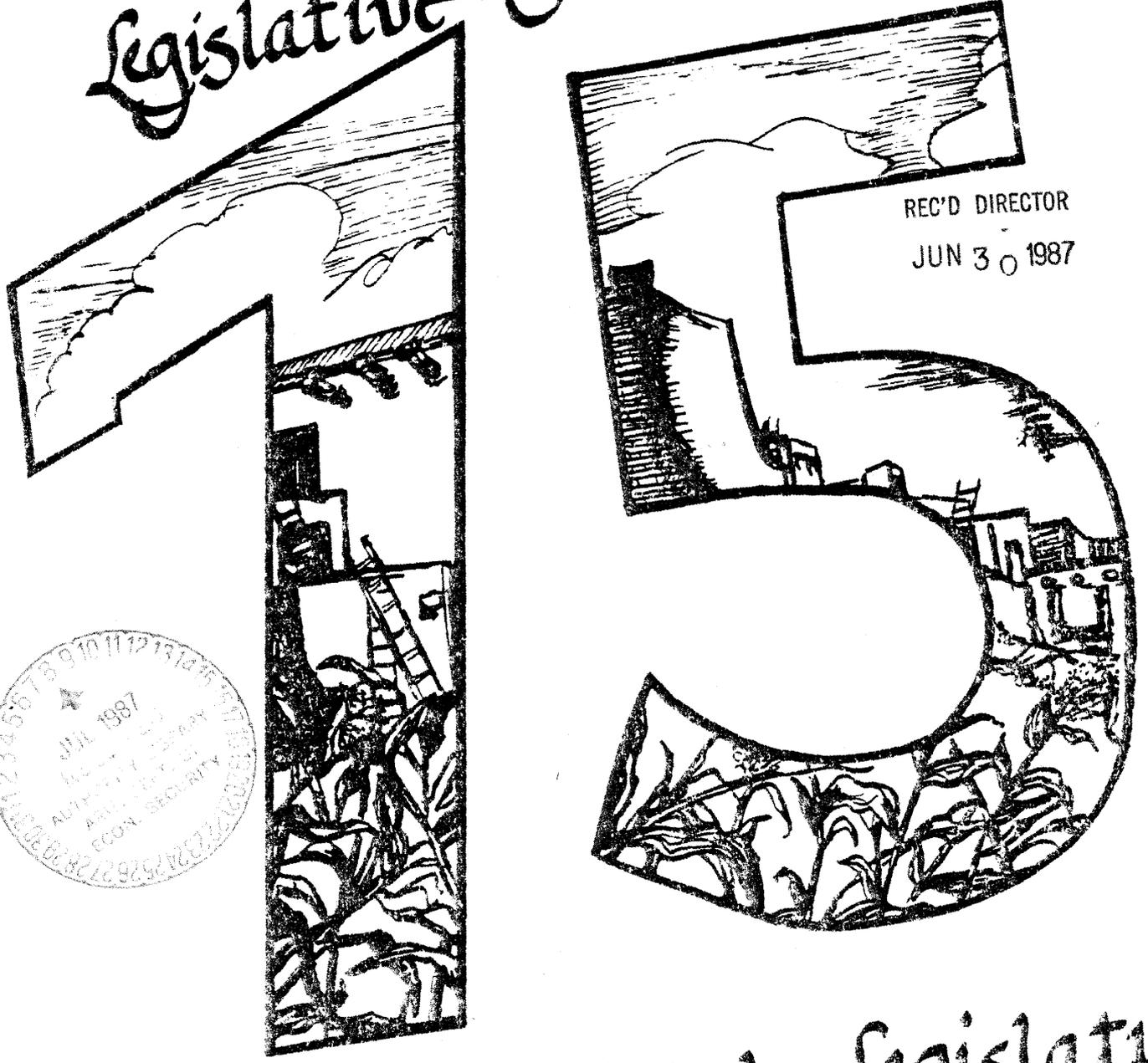


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1987 Arizona State Senate Legislative Summary



REC'D DIRECTOR
JUN 3 0 1987



Thirty-eighth Legislature First Regular Session

ARIZONA STATE SENATE

38TH LEGISLATURE - FIRST REGULAR SESSION

1987

RESUME OF SENATE BILLS, MEMORIALS AND RESOLUTIONS

SENATE ACTION

Number of Senate Bills introduced-----		463
Transmitted to House-----	217	
Held awaiting Second Reading (SB 1068, SB 1457)-----	2	
Held in Rules-----	14	
Held in other Committees-----	215	
Held awaiting Committee of Whole-----	8	
Retained on Committee of Whole Calendar (SB 1065, SB 1359)-----	2	
Failed in Committee of Whole (SB 1090, SB 1230, SB 1349)-----	3	
Held awaiting Third Reading (SB 1012)-----	1	
Failed on Third Reading (SB 1084)-----	1	
	<u>463</u>	<u>463</u>

HOUSE ACTION

Number of Senate Bills transmitted to House-----		217
Passed by House-----	*189	
Held in House-----	28	
	<u>217</u>	<u>217</u>

*Held awaiting Concurrence or Conference Committee -
SB 1132, SB 1180, SB 1195, SB 1257, SB 1410
Held in Conference Committee - SB 1024, SB 1201,
SB 1427, SB 1438
Failed on Senate Final Reading - SB 1074
House Failed to adopt Conference Committee Report -
SB 1034
Failed on House Final Reading - SB 1157, SB 1269

GOVERNOR'S ACTION

Number of Senate Bills transmitted to Governor-----		176
Signed by Governor-----	171	
Vetoed by Governor (SB 1110, SB 1142, SB 1310, SB 1347, SB 1444)-----	5	
	<u>176</u>	<u>176</u>

SENATE MEMORIALS

Number of Senate Memorials introduced-----		3
Transmitted to Secretary of State-----	1	
Held in Committees-----	2	
	<u>3</u>	<u>3</u>

SENATE CONCURRENT MEMORIALS

Number of Senate Concurrent Memorials introduced		3
Transmitted to Secretary of State-----	2	
Held in Committees-----	1	
	<u>3</u>	<u>3</u>

SENATE RESOLUTIONS

Number of Senate Resolutions introduced-----		3
Transmitted to Secretary of State-----	2	
Held in Committees-----	1	
	<u>3</u>	<u>3</u>

SENATE CONCURRENT RESOLUTIONS

Number of Senate Concurrent Resolutions introduced-----		15
Transmitted to Secretary of State-----	3	
Held in House-----	1	
Failed in Committee of Whole-----	2	
Held awaiting Committee of Whole-----	1	
Held in Committees-----	8	
	<u>15</u>	<u>15</u>

ARIZONA STATE SENATE

38TH LEGISLATURE - FIRST REGULAR SESSION

1987

RESUME OF HOUSE BILLS, MEMORIALS AND RESOLUTIONS RECEIVED BY SENATE

BILLS

Number of House Bills introduced		474
<hr/>		
Number received by Senate-----		264
Passed by Senate and returned to House-----	*216	
Held awaiting Second Reading (HB 2419)-----	1	
Held in Rules (HB 2176, HB 2188)-----	2	
Held in other Committees-----	36	
Held awaiting Committee of Whole-----	6	
Retained on Committee of Whole Calendar (HB 2253, HB 2318)-----	2	
Failed on Third Reading (HB 2304)-----	1	
	<hr/>	<hr/>
	264	264
<hr/> <hr/>		

*Held awaiting Concurrence or Conference Committee -
HB 2281, HB 2291, HB 2358
Held in Conference Committee - HB 2059, HB 2079,
HB 2091, HB 2105, HB 2287, HB 2289, HB 2455
Held awaiting Final Reading by Senate - HB 2013
Failed on House Final Reading - HB 2190, HB 2191

Transmitted to Governor-----		203
Signed by Governor-----	198	
Vetoed by Governor (HB 2073, HB 2234, HB 2357, HB 2453, HB 2464)-----	5	
	<hr/>	<hr/>
	203	203

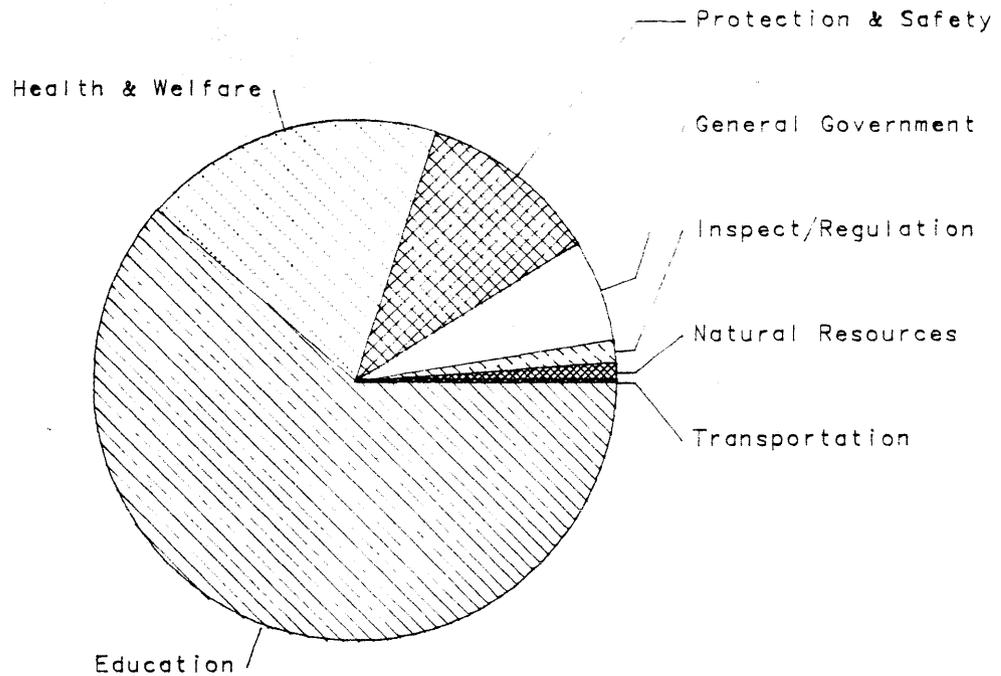
HOUSE CONCURRENT MEMORIALS

Number of House Concurrent Memorials introduced		1
	<hr/>	
Number received by Senate-----		1
Transmitted to Secretary of State-----	1	<hr/>
	1	1

