCOME IN ARIZONA FOR THE NEXT FISCAL YEAR.

2. THE ESTIMATED TOTAL PERSONAL INCOME IN ARIZONA FOR THE CURRENT FISCAL YEAR.

3. THE ESTIMATED PERCENTAGE CHANGE PER CAPITA OF ESTIMATED TOTAL PERSONAL INCOME IN ARIZONA FOR THE NEXT FISCAL YEAR.

4. THE ESTIMATED PER CAPITA PERSONAL INCOME IN

LAWS OF ARIZONA

ARIZONA FOR THE CURRENT FISCAL YEAR.

5. THE ESTIMATED AVERAGE WEEKLY WAGES IN ARIZONA FOR THE NEXT FISCAL YEAR.

6. THE ESTIMATED AVERAGE WEEKLY WAGES IN ARIZONA FOR THE CURRENT FISCAL YEAR.

B. FOR THE PURPOSES OF THIS SECTION, "TOTAL PERSONAL INCOME" MEANS THE DOLLAR AMOUNT THAT WILL BE REPORTED AS TOTAL INCOME RECEIVED BY PERSONS IN THE STATE OF ARIZONA BY THE UNITED STATES DEPARTMENT OF COMMERCE OR ITS SUCCESSOR AGENCY.

C. OTHER STATE AGENCIES SHALL ASSIST THE ECONOMIC ESTIMATES COMMISSION IN FURNISHING AVAILABLE DATA AND INFORMATION NECESSARY FOR DEVELOPMENT OF THE REQUIRED ESTIMATES. IN NO EVENT SHALL THE COMMISSION AUTHORIZE AN INDEPENDENT STUDY OR EMPLOY CONSULTANTS IN THE PERFORMANCE OF ITS DUTIES.

Sec. 78. Severability

If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Approved by the Governor—February 25, 1974

Filed in the Office of the Secretary of State—February 26, 1974

RESOLUTIONS

HOUSE RESOLUTION 2001

A RESOLUTION

ON THE DEATH OF THE HONORABLE G. O. "SONNY" BILES.

The Honorable G. O. "Sonny" Biles, a member of the Arizona House of Representatives continuously for sixteen years except for three months, passed away on May 25, 1973, in Scottsdale, Arizona, at the age of sixty-six.

A resident of Arizona thirty-seven years, Mr. Biles was born March 18, 1907, in Nolanville, Texas. He moved from Rosedale, New Mexico, to Morenci, Arizona, and was elected to the House of Representatives in 1955. He served until 1971, except for the brief period in 1967, after which he was appointed to fill a vacancy created by a resignation.

He served as chairman of the House Appropriations committee in the Twenty-sixth and Twenty-seventh Legislatures, chairman of the Fish and Game committee in the Twenty-third and Twenty-fourth Legislatures and its vice-chairman in the Twenty-fifth Legislature. He was vice-chairman of the Tourist and Industry Development committee and a member of the Legislative Council in the Twenty-seventh Legislature and was chairman of the Advisory Committee on Indian Affairs in the Twenty-sixth Legislature.

Other committees on which he served with distinction during his long legislative career included Administration, Labor, Livestock and Public Lands, Public Health, Education, Judiciary, Rules, Municipalities, Transportation, Ways and Means, Highway Fact Finding and Commerce and Industry.

He did not seek election to the Thirty-first Legislature and moved his family from Morenci to Scottsdale, Arizona.

Mr. Biles was a mine foreman for Phelps Dodge Corporation during his residency at Morenci and a member of the Clifton, Arizona, Elks Lodge.

Therefore

Be it resolved by the House of Representatives of the State of Arizona:

That the members of the House of Representatives sincerely regret the

passing of the Honorable G. O. "Sonny" Biles and do, therefore, extend condolences to the surviving members of his family.

Adopted by the House—November 6, 1973

Approved by the Governor—November 7, 1973

Filed in the Office of the Secretary of State—November 7, 1973

HOUSE RESOLUTION 2002

A RESOLUTION

ON THE DEATH OF THE HONORABLE KIRBY L. VIDRINE.

The Honorable Kirby L. Vidrine, a member of the Arizona House of Representatives during the Fourteenth and Fifteenth Legislatures and a distinguished financier, passed away at his home in Waco, Texas, on the sixteenth day of July, 1973, at the age of eighty.

Born near Villa Platte, Louisiana, on July 2, 1893, he lived continuously in Arizona from 1924 until his retirement in 1963 when he returned to Waco, Texas.

Mr. Vidrine opened Arizona's first bonding house in 1925 and opened a law office at the same time, heading both actively for nearly forty years.

He was elected in 1938 to the House of Representatives and served with distinction on standing committees including Agriculture and Irrigation, Constitutional Amendments and Referendum and Judiciary. When elected in 1941 he served as vice-chairman of the Banking and Insurance Committee and as a member of Agriculture and Irrigation, Appropriations and Judiciary Committees.