HOUSE CONCURRENT RESOLUTIONS

Number of House Concurrent Resolutions introduced		16
	<hr/>	
Number received by Senate-----		6
Transmitted to Secretary of State-----	3	
Held awaiting adoption of Conference Committee report by House-----	1	
Retained on Committee of Whole Calendar-----	1	
Held in Committees-----	1	
	<hr/>	
	6	6

GENERAL FUND
by Functional Area

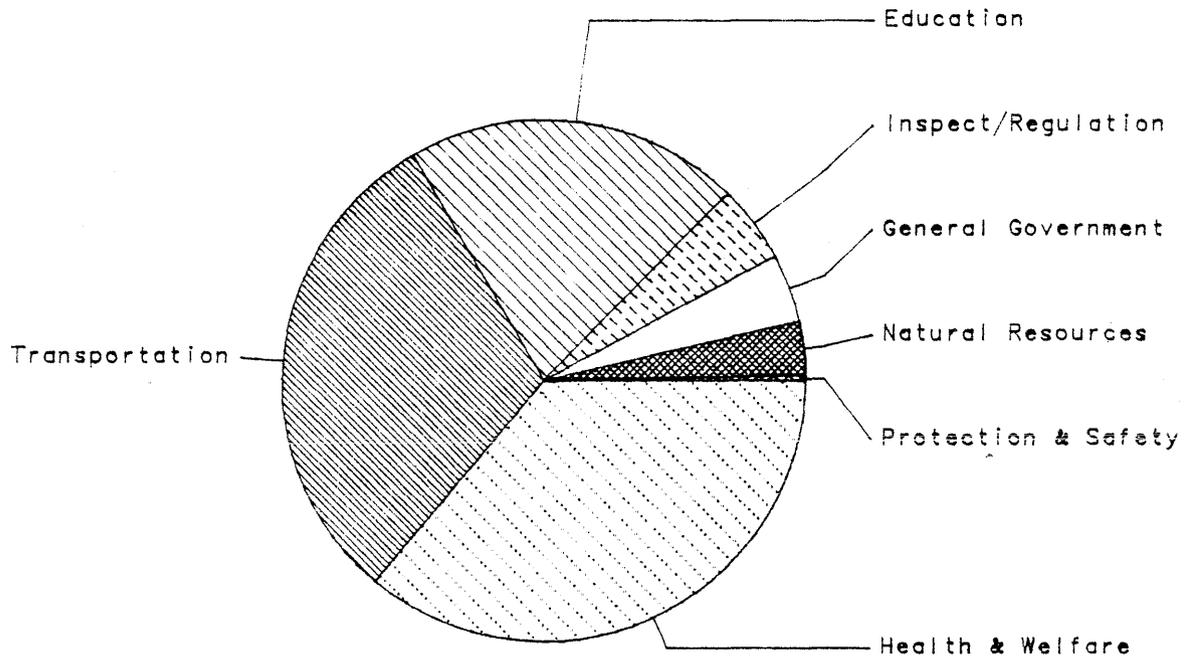


FISCAL YEAR 1987-1988

FUNCTIONAL AREA	AMOUNT	PERCENT
General Government	166,732,300	6.34%
Health & Welfare	488,425,000	18.57%
Inspection/Regulation	36,006,500	1.37%
Education	1,611,875,100	61.28%
Protection & Safety	295,304,300	11.23%
Transportation	334,800	0.01%
Natural Resources	31,629,800	1.20%
TOTAL	2,630,307,800	100.00%

NOTE: THE AMOUNTS DO NOT REFLECT THE ALLOCATION OF SALARY, INSURANCE AND PROVIDER INCREASES OR THE REDUCTION IN THE RETIREMENT CONTRIBUTION RATE. THESE ADJUSTMENTS WILL REDUCE THE ABOVE TOTAL BY \$5,600,000. REVERSION OF THE WEIGHTS AND MEASURES DIVISION BUDGET (\$987,700) AND CREDIT FOR THE NUCLEAR EMERGENCY ASSESSMENT (\$483,700) ARE REFLECTED IN REDUCTIONS OF THE AMOUNTS FOR GENERAL GOVERNMENT AND PROTECTION & SAFETY, RESPECTIVELY.

OTHER APPROPRIATED FUNDS
by Functional Area

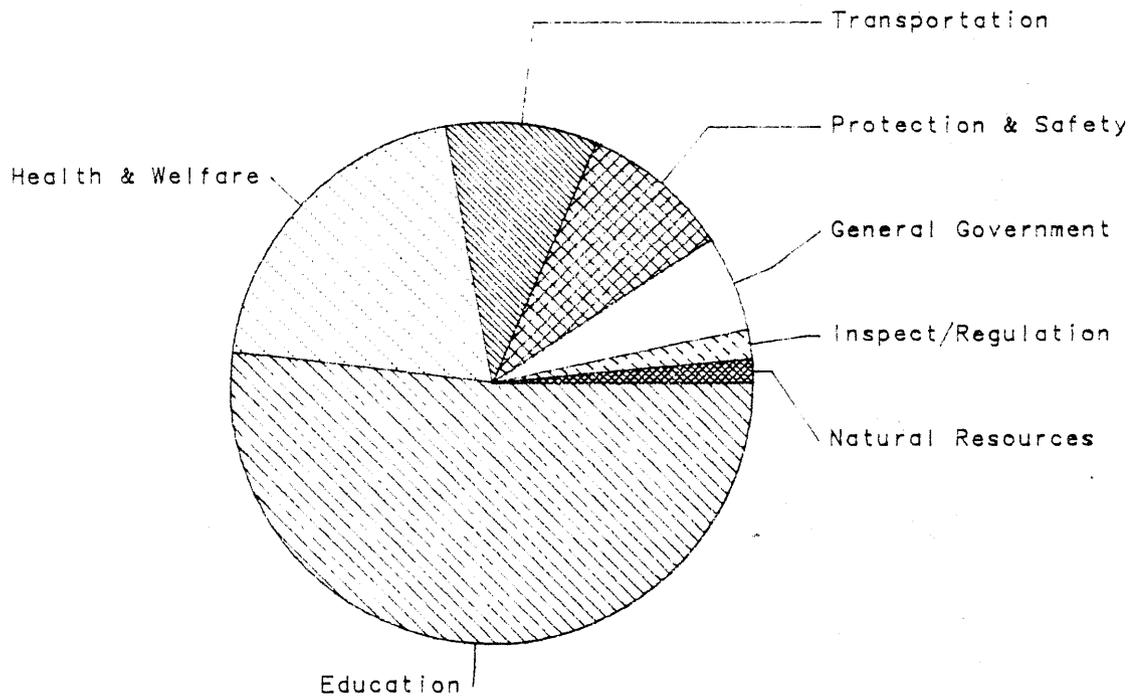


FISCAL YEAR 1987-1988

FUNCTIONAL AREA	AMOUNT	PERCENT
General Government	20,869,420	4.25%
Health & Welfare	177,056,900	36.05%
Inspection/Regulation	23,661,300	4.82%
Education	101,644,300	20.69%
Protection & Safety	1,864,800	0.38%
Transportation	149,879,800	30.51%
Natural Resources	16,207,200	3.30%
TOTAL	491,183,720	100.00%

NOTE: THE AMOUNTS DO NOT REFLECT THE ALLOCATION OF SALARY AND INSURANCE INCREASES OR THE REDUCTION IN THE RETIREMENT CONTRIBUTION RATE. THESE ADJUSTMENTS WILL INCREASE THE ABOVE TOTAL BY \$960,000.

TOTAL APPROPRIATED FUNDS
by Functional Area

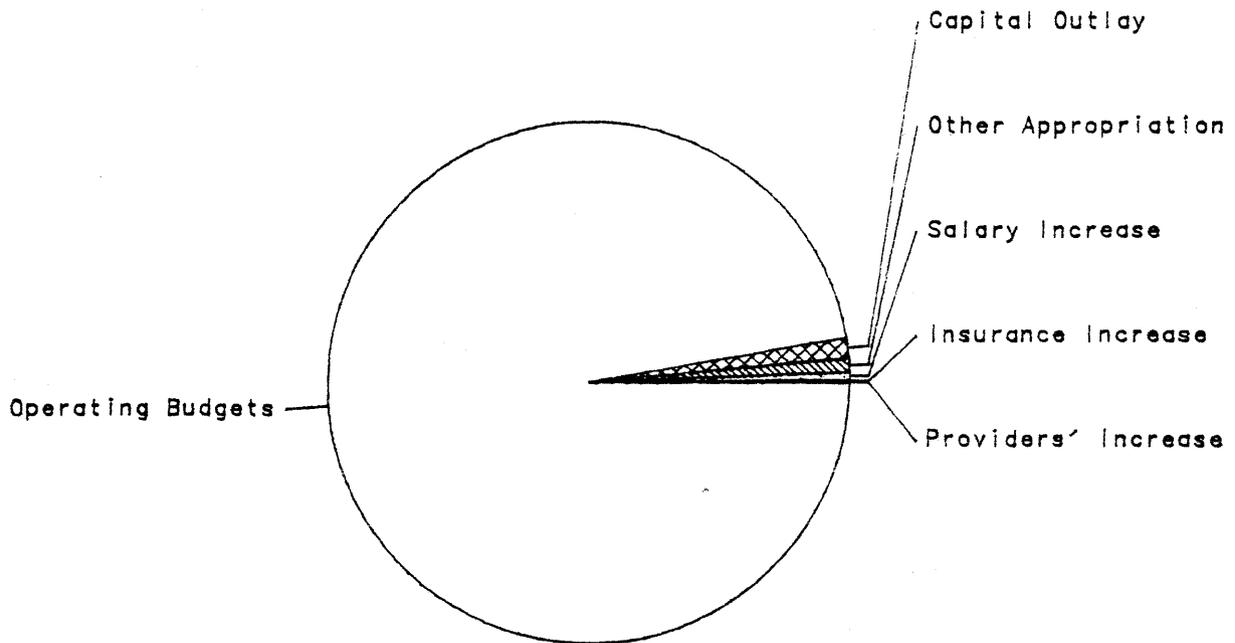


FISCAL YEAR 1987-1988

FUNCTIONAL AREA	AMOUNT	PERCENT
General Government	197,371,520	5.98%
Health & Welfare	665,631,900	20.15%
Inspection/Regulation	59,667,800	1.81%
Education	1,713,844,400	51.88%
Protection & Safety	306,751,700	9.29%
Transportation	311,365,900	9.43%
Natural Resources	48,629,000	1.47%
TOTAL	3,303,262,220	100.00%

NOTE: THE AMOUNTS DO NOT REFLECT THE ALLOCATION OF SALARY, INSURANCE AND PROVIDER INCREASES OR THE REDUCTION IN THE RETIREMENT CONTRIBUTION RATE. THESE ADJUSTMENTS WILL REDUCE THE ABOVE TOTAL BY \$4,640,000. REVERSION OF THE WEIGHTS AND MEASURES DIVISION BUDGET (\$987,700) AND CREDIT FOR THE NUCLEAR EMERGENCY ASSESSMENT (\$483,700) ARE REFLECTED IN REDUCTIONS OF THE AMOUNTS FOR GENERAL GOVERNMENT AND PROTECTION & SAFETY, RESPECTIVELY.

GENERAL FUND
by Expenditure Type

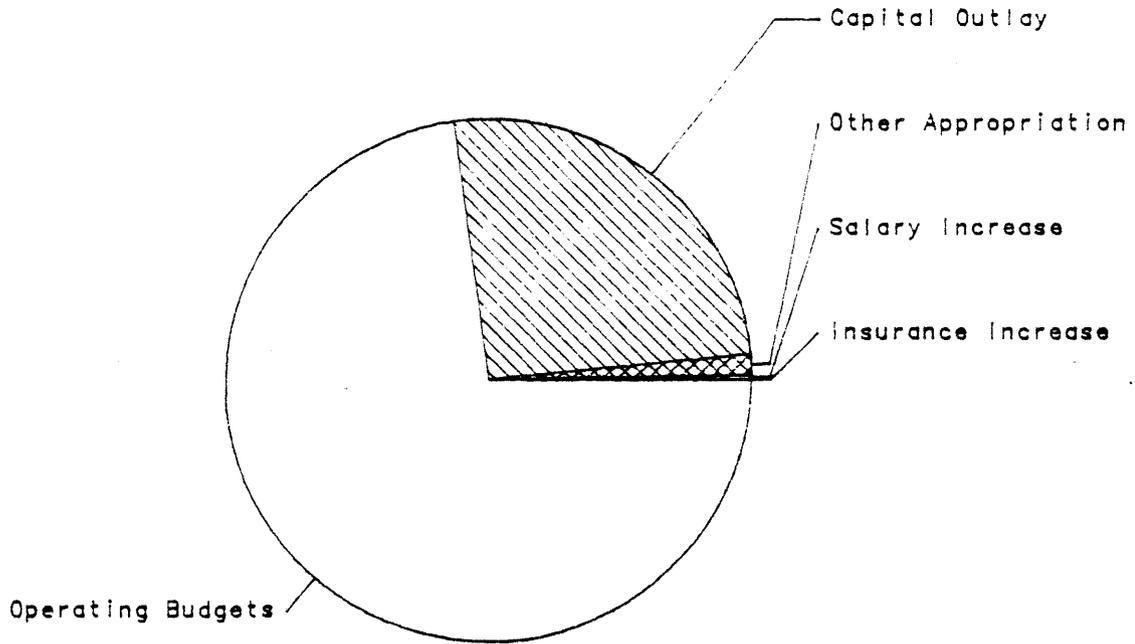


FISCAL YEAR 1987-1988

EXPENDITURE TYPE	AMOUNT	PERCENT
Operating Budgets	2,552,274,100	97.24%
Salary Increase (1.5 %)	12,500,000	0.48%
Insurance Premium Increase	2,700,000	0.10%
Service Providers' Increase	2,000,000	0.08%
Capital Outlay	32,843,100	1.25%
Other Appropriations	22,390,600	0.85%
TOTAL	2,624,707,800	100.00%

NOTE: OPERATING BUDGETS ARE NET OF RETIREMENT CONTRIBUTION REDUCTIONS.

OTHER APPROPRIATED FUNDS
by Expenditure Type

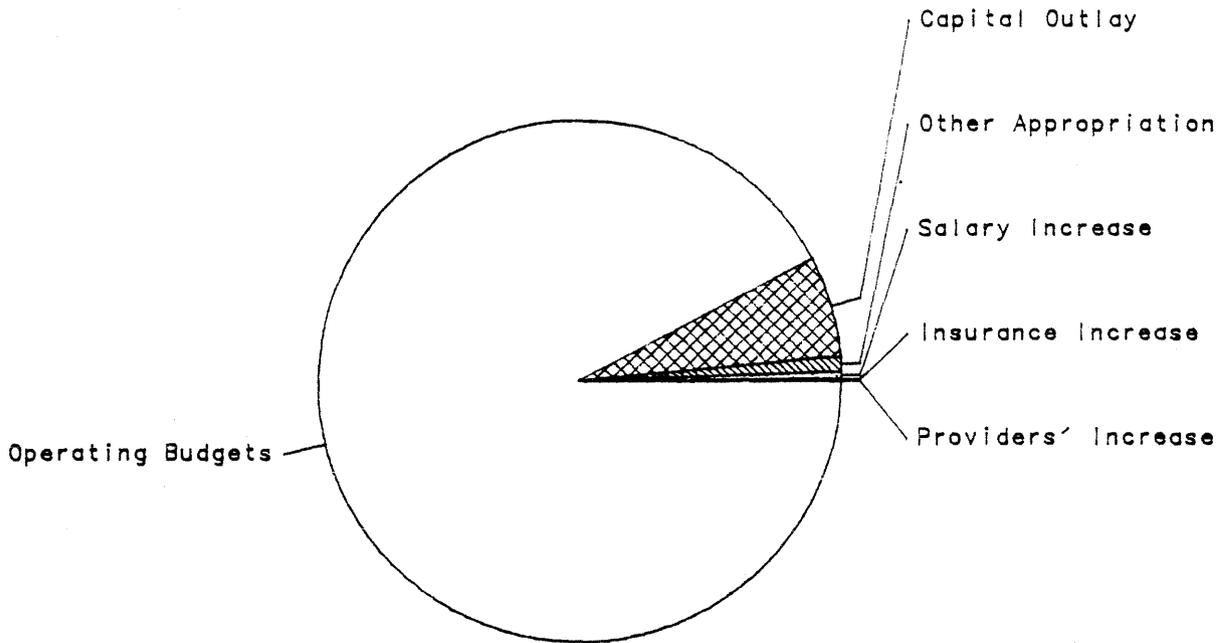


FISCAL YEAR 1987-1988

EXPENDITURE TYPE	AMOUNT	PERCENT
Operating Budgets	490,043,720	72.72%
Salary Increase (1.5 %)	1,650,000	0.24%
Insurance Premium Increase	450,000	0.07%
Service Providers' Increase	0	0.00%
Capital Outlay	173,088,100	25.68%
Other Appropriations	8,682,600	1.29%
TOTAL	673,914,420	100.00%

NOTE: OPERATING BUDGETS ARE NET OF RETIREMENT CONTRIBUTION REDUCTIONS.

TOTAL APPROPRIATED FUNDS
by Expenditure Type



FISCAL YEAR 1987-1988

EXPENDITURE TYPE	AMOUNT	PERCENT
Operating Budgets	3,042,317,820	92.23%
Salary Increase (1.5 %)	14,150,000	0.43%
Insurance Premium Increase	3,150,000	0.10%
Service Providers' Increase	2,000,000	0.06%
Capital Outlay	205,931,200	6.24%
Other Appropriations	31,073,200	0.94%
TOTAL	3,298,622,220	100.00%

NOTE: OPERATING BUDGETS ARE NET OF RETIREMENT CONTRIBUTION REDUCTIONS.