He was a past president and director of the Arizona Association of Securities Dealers and a former director of the First State Bank of Arizona. He was a member of the Phoenix Bond Club, the Executive Club, the National Association of Securities Dealers and the National Association of Security Traders.

Therefore

Be it resolved by the House of Representatives of the State of Arizona:

That the members of the House of Representatives sincerely regret the passing of the Honorable Kirby Lee Vidrine and do, therefore, extend their sympathies and condolences to the surviving members of his family.

Adopted by the House—November 6, 1973

Approved by the Governor—November 7, 1973

Filed in the Office of the Secretary of State—November 7, 1973

HOUSE RESOLUTION 2003

A RESOLUTION

ON THE DEATH OF THE HONORABLE DR. JOHN O. GRIMES.

The Honorable Dr. John O. Grimes, a former member of the Arizona House of Representatives and former dean of Arizona State Teachers College at Tempe, passed away on the eighth of September, 1973, in Phoenix, Arizona, at the age of eighty-nine.

Dr. Grimes began a long and distinguished career in Arizona higher education in 1928 when he became professor of psychology at the college which later became Arizona State University. Prior to his retirement with the title of professor emeritus in 1954, Dr. Grimes had served as dean of the college from 1937 to 1949. Following his resignation as dean in 1949, Dr. Grimes resumed his duties as professor of psychology and director of the extension, correspondence and summer sessions at the teachers college. He was founding dean of the summer sessions in 1932.

Dr. Grimes was elected to the House of Representatives in 1954. He was reelected in 1956 and 1958. He served as chairman of the Public Institutions committee during the twenty-second legislature. Other committees on which he served with distinction during his three terms in office included Appropriations, Education, Judiciary, Municipalities, Public Health, Planning and Development, and Public defense and veterans' affairs.

Dr. Grimes was born January 23, 1884, in Ohio. He received a bachelor's degree from Ohio University and a master's degree and doctorate from the University of Michigan. Prior to moving to Arizona he had been superintendent of schools in Baltimore, Ohio, taught at Port Clinton, Ohio, and was principal of a high school in Ypsilanti, Michigan.

He organized the Arizona Retired Teachers Association and was a member of Phi Delta Kappa and Kappa Delta Pi honorary fraternities.

Therefore

Be it resolved by the House of Representatives of the State of Arizona:

That the members of the House of Representatives sincerely regret the passing of the Honorable Dr. John O. Grimes and do, therefore, extend condolences to the surviving members of his family.

Adopted by the House—November 6, 1973

Approved by the Governor—November 7, 1973

Filed in the Office of the Secretary of State—November 7, 1973

SENATE RESOLUTION 1001

A RESOLUTION

ON THE DEATH OF THE HONORABLE CHARLES A. AWALT

The Honorable Charles A. Awalt, State Senator, passed away on June 26, 1973 in the City of Phoenix.

Mr. Awalt was born July 4, 1916 on a cattle ranch near Chillicothe, Texas. After graduating from high school he moved to Clifton, Arizona.

A resident of Arizona for nearly forty years, Senator Awalt came to this state to work for the Civilian Conservation Corps. He moved to Safford in 1936 to manage the branch operation of a corporate concern. In 1947 he established the Central Distributing Company which he operated until retirement in 1965.

During the time of World War II, he served for five years on active duty with the Army, holding the rank of master sergeant at the time of discharge.

A community leader, Mr. Awalt's activities included serving as president of the Safford-Graham County Chamber of Commerce, being exalted ruler of the Safford Elks Lodge and participating in the Graham County Sheriff's Posse.

Senator Awalt served with distinction in the Thirtieth Legislature and in the Thirty-first Legislature, First Regular Session. During the Thirtieth Legislature, Senator Awalt directed his active attention to the assignments of the Agriculture and Livestock and the State, County and Municipal Affairs committees of which he was a member.

A warm and sincere person who found ready acceptance among his Senate colleagues, Senator Awalt was given expanded committee assignments for his second term of membership in the Senate. His Thirty-first Legislature committee assignments were to the Appropriations and Judiciary committees, the State, County and Municipal Affairs committee and the Joint Legislative Budget committee.

Therefore

Be it resolved by the Senate of the State of Arizona:

That the members of the Senate sincerely regret the passing of Senator Charles A. Awalt, and do, therefore, extend their sympathies and condolences to his widow Kathleen, and their sons Charles and John.

Unanimously adopted by the Senate—October 25, 1973

Approved by the Governor—October 25, 1973

Filed in the Office of Secretary of State—October 25, 1973

SENATE CONCURRENT RESOLUTION 1001

A CONCURRENT RESOLUTION

ON THE DEATH OF THE HONORABLE WILLIAM R. BOURDON

The Honorable William Ralph Bourdon, a former member of the Arizona Senate and House of Representatives and a former candidate for governor, passed away on the fifteenth of August, 1973, in a hospital in Lakeside, Arizona, at the age of seventy-seven.