THIRTY-EIGHTH LEGISLATURE, FIRST REGULAR SESSION
SUMMARY OF FISCAL YEAR 1987-1988 APPROPRIATIONS

AGENCY	GENERAL FUND				OTHER APPROPRIATED FUNDS				TOTAL APPROPRIATED
	GENERAL APPROPS BILL	CAPITAL OUTLAY BILL	OTHER APPROPRIATIONS ¹	TOTAL	GENERAL APPROPS BILL	CAPITAL OUTLAY BILL	OTHER APPROPRIATIONS ¹	TOTAL	
GENERAL GOVERNMENT									
Department of Administration	\$ 26,742,500 ²	\$ 3,000,000	\$ 100,000	\$ 29,842,500	\$ 0	\$ 9,144,800	\$	\$ 9,144,800	\$ 38,987,300
Department of Weights & Measures			1,548,600	1,548,600	0			0	1,548,600
Personnel Board	214,600			214,600	0			0	214,600
Attorney General	16,722,800			16,722,800	0			0	16,722,800
Coliseum & Exposition Center	0			0	9,723,020 ³			9,723,020	9,723,020
Appellate & Trial Court Appt.	4,000			4,000	0			0	4,000
Judicial Qualifications Comm.	60,000			60,000	0			0	60,000
Supreme Court	4,955,600			4,955,600	0		125,000	125,000	5,080,600
Court of Appeals	5,728,100			5,728,100	0			0	5,728,100
Superior Courts	31,682,500			31,682,500	0			0	31,682,500
Governor's Office	2,765,000			2,765,000	0			0	2,765,000
Affirmative Action Office	204,000			204,000	0			0	204,000
Commerce Department	3,138,900 ⁴		150,000	3,288,900	48,000			48,000	3,336,900
Law Enforcement Merit System	43,100			43,100	0			0	43,100
Legislature	22,890,500		145,000	23,035,500	0			0	23,035,500
State Retirement System	0			0	11,098,400			11,098,400	11,098,400
Department of Revenue	33,205,800			33,205,800	0			0	33,205,800
Secretary of State	1,910,600			1,910,600	0			0	1,910,600
Tax Appeals Board	410,800			410,800	0			0	410,800
Tourism Office	3,372,100			3,372,100	0			0	3,372,100
State Treasurer	3,210,700		5,500,000	8,710,700	0		500,000	500,000	9,210,700
Uniform State Laws Commission	14,800			14,800	0			0	14,800
SUBTOTAL: GENERAL GOVERNMENT	\$ 157,276,400	\$ 3,000,000	\$ 7,443,600	\$ 167,720,000	\$ 20,869,420	\$ 9,144,800	\$ 625,000	\$ 30,639,220	\$ 198,359,220
HEALTH & WELFARE									
Arizona Ranger's Pensions	\$ 15,600	\$	\$	\$ 15,600	\$ 0	\$	\$	\$ 0	\$ 15,600
Council for Hearing Impaired	123,000			123,000	0			0	123,000
Department of Economic Security	230,719,200		300,000	231,019,200	483,300			483,300	231,502,500
Department of Health Services	98,994,800	267,000	175,000	99,436,800	2,237,100		150,000	2,387,100	101,823,900
Department of Environmental Quality	9,710,700		6,000,000 ⁵	15,710,700	0			0	15,710,700
AHCCCS	132,947,500		5,630,000	138,577,500	174,025,400			174,025,400	312,602,900
Indian Affairs Commission	164,500			164,500	0			0	164,500
Pioneers' Home	2,659,200			2,659,200	0			0	2,659,200
Veterans' Services Commission	688,500		30,000	718,500	311,100 ⁶			311,100	1,029,600
SUBTOTAL: HEALTH & WELFARE	\$ 476,023,000	\$ 267,000	\$12,135,000	\$ 488,425,000	\$ 177,056,900	\$ 0	\$ 150,000	\$177,206,900	\$ 665,631,900

AGENCY	GENERAL FUND				OTHER APPROPRIATED FUNDS				TOTAL APPROPRIATED
	GENERAL APPROPS BILL	CAPITAL OUTLAY BILL	OTHER APPROPRIATIONS ¹	TOTAL	GENERAL APPROPS BILL	CAPITAL OUTLAY BILL	OTHER APPROPRIATIONS ¹	TOTAL	
INSPECTION & REGULATION									
Accountancy Board	\$ 0	\$	\$	\$ 0	\$ 494,400	\$	\$	\$ 494,400	\$ 494,400
Ag. Employment Relations Board	197,300			197,300	0			0	197,300
Agriculture & Horticulture Comm.	6,000,300			6,000,300	1,214,300			1,214,300	7,214,600
Banking Department	2,927,700			2,927,700	0			0	2,927,700
Barber Examiners Board	0			0	120,400			120,400	120,400
Boxing Commission	36,500			36,500	8,200			8,200	44,700
Building & Fire Safety Dept.	2,541,500			2,541,500	0			0	2,541,500
Chiropractic Examiners Board	0			0	154,700			154,700	154,700
Registrar of Contractors	3,423,500			3,423,500	0			0	3,423,500
Corporation Commission	4,910,900			4,910,900	4,906,500			4,906,500	9,817,400
Cosmetology Board	0			0	454,800			454,800	454,800
Dairy Commissioner	473,800			473,800	0			0	473,800
Dental Examiners Board	0			0	370,300			370,300	370,300
Dispensing Opticians Board	0			0	51,000			51,000	51,000
Egg Inspection Board	0			0	176,800			176,800	176,800
Funeral Directors Board	0			0	132,700			132,700	132,700
Homeopathic Board	0			0	8,100			8,100	8,100
Industrial Commission	0			0	9,613,800			9,613,800	9,613,800
Insurance Department	2,243,800			2,243,800	0			0	2,243,800
Liquor Licenses Department	2,073,700			2,073,700	0			0	2,073,700
Livestock Board	3,782,700			3,782,700	0			0	3,782,700
Medical Examiners Board	0			0	1,544,300			1,544,300	1,544,300
Mine Inspector	781,700			781,700	0			0	781,700
Naturopathic Physicians Board	0			0	28,000			28,000	28,000
Nursing Board	0			0	834,200			834,200	834,200
Nursing Care Institution Board	0			0	46,000			46,000	46,000
Occupational Safety Review Board	5,500			5,500	0			0	5,500
Optometry Board	0			0	90,600			90,600	90,600
Osteopathic Examiners Board	0			0	183,200			183,200	183,200
Pharmacy Board	0			0	568,800			568,800	568,800
Physical Therapy Examiners Board	0			0	63,600			63,600	63,600
Podiatry Examiners Board	0			0	37,600			37,600	37,600
Private Postsecondary Ed. Comm.	0			0	120,700			120,700	120,700
Psychologist Examiners Board	0			0	107,000			107,000	107,000
Racing Department	2,602,200			2,602,200	287,600			287,600	2,889,800
Radiation Regulatory Agency	1,205,500		200,000	1,405,500	82,800			82,800	1,488,300
Real Estate Department	2,599,900			2,599,900	0			0	2,599,900
Res. Utility Consumer Office	0			0	830,900			830,900	830,900
Structural Pest Control	0			0	404,600			404,600	404,600
Technical Registration Board	0			0	619,800			619,800	619,800
Veterinary Medical Exam. Board	0			0	105,600			105,600	105,600
SUBTOTAL: INSPECTION & REGULATION	\$ 35,806,500	\$ 0	\$ 200,000	\$ 36,006,500	\$ 23,661,300	\$ 0	\$ 0	\$ 23,661,300	\$ 59,667,800

AGENCY	GENERAL FUND				OTHER APPROPRIATED FUNDS				TOTAL APPROPRIATED
	GENERAL APPROPS BILL	CAPITAL OUTLAY BILL	OTHER APPROPRIATIONS ¹	TOTAL	GENERAL APPROPS BILL	CAPITAL OUTLAY BILL	OTHER APPROPRIATIONS ¹	TOTAL	
EDUCATION									
Commission on the Arts	\$ 1,325,000	\$	\$	\$ 1,325,000	\$ 0	\$	\$	\$ 0	\$ 1,325,000
Community Colleges Board	69,842,400			69,842,400	0			0	69,842,400
School for the Deaf & Blind	9,648,100 ⁷	966,600		10,614,700	0			0	10,614,700
State Board of Education	1,072,819,100 ⁸		180,000	1,072,999,100	0		325,000	325,000	1,073,324,100
Arizona Historical Society	1,780,900	1,000,000	220,000	3,000,900	0			0	3,000,900
Prescott Historical Society	448,400	30,000		478,400	0			0	478,400
Board of Regents	4,775,700 ⁹	8,689,000		13,464,700	0			0	13,464,700
ASU - Main Campus	152,264,800			152,264,800	44,709,500			44,709,500	196,974,300
ASU - West Campus	7,434,000	11,048,000 ¹⁰	1,945,000 ¹¹	20,427,000	1,000,000			1,000,000	21,427,000
Northern Arizona University	54,845,900			54,845,900	11,699,800			11,699,800	66,545,700
U of A - Main Campus	172,667,000			172,667,000	42,619,700			42,619,700	215,286,700
U of A - College of Medicine	39,870,200			39,870,200	1,615,300			1,615,300	41,485,500
Medical Student Loans Board	75,000			75,000	0			0	75,000
SUBTOTAL : EDUCATION	\$1,587,796,500	\$21,733,600	\$ 2,345,000	\$1,611,875,100	\$101,644,300	\$ 0	\$ 325,000	\$101,969,300	\$1,713,844,400
PROTECTION & SAFETY									
Department of Corrections	\$ 210,999,300	\$	\$	\$ 210,999,300	\$ 0	\$ 2,500,000	\$	\$ 2,500,000	\$ 213,499,300
Emergency Services	3,822,800	46,800	483,700 ¹²	4,353,300	0			0	4,353,300
Pardons & Paroles Board	1,568,300			1,568,300	0			0	1,568,300
Department of Public Safety	77,607,100	1,260,000		78,867,100	1,674,700			1,674,700	80,541,800
Arizona Criminal Justice Comm.	0			0	190,100		7,082,600	7,272,700	7,272,700
SUBTOTAL : PROTECTION & SAFETY	\$ 293,997,500	\$ 1,306,800	\$ 483,700	\$ 295,788,000	\$ 1,864,800	\$ 2,500,000	\$7,082,600	\$ 11,447,400	\$ 307,235,400
TRANSPORTATION									
Department of Transportation	\$ 84,800	\$	\$ 250,000	\$ 334,800	\$149,879,800	\$160,751,300	\$ 400,000	\$311,031,100	\$ 311,365,900
SUBTOTAL : TRANSPORTATION	\$ 84,800	\$ 0	\$ 250,000	\$ 334,800	\$149,879,800	\$160,751,300	\$ 400,000	\$311,031,100	\$ 311,365,900
NATURAL RESOURCES									
Game & Fish Department	\$ 0	\$	\$	\$ 0	\$ 13,795,600	\$ 692,000	\$	\$ 14,487,600	\$ 14,487,600
Land Department	7,791,000			7,791,000	0			0	7,791,000
Mineral Resources Department	453,100			453,100	0			0	453,100
Oil & Gas Commission	186,800			186,800	0			0	186,800
Parks Board	5,384,600	2,077,700		7,462,300	2,411,600		100,000	2,511,600	9,973,900
Water Resources Department	11,136,300	4,458,000	17,000	15,611,300	0			0	15,611,300
Arizona Comm. on Environment	125,300			125,300	0			0	125,300
SUBTOTAL : NATURAL RESOURCES	\$ 25,077,100	\$ 6,535,700	\$ 17,000	\$ 31,629,800	\$ 16,207,200	\$ 692,000	\$ 100,000	\$ 16,999,200	\$ 48,629,000

AGENCY	GENERAL FUND				OTHER APPROPRIATED FUNDS				TOTAL APPROPRIATED
	GENERAL APPROPS BILL	CAPITAL OUTLAY BILL	OTHER APPROPRIATIONS ¹	TOTAL	GENERAL APPROPS BILL	CAPITAL OUTLAY BILL	OTHER APPROPRIATIONS ¹	TOTAL	
ADJUSTMENTS TO APPROPRIATIONS									
Unallocated Salary Adjustment	\$ 12,500,000	\$	\$	\$ 12,500,000	\$ 1,650,000	\$	\$	\$ 1,650,000	\$ 14,150,000
Health/Accident Insurance									
Premium Increase	2,700,000			2,700,000	450,000			450,000	3,150,000
Service Providers' Adjustment	2,000,000			2,000,000	0			0	2,000,000
Reduction in Retirement									
Contribution Rate ¹³	(22,800,000)			(22,800,000)	(1,140,000)			(1,140,000)	(23,940,000)
Reversion of Weights &									
Measures Appropriation-(See									
Footnote No. 2)	(987,700)			(987,700)					(987,700)
Nuclear Assessment Credit-(See									
Footnote No. 12)			(483,700)	(483,700)					(483,700)
SUBTOTAL: ADJUSTMENTS	\$ (6,587,700)	\$ 0	\$ (483,700)	\$ (7,071,400)	\$ 960,000	\$ 0	\$ 0	\$ 960,000	\$ (6,111,400)
TOTAL EXPENDITURES	\$2,569,474,100	\$32,843,100	\$22,390,600	\$2,624,707,800	\$492,143,720	\$173,088,100	\$8,682,600	\$673,914,420	\$3,298,622,220

FOOTNOTES TO THE SUMMARY OF 1987-1988 APPROPRIATIONS

1. OTHER APPROPRIATIONS made from the GENERAL FUND are for the following purposes:

<u>Amount</u>	<u>Purpose</u>	<u>Bill</u>	<u>Chapter</u>
\$ 100,000	DEPARTMENT OF ADMINISTRATION - for the mobile home parks hearing officer function, authorized pursuant to Laws 1986, chapter 355.	--	--
1,548,600	DEPARTMENT OF WEIGHTS AND MEASURES - fiscal year 1987-1988 operating budget.	H.B. 2345	314
150,000	DEPARTMENT OF COMMERCE - to establish the rural economic development and cooperative advertising programs.	S.B. 1275	331
145,000	LEGISLATURE - \$45,000 for costs of the Joint Legislative Council Committee for the AHCCCS; \$100,000 for a long-term care funding consultant.	S.B. 1418	332
5,500,000	TREASURER - for deposit to the county long-term care fund for distribution to counties.	H.B. 2235	311
300,000	DEPARTMENT OF ECONOMIC SECURITY - for administrative costs to implement the long-term care system for the developmentally disabled.	S.B. 1418	332
175,000	DEPARTMENT OF HEALTH SERVICES - \$100,000 to establish a permanent Arizona special supplemental food program fund for women, infants and children.	H.B. 2418	354
	- \$75,000 to establish a program for early identification of hearing loss.	S.B. 1334	219
6,000,000	DEPARTMENT OF ENVIRONMENTAL QUALITY - to fund the water quality assurance revolving fund as required pursuant to Laws 1986, chapter 368 (\$1 million will be transferred to the tax protest resolution fund).	--	--

FOOTNOTES (Cont.)

<u>Amount</u>	<u>Purpose</u>	<u>Bill</u>	<u>Chapter</u>
\$5,630,000	AHCCCS - \$4,600,000 to develop eligibility, preadmission screening and case management systems, and for administrative costs associated with implementing the long-term care system; \$930,000 for operating and medical service expenditures; \$100,000 to study options for implementation of a mental health program.	S.B. 1418	332
30,000	VETERANS SERVICE COMMISSION - to study the feasibility of establishing a state veterans home.	S.B. 1147	329
200,000	RADIATION REGULATORY AGENCY - to pay costs related to siting a low-level radioactive waste disposal facility.	H.B. 2336	369
180,000	STATE BOARD OF EDUCATION - for distribution to the Miami area unified school district to assist in the payment of a property tax settlement.	H.B. 2317	316
220,000	ARIZONA HISTORICAL SOCIETY - to purchase and renovate a historical property for a Douglas historical museum.	H.B. 2057	336
1,945,000	ASU - WEST CAMPUS - for construction of the library building and utility connection costs pursuant to Laws 1986, chapter 373.	--	--
483,700	EMERGENCY SERVICES - for distribution to state and county agencies responsible for nuclear emergency preparedness and response (to be repaid by assessment).	H.B. 2038	95
250,000	ARIZONA DEPARTMENT OF TRANSPORTATION - to provide assistance in regional public transportation activities.	S.B. 1360	365
17,000	DEPARTMENT OF WATER RESOURCES - to complete a study on waterlogging problems in parts of the Phoenix AMA.	S.B. 1454	305

FOOTNOTES (Cont.)

OTHER APPROPRIATIONS made from OTHER APPROPRIATED FUNDS are for the following purposes:

<u>Amount</u>	<u>Fund</u>	<u>Purpose</u>	<u>Bill</u>	<u>Chapter</u>
\$ 125,000	Corrections	SUPREME COURT - for completion and implementation of the drug testing plan.	H.B. 2202	307
500,000	Correction	TREASURER - for deposit to the Local Narcotics Enforcement Fund to reimburse cities and counties for drug law enforcement costs.	H.B. 2202	307
150,000	Air Quality	DEPARTMENT OF HEALTH SERVICES - to conduct a daylight savings time study.	S.B. 1360	365
325,000	Corrections	STATE BOARD OF EDUCATION - \$100,000 for training, research and evaluation of chemical abuse programs; \$225,000 for distribution to school districts for chemical abuse prevention education programs.	H.B. 2202	307
7,082,600	Corrections	CRIMINAL JUSTICE COMMISSION - \$7 million for enhancing drug enforcement efforts; \$82,600 to match federal funds for administration of the federal anti-drug abuse act.	H.B. 2202	307
400,000	Air Quality	ARIZONA DEPARTMENT OF TRANSPORTATION - for converting state motor vehicles to use compressed natural gas and liquid propane, and for the clean burning fuel study.	S.B. 1360	365

FOOTNOTES (Cont.)

<u>Amount</u>	<u>Purpose</u>	<u>Bill</u>	<u>Chapter</u>
\$ 100,000	Lake Improvement	PARKS BOARD - for state lake improvement planning.	S.B. 1270 228

2. Includes \$987,700 for the Division of Weights and Measures. This sum will revert to the general fund due to establishment and funding of the division as a separate department, pursuant to Laws 1987, chapter 314 (see ADJUSTMENTS).
3. Appropriation represents 100 per cent of collections, with no more than \$1.2 million from state tax revenues.
4. Includes funding for the Solar Energy Commission which was merged with the Department of Commerce pursuant to Laws 1987, chapter 327.
5. Annual transfer to the Water Quality Assurance Revolving Fund required pursuant to Laws 1986, chapter 368.
6. Does not include veterans' cemetery funding due to removal of the statutory requirement for Legislative appropriation of the veterans cemetery fund, pursuant to Laws 1987, chapter 190.
7. In addition to the amount appropriated, the Arizona School for the Deaf and the Blind will receive \$3,496,400 of the appropriation to the State Board of Education for the special education institutional voucher fund.
8. In addition to the amount appropriated, an estimated \$46,800,000 from the state common school fund (land trust earnings) will be expended for basic state aid to school districts.
9. Includes funding for the Postsecondary Education Commission.
10. The capital outlay bill appropriates an additional \$2 million to ASU - West Campus in fiscal year 1988-1989, for completion of classroom building No. 1.
11. Appropriated by Laws 1986, chapter 373, for fiscal year 1987-1988, for construction of the library building and utility connection costs.
12. To be repaid to the general fund through an assessment against the consortiums operating commercial nuclear power generating stations, pursuant to Laws 1987, chapter 95 (see ADJUSTMENTS).
13. Savings resulting from a temporary reduction in the retirement contribution rate from 5.16 per cent to 4 per cent for fiscal year 1987-1988 will be allocated to each agency budget by the Joint Legislative Budget Committee staff, in accordance with Laws 1987, chapter 319 and subdivision 98 of the general appropriations bill.

THIRTY-EIGHTH LEGISLATURE, FIRST REGULAR SESSION

SUMMARY OF SUPPLEMENTAL APPROPRIATIONS

The following bills appropriate monies that are available for expenditure prior to the end of fiscal year 1986-1987. Unless otherwise indicated, the amounts shown are appropriated from the state general fund.