A prominent White Mountains rancher, who at one time owned one hundred fifty thousand acres of rangeland known as the Silver Creek Ranch near Snowflake, Arizona, he was first elected to the Arizona House of Representatives in 1936. He was the only Republican in the House during that session. He was reelected in 1938. From 1954 to 1958 he served in the Arizona Senate. He ran for governor in 1948.

Mr. Bourdon was born November 14, 1895, in Red Lake Falls, Minnesota. He served as an Army sergeant in the 1916 Pancho Villa campaign along the Mexican border. He was an Army captain in World War I and recuperated in Prescott, Arizona, from wounds suffered during that war. He received the Distinguished Service Cross and the Croix de Guerre.

He attended the University of California at Los Angeles and the University of Southern California before becoming manager of the Silver Creek Ranch in 1927, which he later bought and expanded. He was president of the Navajo County Cattle Growers Association seven years.

During the Thirteenth Legislature, he was chairman of the House Committee on Constitutional Amendments and Referendum and during the Fourteenth Legislature he was chairman of the Public Lands Committee. Other House Committees he served on with distinction were: Livestock, Reconstruction and Unemployment, State and National Defense, Public Health, Rules, and Military Affairs.

During the Twenty-second and Twenty-third Legislatures he was vice-chairman of the Senate Committee on Military and Veterans' Affairs. He also served on Senate Committees on Agriculture and Irrigation, Enrolling and Engrossing, Insurance, Livestock, Mines and Mining, Public Lands, Suffrage and Elections, Administration, Finance and Revenue, and Fish and Game.

In 1962 he was appointed by the Legislature to the Veterans Service Commission Board and in 1968 was an Arizona presidential elector.

He was elected national vice commander of the American Legion in 1952, was past master of Holbrook Chalcedony Masonic Lodge and past grand master of Arizona.

Therefore

Be it resolved by the Senate of the State of Arizona, the House of Representatives concurring:

That the Legislature of the State of Arizona wishes to express its sincere regret and profound sorrow over the passing of the Honorable William Ralph Bourdon and does extend its sympathies and condolences to the surviving members of his family.

Unanimously adopted by the Senate—October 25, 1973

Unanimously adopted by the House—October 26, 1973

Approved by the Governor—October 26, 1973

Filed in the Office of Secretary of State—October 26, 1973

SENATE CONCURRENT RESOLUTION 1003

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA RELATING TO ELECTIONS; PRESCRIBING MINIMUM NUMBER OF ELECTORS WHO MUST VOTE AT ELECTION ON BOND ISSUES OR SPECIAL ASSESSMENTS, AND AMENDING ARTICLE 7, SECTION 13, CONSTITUTION OF ARIZONA.

Be it resolved by the Senate of the State of Arizona, the House of Representatives concurring:

1. The following amendment of article 7, section 13, Constitution of Arizona, is proposed to become valid when approved by a majority of the qualified electors voting thereon and upon proclamation of the governor:

13. Submission of questions upon bond issues or special assessments

Section 13. Questions upon bond issues or special assessments shall be submitted to the vote of THE real property tax payers, who shall also in all respects be qualified electors of this State, and of the political subdivisions thereof affected by such question. THE NUMBER OF THE QUALIFIED ELECTORS VOTING UPON SUCH QUESTION MUST BE EQUAL TO OR MORE THAN TEN PERCENT OF THE NUMBER OF QUALIFIED ELECTORS OF THE POLITICAL SUBDIVISION AFFECTED WHO ARE REGISTERED AS OF THE FIFTIETH DAY PRECEDING THE DATE OF THE ELECTION.

2. The proposed amendment (approved by a majority of the members elected to each house of the legislature, and entered upon the respective journals thereof, together with the ayes and nays thereon) shall be by the secretary of state submitted to the qualified electors at the next regular general election (or at a special election called for that purpose), as provided by article 21, Constitution of Arizona.

Passed the Senate February 19, 1974 by the following vote: 17 Ayes, 13 Nays, 0 Not Voting.

Passed the House February 19, 1974 by the following vote: 31 Ayes, 27 Nays, 2 Not Voting.