<u>Chapter</u>	<u>Bill No.</u>	<u>Reference Title</u>	<u>Amount</u>
11	SB 1461	Department of commerce; procurement exemption (supercollider appropriation)	\$1,000,000
122	HB 2463	Transfer; appropriation; DOA	0 ¹
123	HB 2471	Supplemental appropriation; secretary of state	448,869
214	HB 2189	Appropriation; risk management pool fund	1,000,000
226	SB 1044	Appropriation; Greenlee county; financial emergency	800,000
257	HB 2187	Attorney general; appropriation	291,400
289	HB 2470	Appropriations for named claimants	457,437 ²
292	SB 1069	Pima bridge; bank stabilization; appropriation	300,000
318	SB 1181	Appropriation; litigation expenses; supplemental state aid	1,938,908
		NET GENERAL FUND:	\$6,215,274
		NET OTHER FUNDS:	<u>21,340</u>
		TOTAL SUPPLEMENTALS:	<u>\$6,236,614</u>

¹ The act provides for an appropriation of \$2.1 million from the state general fund to the risk management revolving fund, to be offset by a transfer of \$2.1 million from the workers' compensation liability loss revolving fund to the state general fund.

² The act provides for reimbursement of \$21,340 to the state general fund as follows: \$4,216 from the highway patrol fund and \$17,124 from the state highway fund.

APPROPRIATIONS

LEGISLATION ENACTED
THIRTY-EIGHTH LEGISLATURE
FIRST REGULAR SESSION

APPROPRIATIONS

Appropriation; Greenlee county; financial emergency (S.B. 1044) -
Chapter 226

An emergency measure appropriating \$800,000 in fiscal year 1986-1987 from the state general fund to the Department of Administration for distribution to Greenlee County for the purpose of meeting financial obligations through the balance of the fiscal year.

Yuma appropriation; repayment time (S.B. 1045) - Chapter 328

An emergency measure providing for extension of the repayment time of the loan to Yuma County made by Laws 1986, Chapter 333, from five years to ten years. Also provides for repayment of the loan through the county sales tax enacted by Laws 1987, Chapter 352.

Pima bridge; bank stabilization; appropriation (S.B. 1069) -
Chapter 292

An emergency measure appropriating \$300,000 in fiscal year 1986-1987 from the state general fund to Graham County for upstream bank stabilization and structural protection for the Pima Bridge across the Gila River.

Criminal identification section; fingerprinting costs (S.B. 1075) -
Chapter 157

Authorizes the criminal identification section of the Department of Public Safety to use the state's share of monies collected for fingerprint processing to pay related administrative costs before reverting the balance to the state general fund at the end of each fiscal year.

Revolving fund limits (S.B. 1146) - Chapter 48

Authorizes establishment of revolving funds in excess of \$50,000 upon approval of the Joint Legislative Budget Committee.

~~Crediting reimbursement of appropriation~~ NOW: Veterans home study
board reenactment (S.B. 1147) - Chapter 329

An emergency measure appropriating \$30,000 in fiscal year 1987-1988 from the state general fund to the Veterans' Service Commission to conduct a feasibility study on the establishment of a state veterans home. The Veterans Home Study Board shall consist of three members of

APPROPRIATIONS (Cont.)

S.B. 1147 (Cont.)

the Senate, appointed by the President of the Senate and three members of the House of Representatives, appointed by the Speaker of the House of Representatives, and the members of the Arizona Veterans' Service Commission. The board shall issue a final report to the Governor and the Legislature by September 1, 1987, and shall terminate after December 31, 1988.

State lease payments (S.B. 1148) - Chapter 79

Authorizes the Department of Administration to charge rent to agencies occupying leased buildings based on the amount needed to meet the lease or lease-purchase obligation, and to transfer the rent payment at the start of each fiscal year from each agency's account to the Special Services Revolving Fund. Provides for exemption from the transfer requirement on recommendation of the Joint Committee on Capital Review if an agency's cash flow necessitates a different payment basis.

Dairy herd testing; technical correction NOW: Appropriation; litigation expenses; supplemental state aid (S.B. 1181) - Chapter 318

An emergency measure appropriating a total of \$1,938,908 from the state general fund to pay litigation expenses and to provide supplemental state aid to school districts impacted by three court rulings suspending the payment of property taxes by certain railroad companies pending final disposition of the litigation. Appropriates \$165,000 to the Department of Revenue in fiscal year 1986-1987 and \$335,000 in fiscal year 1987-1988 for litigation expenses, and appropriates \$1,438,908 to the State Board of Education in fiscal year 1986-1987 for distribution to those school districts which will be impacted by the loss of property tax revenues. Provides for subsequent deposit to the state general fund of any monies awarded to school districts as a result of settlement or judgments related to the litigation.

APPROPRIATIONS (Cont.)

~~State chemist; technical correction~~ NOW: Capital outlay
appropriations (S.B. 1182) - Chapter 335

Appropriates a total of \$205,931,200 in fiscal year 1987-1988 for land, building and improvement purposes, as summarized below.

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
General Acquisition of Land/Facilities and Construction Planning	\$ 0	\$ 1,500,000	\$ 1,500,000
Acquisition of Shrine Temple and Comp Fund Buildings	3,000,000		3,000,000
Building Renewal	8,689,000 ¹	6,644,800 ²	15,333,800
Capital Projects:			
Arizona School for the Deaf and the Blind	966,600		966,600
Dept. of Health Services	267,000		267,000
Parks Board	2,077,700		2,077,700
Prescott Historical Society	30,000		30,000
Arizona Historical Society	1,000,000		1,000,000
Dept. of Public Safety	1,260,000		1,260,000
Dept. of Water Resources	4,458,000		4,458,000
Dept. of Emergency Services and Military Affairs	46,800		46,800
ASU - West Campus	11,048,000		11,048,000
Dept. of Administration		1,000,000	1,000,000
Game and Fish Dept.		692,000	692,000
Dept. of Corrections		2,500,000	2,500,000
Dept. of Transportation		4,095,700	4,095,700
Highway Planning and Construction		151,941,600	151,941,600
Airport Planning, Construction & Improvement		4,714,000	4,714,000
TOTAL FY 87/88	<u>\$32,843,100</u>	<u>\$173,088,100</u>	<u>\$205,931,200</u>

Of the amount appropriated, \$10,565,700 represents monies to restore funding cuts made during the 1987 First Special Session to meet a projected budget deficit. Restored monies include \$1,000,000 for the Arizona Historical Society's Phoenix Museum, \$1,260,000 for the Department of Public Safety Headquarters project, \$2,000,000 for ASU-West Campus construction, \$1,847,700 for state parks projects, and \$4,458,000 for flood control projects in Pima County.

APPROPRIATIONS (Cont.)

S.B. 1182 (Cont.)

Funding sources for the fiscal year 1987-1988 capital outlay appropriations are as follows:

General Fund	\$ 32,843,100
State Highway Fund	156,737,800
Capital Outlay Stabilization Account	7,991,800
State Aviation Fund	4,729,900
Corrections Fund	2,500,000
Game and Fish Fund Capital Improvement Fund	550,000
Coliseum and Exposition Center Fund	347,700
Game and Fish Fund	217,000
Retirement System Administration Fund	7,300
Industrial Commission Special Fund	6,600
TOTAL	<u>\$205,931,200</u>

Also appropriates \$2,000,000 in fiscal year 1988-1989 from the state general fund to ASU-West Campus for completion of the classroom building No. 1.

¹Requires matching monies from each university as follows:

Arizona State University	\$1,268,800
Northern Arizona University	285,300
University of Arizona	1,186,200

²Requires matching federal monies available to the Department of Economic Security of \$82,000.

Supplemental appropriation; private postsecondary education
(S.B. 1202) - Chapter 270

Provides for increased fees relating to private vocational programs and degrees.

APPROPRIATIONS (Cont.)

Treasurer; receipts; technical corrections NOW: General
appropriations bill (S.B. 1209) - Chapter 334

Appropriates a total of \$3,061,617,820 for the operation and maintenance of state agencies in fiscal year 1987-1988, summarized as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
General Government ¹	\$ 156,288,700	\$ 20,869,420	\$ 177,158,120
Health and Welfare	476,023,000	177,056,900	653,079,900
Inspection and Regulation	35,806,500	23,661,300	59,467,800
Education	1,587,796,500	101,644,300	1,689,440,800
Protection and Safety	293,997,500	1,864,800	295,862,300
Transportation	84,800	149,879,800	149,964,600
Natural Resources	25,077,100	16,207,200	41,284,300
Salary Adjustments	12,500,000	1,650,000	14,150,000
Insurance Premium Increase	2,700,000	450,000	3,150,000
Special Adjustment for Service Providers	2,000,000	0	2,000,000
Retirement Contribution Rate Reduction ²	<u>(22,800,000)</u>	<u>(1,140,000)</u>	<u>(23,940,000)</u>
TOTALS	<u>\$2,569,474,100</u>	<u>\$492,143,720</u>	<u>\$3,061,617,820</u>

Total appropriations represent a 3.93 per cent increase over the original 1986-1987 appropriations for operating budgets, and an 8.58 per cent increase over the reappropriated 1986-1987 budgets. General fund appropriations represent a 3.22 per cent increase over the original 1986-1987 general fund appropriations, and a 7.98 per cent increase over the reappropriated general fund amounts. Other fund appropriations represent a 7.77 per cent increase over the original 1986-1987 other fund appropriations, and an 11.81 per cent increase over the reappropriated other fund amounts.

APPROPRIATIONS (Cont.)

S.B. 1209 (Cont.)

¹General fund amount does not include the appropriation for the Weights and Measures Division which will revert due to establishment and funding of the Division as a separate department.

²Enacted by Laws 1987, Chapter 319 (S.B. 1211).

Annual leave; payment NOW: Retirement contribution rate; state aid; reduction (S.B. 1211) - Chapter 319

Provides for reduction in the retirement contribution rate in fiscal year 1987-1988 by 1.16 percentage points from the actuarially determined rate for all participants in the state retirement plan, and provides for corresponding reductions in the appropriations made to cover retirement contributions for state, school district, community college and university employees.

Waterlogging study; appropriation (S.B. 1454) - Chapter 305

Appropriates \$17,000 in fiscal year 1987-1988 from the state general fund to the Department of Water Resources for completion of a study of waterlogging problems in the West Salt River and Hassayampa sub-basins, authorized pursuant to Laws 1985, Chapter 319. Changes due dates of the consultant study and recommendations to the Legislature.

Department of commerce; procurement exemption (S.B. 1461) - Chapter 11

An emergency measure exempting the Department of Commerce from procurement code requirements for contracts related to engineering and scientific analysis at potential sites and for professional services related to the location of the federal superconducting super collider (SSC) in the State of Arizona. Provides for the Commerce Director to approve all such procurements. Requires the Joint Legislative Budget Committee to review expenditures and to submit a report to the President of the Senate and the Speaker of the House of Representatives by October 1, 1987.

Appropriates \$1 million in fiscal year 1986-1987 from the state general fund to the Department of Commerce to advocate and support the selection of this state for the site of the SSC.

Veteran's cemetery fund; nonappropriation (H.B. 2037) - Chapter 190

Removes the requirement that the Legislature appropriate monies in the Veterans' Cemetery Fund and replaces it with a requirement that the Veterans' Service Commission submit an annual report of the fund's status to the Governor and Legislature by September 1 of each year.

APPROPRIATIONS (Cont.)

Nuclear emergency appropriation and assessment (H.B. 2038) - Chapter 95

Appropriates \$438,700 in fiscal year 1987-1988 from the state general fund to the Nuclear Emergency Management Fund for distribution to state and county agencies responsible for nuclear emergency preparedness and response. Makes an assessment equal to the appropriation, plus interest, against consortiums constructing or operating commercial nuclear power generating stations in this state. The appropriated monies are to be distributed as follows:

Emergency Services Division, Department of Emergency Services and Military Affairs	\$160,800
Radiation Regulatory Agency	219,400
Maricopa County Department of Civil Defense and Emergency Services	<u>103,500</u>
TOTAL	<u>\$483,700</u>

Appropriation; Arizona historical society (H.B. 2057) - Chapter 336

Appropriates \$220,000 in fiscal year 1987-1988 from the state general fund to the Arizona Historical Society for acquisition and renovation of a historic property for a Douglas area historical museum.

Appropriation continuation; county flood control (H.B. 2058) - Chapter 163

An emergency measure amending an appropriation made by Laws 1984, Chapter 174, Section 4, so that monies can be used by Pima County for flood control works in the vicinity of the Avra Road Bridge rather than replacement of the bridge. Amends an appropriation made by Laws 1985, Chapter 332, Section 3, so that monies can be used by Cochise County for a study of the Northern Sulphur Springs Valley basin and for necessary projects identified by the study rather than construction of a diversion channel and floodwater detention basin. Extends the lapsing date of the Cochise County appropriation from June 30, 1987 to June 30, 1989.

Document storage fund; technical correction NOW: Attorney general; appropriation (H.B. 2187) - Chapter 257

An emergency measure appropriating \$291,400 in fiscal year 1986-1987 from the state general fund to the Attorney General for payment of expenses relating to McAuto Systems Group Inc. v. State of Arizona and Arizona Department of Health Services.

APPROPRIATIONS (Cont.)

~~Fire fighter; reinstatement; technical correction~~ NOW: Appropriation; risk management pool fund (H.B. 2189) - Chapter 214

An emergency measure appropriating \$1 million in fiscal year 1986-1987 from the state general fund to the Department of Administration for capitalization of the social service contractors' indemnity pool.

~~State retirement plan; part-time employee~~ NOW: Arizona rangers' pensions (H.B. 2245) - Chapter 342

Increases the monthly pension to recipients of an Arizona Rangers Pension by \$50 per month and provides for annual inflationary adjustments in following years.

Historical society; expenditures; committee (H.B. 2259) - Chapter 67

Authorizes the Arizona Historical Society's board of directors to designate a committee of board members to approve expenditures of legislative appropriations.

~~Pharmacy; continuing education; technical corrections~~ NOW: Board of education; appropriation (H.B. 2317) - Chapter 316

Appropriates \$180,000 in fiscal year 1987-1988 from the state general fund to the State Board of Education for distribution to the Miami Area Unified School District for assistance in repayment of property tax monies pursuant to settlement of Inspiration Consolidated Copper Company v. Arizona Department of Revenue, Gila County.

~~Naturopathic board; quorum; technical correction~~ NOW: Health and accident coverage (H.B. 2319) - Chapter 234

An emergency measure increasing the maximum amount that the state may pay for health and accident insurance coverage for full-time officers and employees of the state and their dependents, as follows:

	<u>FY 86/87</u>	<u>FY 87/88</u>
Individual Coverage	\$ 94.10	\$ 99.38
Married Couples Who are Both State Employees	188.20	198.76
Family Coverage Where Spouse is not a State Employee	181.52	191.68

APPROPRIATIONS (Cont.)

Arizona WIC revolving fund (H.B. 2418) - Chapter 354

Establishes a permanent Arizona Special Supplemental Food Program Fund for Women, Infants and Children in the Department of Health Services (DHS) to be used to supply food vouchers to individuals enrolled in the supplemental food program when federal funds are temporarily unavailable to meet the contracted caseload.

Appropriates \$100,000 in fiscal year 1987-1988 from the state general fund to DHS to establish the fund, and provides for non-lapsing of the appropriation. Requires that the fund be replenished to the appropriated level upon receipt of federal funds.

Transfer; appropriation; DOA (H.B. 2463) - Chapter 122

An emergency measure providing for the transfer of \$2.1 million in fiscal year 1986-1987 from the Workers' Compensation Liability Loss Revolving Fund to the Risk Management Revolving Fund to cover administrative costs and claims against the state, by transferring the monies through the state general fund.

Appropriations for named claimants (H.B. 2470) - Chapter 289

An emergency measure appropriating a total of \$457,437.41 in fiscal year 1986-1987 for payment of claims associated with fiscal years 1978-1979 through 1985-1986. Provides for payment from fund sources as follows:

State General Fund	\$436,097.29
Highway Patrol Fund	4,216.00
State Highway Fund	<u>17,124.12</u>
TOTAL	<u>\$457,437.41</u>

Supplemental appropriation; secretary of state (H.B. 2471) - Chapter 123

Provides a supplemental appropriation of \$448,868.99 in fiscal year 1986-1987 from the state general fund to the Secretary of State for the following purposes:

General Operating Expenses	\$ 20,000.00
Election Expenses for Publicity Pamphlets	25,000.00
Pima County Reimbursement of Election Expenses	<u>403,868.99</u>
TOTAL	<u>\$448,868.99</u>

APPROPRIATIONS (Cont.)

Auditor general appointment (H.C.R. 2015)

Approves the reappointment of Douglas R. Norton as Auditor General of the State of Arizona.

Oil overcharge monies; expenditure approval (S.B. 1110) - VETOED

Would have required legislative approval for the expenditure of monies received by this state as restitution for overcharges by oil companies.

In his veto message, the Governor stated that use of overcharge monies is restricted to specific program areas and therefore cannot be appropriated for other programs, and that the federal law intends for the Governor, not the Legislature, to oversee their expenditure.

State budget units; money transfers (S.B. 1142) - VETOED

Would have authorized the DOA Director to approve transfers among budget line items and capital appropriations, up to \$50,000 or 10 per cent of an agency's operating budget (whichever is less) in a fiscal year, and made transfers in excess of these limits subject to JLBC or JCCR approval. The bill would have also authorized transfers into the "thirteenth month" of each fiscal year.

The bill would have included two additional provisions: authorized prepayment of goods and services for which prepayment is the industry standard or for which the DOA Director granted approval; and authorized the State Treasurer to credit certain reimbursements for state expenditures to the accounts from which the expenditures were made rather than depositing them to the state general fund.

In his veto message, the Governor stated that the bill further aggravates the separation of powers issue already existent in section 35-173 by giving the JLBC increased oversight authority over budget transfers.

Noxious weeds; eradication agreement; appropriation (H.B. 2464) - VETOED

Would have extended to June 30, 1990, the Commission of Agriculture and Horticulture's weed eradication funding program established in 1984 and scheduled for termination June 30, 1987. The program provides matching funds of up to 50 per cent to owners of property infested by noxious weeds, to assist them in paying the costs of eradication. An appropriation of \$10,000 from the state general fund would have provided fiscal year 1987-1988 funding.

APPROPRIATIONS (Cont.)

H.B. 2464 (Cont.)

In his veto message, the Governor stated that the legislation appears to benefit a select number of property owners and does not have a general statewide purpose.

COMMITTEES AND BOARDS
CREATED DURING THE 1987 SESSION

APPROPRIATIONS

Veterans home study board
S.B. 1147

PURPOSE: To study the feasibility of establishing a state veterans home in this state.

MEMBERSHIP: Senate: 3 - Appointed by the President of the Senate.
3 - Appointed by the Speaker of the House of Representatives.

Other: Arizona Veterans' Service Commission members.

REPORTS: September 1, 1987

TERMINATION DATE: December 31, 1988

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 329, Section 1

COMMERCE AND LABOR

LEGISLATION ENACTED
THIRTY-EIGHTH LEGISLATURE
FIRST REGULAR SESSION

COMMERCE AND LABOR

Child labor violation; civil penalty (S.B. 1019) - Chapter 196

An emergency measure providing for a civil penalty of not more than \$1,000 to accompany any cease and desist order issued for a violation of the youth employment statutes.

Workers' compensation; hearing request; notice (S.B. 1021) - Chapter 38

Reduces the 90-day period for uninsured employers to file a hearing request on a workers' compensation claim to within 30 days of notice of a determination by the Commission.

Requires an insurance carrier to promptly notify the Commission that it has insured an employer for workers' compensation.

Permissible trust investments; investment companies (S.B. 1022) - Chapter 39

Allows a trustee, if the trust instrument directs or allows investment in U.S. government obligations, to invest in a federally regulated mutual fund whose portfolio is limited to U.S. government obligations.