Approved by the Governor--February 19, 1974

Filed in the Office of the Secretary of State--February 19, 1974

ORDER OF ACTS

LAWS OF ARIZONA
ORDER OF ACTS
THIRTY-FIRST LEGISLATURE
FIRST SPECIAL SESSION

Bill No.	Chapter	Short Title	Page
SB 1001	3	equalized school district revenue Approved February 25, 1974 Filed February 26, 1974 Effective – Sections 1 through 19 inclusive, 25 through 38 inclusive, 75 and 77 from and after June 30, 1974. Section 42 retroactive to, from and after December 31, 1973. Section 40 from and after December 31, 1974. Sections 20, 21, 22, 23, 39, 41, 43 through 64 inclusive, 66, 67, 68, 69, 72, 74 and 76 effective on May 21, 1974.	1344
HB 2001	2	prescribing rates of various taxes Approved February 25, 1974 Filed February 26, 1974 Effective – Sections 1, 7, 8, 10, 11, 12, 13, and 18 on July 1, 1974. Sections 2, 3 and 16, retroactive to, from and after December 31, 1973. Sections 4, 5, 17, 19, 20, 21 and 22 on May 21, 1974. Section 6 from and after December 31, 1974. Sections 9 and 14 when approved by the referendum prescribed by section 20 and subject to the effective dates prescribed in sections 9 and 14.	1308
HB 2003	1	property taxes – tax year 1973 (Emergency) Approved October 31, 1973 Filed October 31, 1973 Effective October 31, 1973	1305

LAWS OF ARIZONA

RESOLUTIONS

Bill No.	Short Title	Page
SR 1001	death of Hon. Charles A. Awalt Adopted unanimously October 24, 1973 Approved October 25, 1973 Filed October 25, 1973	1459
SCR 1001	death of Hon. William R. Bourdon Adopted unanimously by Senate October 25, 1973 Adopted unanimously by House October 26, 1973 Approved October 26, 1973 Filed October 26, 1973	1460
SCR 1003	debt elections — electors voting — number required Passed Senate February 19, 1974 by the following vote: 17 Ayes, 13 Nays. Passed House February 19, 1974 by the following vote: 31 Ayes, 27 Nays, 2 Not Voting. Approved February 19, 1974 Filed February 19, 1974	1462
HR 2001	death of Hon. G. O. "Sonny" Biles Adopted November 6, 1973 Approved November 7, 1973 Filed November 7, 1973	1455
HR 2002	death of Hon. Kirby L. Vidrine Adopted November 6, 1973 Approved November 7, 1973 Filed November 7, 1973	1456
HR 2003	death of Hon. Dr. John O. Grimes Adopted November 6, 1973 Approved November 7, 1973 Filed November 7, 1973	1457

INDEX TO ACTS

INDEX

INDEX TO ACTS

THIRTY-FIRST LEGISLATURE

FIRST SPECIAL SESSION

A

	Bill No.	Ch.	Page
APPROPRIATIONS			
State Tax Commission			
prescribing rates of various taxes	2001	2	1308
State Treasurer			
prescribing rates of various taxes	2001	2	1308

E

EDUCATION (Title 15)			
equalized school district revenue	1001	3	1344

I

INSURANCE (Title 20)			
prescribing rates of various taxes	2001	2	1308

M

MOTOR VEHICLES (Title 28)			
equalized school district revenue	1001	3	1344

P

PUBLIC FINANCE (Title 35)			
equalized school district revenue	1001	3	1344

S

STATE GOVERNMENT (Title 41)			
equalized school district revenue	1001	3	1344

T

TAXATION (Title 42)			
prescribing rates of various taxes	2001	2	1308
property taxes — tax year 1973	2003	1	1305

1470

LAWS OF ARIZONA

	Bill No.	Ch.	Page
TAXATION OF INCOME (Title 43)			
prescribing rates of various taxes	2001	2	1308

SECOND SPECIAL SESSION

of the

THIRTY-FIRST LEGISLATURE

of the

STATE OF ARIZONA

1974



SECOND SPECIAL SESSION

**GOVERNOR'S
MESSAGE**

PROCLAMATION
CALLING A SPECIAL SESSION OF
THE THIRTY-FIRST LEGISLATURE
OF THE STATE OF ARIZONA

WHEREAS, the Constitution of Arizona (Article IV, Part 2, Section 3) authorizes the Governor to call a special session of the Legislature when the circumstances demand it, and provides that in such cases he shall specify the subjects to be considered; and

WHEREAS, the members of the House and Senate of the Thirty-First Legislature of the State of Arizona, through their leadership, have informed me that they are in basic agreement for the immediate need for legislation in the fields of paramedics, the salaries for certain constables and the need to make available certain information contained in blind trusts with adequate legal safeguards; and

WHEREAS, it is agreed that these matters are of such pressing need that it would be unfair to the citizens of this state to require that these matters be postponed until the Regular Session of the Legislature in January, 1975;

NOW, THEREFORE, I, Jack Williams, Governor of Arizona, by virtue of the authority vested in me by the Constitution and in pursuance of my duty, call the Thirty-first Arizona Legislature to meet in its Second Special Session in the Capitol on Wednesday, the 26th day of June, 1974, at 9:00 o'clock A.M., Mountain Standard Time.

The following are the subjects to be considered during this Special Session — the three draft bills, copies of which are attached, being entitled as follows:

An act relating to public health and safety; providing for establishment of program for instruction and training of emergency paramedics by certain health care institutions; prescribing permitted treatment and medication; providing authority for program participation by certain political subdivisions; amending title 36, Arizona Revised Statutes, by adding chapter 21, and making appropriations.

An act relating to banks and financial institutions; providing for disclosure of information by fiduciaries to law enforcement agencies, and amending section 6-860, Arizona Revised Statutes.

An act relating to counties; prescribing salaries of certain constables, and amending section 11-424.01, Arizona Revised Statutes, as amended by laws 1974, chapter 19.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Arizona.



DONE at the Capitol in Phoenix this 19th day of June in the year of Our Lord One Thousand Nine Hundred and Seventy-four and in the One Hundred Ninety-eighth year of the Independence of this Republic.

JACK WILLIAMS
Governor

ATTEST:
WESLEY BOLIN
Secretary of State

AUTHENTICATION

STATE OF ARIZONA)
) ss.
OFFICE OF THE SECRETARY OF STATE)

THIS IS TO CERTIFY—That the Second Special Session of the Thirty-first Legislature of the State of Arizona was convened at the Capitol in the City of Phoenix, June 26, 1974, at 9:00 A.M., and adjourned sine die June 26, 1974 at 4:09 P.M.



IN TESTIMONY WHEREOF, I have hereunto set my hand as Secretary of State of the State of Arizona, this tenth day of July, 1974.

WESLEY BOLIN
Secretary of State

PUBLICATION AUTHORIZED

Paragraph 9a, Section 41-121

ARIZONA REVISED STATUTES as amended by

Chapter 81, Laws of 1957

Twenty-third Legislature

First Regular Session

Chapter 203, Laws of 1974

Thirty-First Legislature, Second Special Session

NOTICE: There are a few misspellings, other errors and punctuation mistakes in the body of this volume, which originated in the original copies, and had to be duplicated herein so as to conform to such original copies.

LAWS OF ARIZONA

CHAPTER 1

House Bill 2001

AN ACT

RELATING TO PUBLIC HEALTH AND SAFETY; PROVIDING FOR ESTABLISHMENT OF PROGRAM FOR INSTRUCTION AND TRAINING OF EMERGENCY PARAMEDICS BY CERTAIN HEALTH CARE INSTITUTIONS; PRESCRIBING PERMITTED TREATMENT AND MEDICATION; PROVIDING AUTHORITY FOR PROGRAM PARTICIPATION BY CERTAIN POLITICAL SUBDIVISIONS; AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 21, AND MAKING APPROPRIATIONS.

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

Section 1. Legislative intent

It is the intent of this legislation that the public and private sector shall cooperate in the delivery of services contemplated by this act.

Sec. 2. Title 36, Arizona Revised Statutes, is amended by adding chapter 21, article 1, to read:

CHAPTER 21
EMERGENCY PARAMEDICS
ARTICLE 1. GENERAL PROVISIONS

36-2201. Definitions

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "DEPARTMENT" MEANS THE DEPARTMENT OF HEALTH SERVICES.
2. "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES.
3. "EMERGENCY CENTER" MEANS A HEALTH CARE INSTITUTION OFFERING GENERAL MEDICAL AND SURGICAL

LAWS OF ARIZONA

SERVICES WHICH IS CERTIFIED BY THE DEPARTMENT AS AN EMERGENCY CENTER AFFILIATED BY CONTRACT WITH A LICENSED AMBULANCE SERVICE OR MUNICIPAL RESCUE SERVICE AND STAFFED WITH EMERGENCY PARAMEDICS.

4. "EMERGENCY PARAMEDICS" MEANS PERSONNEL WHO HAVE BEEN SPECIALLY TRAINED IN DEFINITIVE EMERGENCY CARE IN A CERTIFIED TRAINING PROGRAM OFFERED BY A HEALTH CARE INSTITUTION OFFERING GENERAL MEDICAL AND SURGICAL SERVICES OR AN EDUCATIONAL INSTITUTION, AND WHO ARE CERTIFIED BY THE DIRECTOR AS QUALIFIED TO RENDER THE SERVICES ENUMERATED IN THIS ARTICLE.

36-2202. **Paramedics; utilization**

ANY EMERGENCY CENTER MAY CONDUCT A PROGRAM UTILIZING EMERGENCY PARAMEDICS FOR THE DELIVERY OF EMERGENCY MEDICAL CARE TO THE SICK AND INJURED AT THE SCENE OF AN EMERGENCY AND DURING TRANSPORT TO A HEALTH CARE INSTITUTION, WHILE IN THE HEALTH CARE INSTITUTION EMERGENCY DEPARTMENT, AND UNTIL CARE RESPONSIBILITY IS ASSUMED BY THE REGULAR HEALTH CARE INSTITUTION STAFF.

36-2203. **Minimum standards; rules and regulations; certification of training program**

A. THE DIRECTOR SHALL PROMULGATE RULES AND REGULATIONS TO INSURE MINIMUM STANDARDS FOR TRAINING, PERFORMANCE AND COORDINATION OF EMERGENCY PARAMEDIC PROGRAMS STATEWIDE.

B. THE TRAINING PROGRAM SPECIFIED IN THIS ARTICLE SHALL CONSIST OF A MINIMUM OF FIVE HUNDRED HOURS OF TRAINING OR EQUIVALENT EXPERIENCE INCLUDING, BUT NOT LIMITED TO, DIDACTIC AND CLINICAL EXPERIENCE IN A CARDIAC CARE UNIT AND IN AN EMERGENCY VEHICLE UNIT. THE TRAINING PROGRAM SHALL BE CERTIFIED BY THE DIRECTOR AND HE IS AUTHORIZED TO CONTRACT FOR SUCH TRAINING, SUBJECT TO LEGISLATIVE APPROPRIATIONS THEREFOR.

LAWS OF ARIZONA

36-2204. Reports

A. EACH EMERGENCY CENTER PROPOSING TO CONDUCT A PROGRAM OR CONDUCTING A PROGRAM PURSUANT TO THIS ARTICLE SHALL SUBMIT REPORTS TO THE DEPARTMENT IN ACCORDANCE WITH RULES AND REGULATIONS PROMULGATED BY THE DIRECTOR.

B. ON OR BEFORE FEBRUARY 1, 1975, AND ANNUALLY THEREAFTER ON OR BEFORE SEPTEMBER 1, THE DIRECTOR SHALL SUBMIT TO THE LEGISLATURE A REPORT EVALUATING THE PROGRAM CONDUCTED AT EACH PARTICIPATING EMERGENCY CENTER. THE REPORT SHALL INCLUDE AN EVALUATION OF THE COMPETENCY AND EFFECTIVENESS OF THE PERFORMANCE BY THE EMERGENCY PARAMEDICS IN THEIR DUTIES IN STAFFING RESCUE UNITS AND IN THE RENDERING OF MEDICAL CARE PURSUANT TO THIS ARTICLE.

36-2205. Permitted treatment and medication

NOTWITHSTANDING ANY OTHER PROVISION OF LAW, EMERGENCY PARAMEDICS MAY DO ANY OF THE FOLLOWING:

1. RENDER RESCUE, FIRST-AID AND RESUSCITATION SERVICES.
2. DURING TRAINING AT A HEALTH CARE INSTITUTION OFFERING GENERAL MEDICAL AND SURGICAL SERVICES, AND WHILE CARING FOR PATIENTS IN A HEALTH CARE INSTITUTION OFFERING GENERAL MEDICAL AND SURGICAL SERVICES, ADMINISTER PARENTERAL MEDICATIONS UNDER THE DIRECT SUPERVISION OF A PHYSICIAN OR A REGISTERED NURSE.
3. PERFORM CARDIOPULMONARY RESUSCITATION.
4. WHERE VOICE CONTACT OR A TELEMETERED ELECTROCARDIOGRAM IS MONITORED BY A PHYSICIAN, AND DIRECT COMMUNICATION IS MAINTAINED, MAY UPON ORDER OF SUCH PHYSICIAN DO ANY OF THE FOLLOWING:
 - (a) PERFORM DEFIBRILLATION.

LAWS OF ARIZONA

- (b) ADMINISTER INTRAVENOUS SALINE OR GLUCOSE SOLUTIONS.
- (c) PERFORM GASTRIC SUCTION BY INTUBATION.
- (d) PERFORM ESOPHAGEAL INTUBATION.
- (e) PERFORM ENDOTRACHEAL INTUBATION AND SUCTION.
- (f) ADMINISTER PARENTERAL INJECTIONS OF ANY OF THE FOLLOWING CLASSES OF DRUGS:
 - (i) ANTIARRHYTHMIC AGENTS.
 - (ii) VAGOLYTIC AGENTS.
 - (iii) CHRONOTROPIC AGENTS.
 - (iv) ANALGESIC AGENTS.
 - (v) ALKALINIZING AGENTS.
 - (vi) VASOPRESSOR AGENTS.
 - (vii) DIURETICS.
 - (viii) SEDATIVES.
 - (ix) STEROIDS.
 - (x) CARDIOTONICS.
 - (xi) NARCOTIC ANTAGONISTS.

36-2206. Liability for emergency instructions to paramedic

NO PHYSICIAN OR REGISTERED NURSE WHO IN GOOD FAITH GIVES EMERGENCY INSTRUCTIONS TO AN EMERGENCY PARAMEDIC AT THE SCENE OF AN EMERGENCY SHALL BE LIABLE FOR ANY CIVIL DAMAGES AS A RESULT OF ISSUING THE INSTRUCTIONS.

LAWS OF ARIZONA

36-2207. Exception

NO TREATMENT OR MEDICATION AS PRESCRIBED IN THIS CHAPTER SHALL BE GIVEN TO ANY PATIENT WHO OBJECTS THERETO.

36-2208. Authorization for political subdivisions to participate

ANY CITY, TOWN OR COUNTY OF THIS STATE MAY BUDGET FOR AND EXPEND MONIES FOR PARTICIPATION IN EMERGENCY PARAMEDIC PROGRAMS.

Sec. 3. Appropriations; purposes; exemption

A. The sum of fifty thousand dollars is appropriated to the department of health services for use in performing the administrative duties prescribed in this act, which shall include the preparation and submission to the legislature, on or before January 1, 1975, of a program plan for the utilization of emergency paramedics in a statewide emergency medical services system.

B. The sum of one hundred fifty thousand dollars is appropriated to the department of health services for use in contracting for paramedical training programs certified in accordance with the provisions of section 36-2203 of this act.

C. The appropriations made by subsections A and B of this section are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that any monies thereof remaining unexpended or unencumbered as of June 30, 1975 shall revert to the state general fund.

Sec. 4. Emergency

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor—June 27, 1974

Filed in the Office of the Secretary of State—June 27, 1974

LAWS OF ARIZONA

CHAPTER 2

House Bill 2002

AN ACT

RELATING TO COUNTIES; PRESCRIBING SALARIES OF CERTAIN CONSTABLES, AND AMENDING SECTION 11-424.01, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1974, CHAPTER 19.

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

Section 1. Section 11-424.01, Arizona Revised Statutes, as amended by Laws 1974, chapter 19, is amended to read:

11-424.01. Salaries of precinct officers other than justices of the peace

A. At the regular June meeting of the several boards of supervisors preceding a general election, the boards shall fix the salaries of all precinct officers, other than justices of the peace, for the two-year period commencing on the first day of the following January.

B. In precincts having MORE THAN TEN THOUSAND REGISTERED VOTERS BUT less than ~~fifteen~~ TWENTY thousand registered voters, the constables shall receive annual salaries of not less than seven thousand two hundred nor more than eight thousand dollars, and in precincts having ~~fifteen~~ TWENTY thousand or more registered voters the constables shall receive annual salaries of not less than eleven thousand nor more than twelve thousand two hundred dollars.

C. The salary of a constable appointed to fill a vacancy caused otherwise than by expiration of term shall be the same as that of his predecessor.

D. As used in this section, "registered voter" means a qualified elector of a precinct registered on the first day of June of each year.

Sec. 2. Constable salaries; time for setting

Notwithstanding the provisions of subsection A of section 11-424.01, as amended by section 1 of this act or as amended by Laws 1974, chapter 19,

LAWS OF ARIZONA

section 1, the salaries of all constables for the two-year period commencing on January 1, 1975 shall be set at the regular July 1974 meeting of the several boards of supervisors pursuant to the salary levels prescribed by section 11-424.01 as amended by section 1 of this act.

Sec. 3. Emergency

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor—June 27, 1974

Filed in the Office of the Secretary of State—June 27, 1974

CHAPTER 3

House Bill 2003

AN ACT

RELATING TO BANKS AND FINANCIAL INSTITUTIONS; PROVIDING FOR DISCLOSURE OF INFORMATION BY FIDUCIARIES TO LAW ENFORCEMENT AGENCIES, AND AMENDING SECTION 6-860, ARIZONA REVISED STATUTES.

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

Section 1. Section 6-860, Arizona Revised Statutes, is amended to read:

6-860. Disclosure of information

A. A bank or trust company, its officers and employees, OR ANY PERSON ACTING IN ANY TRUST CAPACITY WHATSOEVER, shall not disclose information to any person concerning the existence, condition, management, and administration OR THE BENEFICIARIES of any trust of which it is the trustee except as such disclosure:

1. Is specifically authorized by the terms of the trust or upon the direction of the trustor.

LAWS OF ARIZONA

2. Is determined by an officer of the bank or trust company to be necessary for the proper administration of such trust.
3. Is required by a court of competent jurisdiction.
4. Is made, in the case of an irrevocable trust to, or upon the instructions of, any beneficiary thereunder whether or not presently entitled to receive benefits therefrom.
5. Is made to the superintendent or to any state or federal administrative agency lawfully requiring such disclosure.
6. IS MADE PURSUANT TO SUBSECTION B.

B. A PEACE OFFICER ENGAGED IN THE LAWFUL PERFORMANCE OF HIS DUTIES MAY MAKE A WRITTEN APPLICATION UPON OATH OR AFFIRMATION TO A MAGISTRATE FOR AN ORDER AUTHORIZING INSPECTION AND COPYING OF ANY TRUST OR PARTS THEREOF WHEN HE HAS DETERMINED THAT THERE EXISTS A STRONG POSSIBILITY THAT SOME CRIME HAS BEEN COMMITTED AND THAT THE TRUST MAY CONTAIN SOME EVIDENCE THEREOF. UPON A FINDING BY THE MAGISTRATE THAT A STRONG POSSIBILITY EXISTS THAT SOME CRIME HAS BEEN COMMITTED AND THAT THE TRUST MAY CONTAIN SOME EVIDENCE THEREOF, AN ORDER SHALL ISSUE DIRECTING SUCH INSPECTION AND COPYING. SUCH ORDER SHALL BE RETURNED TO THE MAGISTRATE NOT LATER THAN THIRTY DAYS AFTER ITS DATE OF ISSUANCE AND SHALL BE ACCOMPANIED BY A SWORN STATEMENT INDICATING THE DATE OF EXECUTION OF THE ORDER AND WHETHER OR NOT ANY COPIES OF THE TRUST OR PARTS THEREOF WERE MADE. THE MAGISTRATE SHALL SEND TO THE TRUSTEE A COPY OF THE ORDER AND A COPY OF THE SWORN STATEMENT INDICATING THE DATE OF EXECUTION OF THE ORDER AND WHETHER OR NOT ANY COPIES OF THE TRUST OR PARTS THEREOF WERE MADE.

C. INFORMATION RECEIVED BY A PEACE OFFICER PURSUANT TO SUBSECTION B OF THIS SECTION SHALL BE KEPT CONFIDENTIAL UNLESS IT IS NECESSARY TO DIVULGE SUCH INFORMATION IN THE PROPER PERFORMANCE OF HIS DUTIES.

LAWS OF ARIZONA

Sec. 2. **Emergency**

To preserve the public peace, health and safety it is necessary that this act become immediately operative. It is therefore declared to be an emergency measure, to take effect as provided by law.

Approved by the Governor--June 27, 1974

Filed in the Office of the Secretary of State--June 27, 1974

RESOLUTIONS

HOUSE RESOLUTION 2001

A RESOLUTION

ON THE DEATH OF THE HONORABLE RICHARD E. BAILEY

Many persons throughout the State of Arizona are deeply saddened by the passing of the Honorable Richard E. Bailey, former member of the House of Representatives. Richard Bailey's death occurred on June 24, 1974 in Tucson, Arizona at the age of thirty-seven years.

Richard Bailey, affectionately known as "Rick" was born April 8, 1937 in Weiser, Idaho. Approximately 20 years ago he moved to Arizona and in 1964 graduated from the University of Arizona Law College. Thereafter he entered the private practice of law and at the time of his passing was considered as a successful practitioner of the law.

In 1966 he was elected to the Arizona House of Representatives and served with distinction and honor as a member of various standing Committees, including Labor and Management, State Government and Transportation and, in addition served as vice-chairman of the Judiciary, Suffrage and Elections Committee. He did not seek re-election in 1968, but returned to the practice of law. In addition he served as a member of the Arizona State Industrial Commission until expiration of his term in 1971.

Mr. Bailey was stricken in the prime of his life and will be missed by his family, friends and the people of the State of Arizona.

Therefore

Be it resolved by the House of Representatives of the State of Arizona:

That the members of the House of Representatives sincerely regret the passing of the Honorable Richard E. Bailey and do, therefore, extend their sympathies and condolences to surviving members of his family.

Unanimously adopted by the House of Representatives on June 26, 1974

Approved by the Governor—June 27, 1974

Filed in the Office of the Secretary of State—June 27, 1974

ORDER OF ACTS

LAW OF ARIZONA

1495

ORDER OF ACTS

THIRTY-FIRST LEGISLATURE

SECOND SPECIAL SESSION

Bill No.	Chapter	Short Title	Page
HB 2001	1	emergency paramedics (Emergency) Approved June 27, 1974 Filed June 27, 1974 Effective June 27, 1974	1479
HB 2002	2	increasing constable salaries (Emergency) Approved June 27, 1974 Filed June 27, 1974 Effective June 27, 1974	1484
HB 2003	3	trust information - disclosure - law enforcement (Emergency) Approved June 27, 1974 Filed June 27, 1974 Effective June 27, 1974	1485

RESOLUTIONS

HR 2001		death of Honorable Richard E. Bailey Adopted June 26, 1974 Approved June 27, 1974 Filed June 27, 1974	1491
---------	--	---	------

INDEX TO ACTS

INDEX

INDEX TO ACTS

THIRTY-FIRST LEGISLATURE

SECOND SPECIAL SESSION

A

APPROPRIATIONS	Bill No.	Ch.	Page
Health Services Department emergency paramedics	2001	1	1479

B

BANKS AND FINANCIAL INSTITUTIONS (Title 6) trust information - disclosure - law enforcement	2003	3	1485
---	------	---	------

C

COUNTIES (Title 11) increasing constable salaries	2002	2	1484
--	------	---	------

P

PUBLIC HEALTH AND SAFETY (Title 36) emergency paramedics	2001	1	1479
---	------	---	------