Workers' compensation; employee; handicapped trainees (S.B. 1070) - Chapter 72

Allows a non-profit organization which provides vocational training to handicapped clients to treat them as employees for workers' compensation purposes.

Savings and loan associations; mergers (S.B. 1141) - Chapter 78

An emergency measure making the following changes to the savings and loan association statutes:

1. Removes the requirement that the term, rate and amount of interest paid on accounts be determined solely by an association's board of directors, and that associations maintain a prescribed net worth in order to pay dividends on stock. Allows dividends to be declared and paid on shares of guaranty capital or out of capital surplus.
2. Allows a service corporation of an Arizona association to be formed under the laws governing such corporations in the state they are located.

COMMERCE AND LABOR (Cont.)

S.B. 1141 (Cont.)

3. Allows investment in other banks or savings and loan associations without percentage limitations.
4. Reduces the number of shareholder votes required for approval of a merger from two-thirds to a majority except where the associations' articles of incorporation require a higher amount.
5. Establishes a "short form" merger procedure which eliminates the requirement of shareholder approval if:
 - a. the merger is a cash merger.
 - b. no more than 20 per cent of the shares, securities and convertible obligations of the servicing corporation are to be issued in connection with the merger transaction.
6. Deletes the requirement that the resulting entity in a merger transaction involving an Arizona savings and loan association be an Arizona association. Any resulting entity from a merger transaction that is not a domestic corporation shall comply with the laws under which it is organized and with the laws of this state with respect to foreign corporations.
7. Simplifies the process for establishing new branch offices and deletes the existing hearing requirements.
8. Provides an application process by which associations establish automated teller machines.

Beneficial interest in property; recording (S.B. 1168) - Chapter 153

Establishes new requirements for disclosure by a trustee of the identity of beneficiaries for whom title is held whenever a deed or conveyance of real property is recorded.

Requires any change in any beneficial interest in a trust relating to any real property be publicly recorded by the trustee in the county in which the property is located within 30 days after the trustee receives actual notice of the change.

Provides that any conveyance made without the required disclosures is voidable by the other party within two years from the date the conveyance was recorded.

Provides the title, interest, mortgage, deed of trust or other lien on real property or interest in real property acquired for value is not adversely affected by any person's failure to comply with this section.

COMMERCE AND LABOR (Cont.)

Nonprofit corporations; investment of funds (S.B. 1206) - Chapter 50

Adopts the Uniform Management of Institutional Funds Act, prescribing the methods and management of investments of funds for eleemosynary purposes.

1. Provides for definitions related to investments for charitable purposes.
2. Allows a governing board of an institution to appropriate for expenditure for the uses and purposes for which an endowment or institutional fund is established so much of the net appreciation is subject to a standard of business care and prudence.
3. Provides that if donors give an indication of how they want the growth in their gifts treated, it should be respected.
4. Grants a governing board the authority to make certain investments other than those already authorized by law or by the gift instrument, and without restriction to investments a fiduciary may make.
5. Allows a governing board to delegate authority to committees or employees and to purchase investment, advisory or management services.
6. Requires members of a governing board exercise ordinary business care and prudence under the facts and circumstances prevailing at the time of an action or decision.
7. Allows the release of restrictions on the use of funds or selection of investments by the donor's consent or court order.

Real property investment; regulation (S.B. 1214) - Chapter 174

Provides for regulation of real property investment contracts by the Corporation Commission and establishes a \$200 filing fee for safe harbor exemptions provided for in the Securities Act of 1933.

Provides for dealer examinations, examination costs and methods of payment.

Requires real property investment contracts be registered under qualification rather than by description.

Prescribes information required by any prospective, financial statement or amendment to a prospectus in connection with the registration of real property investment contracts.

COMMERCE AND LABOR (Cont.)

S.B. 1214 (Cont.)

Requires additional information with the registration of real property investment contracts. Dealers must maintain transaction records and files for five years from the date the registration expires. Files are subject to inspection by the commission.

Requires the dealer to record the contract with the county before funds are disbursed.

Decreases the penalty for violating any provision of this chapter from a class 4 felony to a class 1 misdemeanor.

Credit unions; rights and powers (S.B. 1221) - Chapter 362

Clarifies that the board of directors of a credit union can determine charges on delinquent accounts based on collection expenses incurred through internal collection efforts. Limits investments in out-of-state credit unions to those that are fully insured by the National Credit Union Administration. Clarifies conditions on which the Superintendent shall deny a plan of conversion for a credit union.

Contractors' recovery fund; procedures (S.B. 1223) - Chapter 297

Limits the definition of injured person to include only the owner of residential real property which is actually occupied by the owner as a residence. Prohibits direct awards from the contractors' recovery fund for attorneys' fees and costs. Provides that no more than the maximum individual award may be granted on any individual residence or to any injured person.

Removes requirement that claim reserves shown on the annual statement of condition of the fund be certified by a qualified actuary.

Allows the Registrar to employ attorneys and other individuals necessary to administer the fund. Requires an injured person to give 20 days written notice to the Registrar before applying to court for payment from the fund and prescribes requisite procedures for court ordered payment.

Increases the maximum residential recovery fund assessment of the residential contractor applicant from \$200 to \$300.

Requires suspension of a contractors' license until the amount paid from the fund is repaid in full, plus interest at 10 per cent per year.

Automated teller machines (S.B. 1225) - Chapter 35

Establishes a definition of automated teller machine (ATM).

COMMERCE AND LABOR (Cont.)

S.B. 1225 (Cont.)

Prescribes an application process by which banks and credit unions request establishment of ATMs. ATMs may not be established nor maintained without prior written approval by the Superintendent.

Banking; bank powers (S.B. 1226) - Chapter 236

An emergency measure including the following provisions:

1. Allows employees of the Banking Department to conduct business with banks regulated by the Department with certain restrictions.
2. Allows a bank to invest in out of state institutions up to the insured limit without Superintendent approval.
3. Provides for methods of sale of assets, authority to borrow monies, injunctions and hearings in the event of a receivership.
4. Removes requirements that certificates or account books must be delivered to account holders and that their wording, type and form must be approved by the Superintendent.
5. Requires sufficient cash, items or drafts be deposited into an escrow account before any funds are disbursed by an escrow agent.

~~Real estate property managers~~ NOW: Liquor store license; church; school (S.B. 1247) - Chapter 330

Provides for issuance of a liquor store license for premises which have an existing beer and wine store license and are lawfully within the 300 foot limit of a church or public or private school.

Contractor licensing (S.B. 1248) - Chapter 54

An emergency measure providing for the following changes in licensing applications, fees and bond requirements:

1. Provides for a single license application form and single certificate listing all valid contracting licenses. Allows the Registrar of Contractors to establish procedures for common expiration or renewal dates for all licenses issued to a licensee and for the proration of license fees.

COMMERCE AND LABOR (Cont.)

S.B. 1248 (Cont.)

2. Provides that license application or renewal fee for each additional license in the general or specialty residential contracting classification shall be not more than one-half the amount of fees for the first residential contracting license and each additional license in all other general or specialty contracting classifications shall be not more than one-half the amount of the fees for the first such contracting license.
3. Requires swimming pool contractors to submit a detailed statement of current financial condition.
4. Requires the amount of the bond or cash deposit of a licensee holding multiple licenses be based on the annual volume of work for each license and provides for a single surety bond or cash deposit for multiple licenses. Requires swimming pool contractors to provide a bond or cash deposit based on volume of work.
5. Provides that the bond or deposit provided by general contractors, specialty contractors and licensees holding more than one license, is for the benefit of and subject to claims by the following persons:
 - a. a licensee under this chapter or a lessee;
 - b. an owner or co-owner of non-residential real property including, but not limited to, a tenant in common or joint tenant, under the following circumstances:
 - 1) has direct contract with the licensee;
 - 2) is damaged by the failure of the licensee to build or improve a structure or appurtenance on that real property at the time the work was done in a manner not in compliance with the requirements of any building or construction code applicable under the laws of this state.
6. Provides that if no such code was applicable, compliance or noncompliance would be decided in accordance with the standards of construction work approved by the Registrar.
7. Provides that a bond or deposit provided by residential contractors, specialty residential contractors and residential swimming pool general contractors, is for the benefit of and subject to claim by any person furnishing labor, materials or construction equipment on a rental basis used in the direct performance of a construction contract involving a residential structure and persons injured.

COMMERCE AND LABOR (Cont.)

Mortgage brokers; mortgage bankers (S.B. 1250) - Chapter 326

Repeals the existing chapter on mortgage brokers and replaces it with a new chapter regulating mortgage brokers and bankers.

ARTICLE 1. BROKERS

Exempts persons from licensing who meet any of five listed criteria. Requires an applicant for a license to have not less than three years experience as a broker or equivalent experience, satisfactorily completed a course of study approved by the Superintendent of Banks, and passed a broker's test within a year of application.

Prescribes the procedures by which a person makes application for a license as a broker.

Prescribes the method for the issuance and renewal of license, branch office license and application and fees required for the license.

Allows the Superintendent to investigate the actions of any person engaged in the broker business or acting in the capacity of a licensee and deny, suspend or revoke a license.

Requires brokers to maintain and follow certain prescribed accounting practices including the deposit of all monies received by the broker in an escrow account with a licensed escrow agent.

Requires disclosure to investors before any payment of money in connection with a mortgage loan is made to a broker.

Establishes a testing committee to create, update and administer a test for brokers.

Prohibits a broker from engaging in certain prohibited acts.

ARTICLE 2. BANKERS

Requires mortgage bankers to be licensed and to meet certain application requirements as specified for the mortgage banker business, to obtain a bond and to pay the applicable fees.

Gives the Superintendent the authority to determine the issuance of a license and oversee the requirements of a mortgage banker regarding a branch office.

Allows the Superintendent to deny, suspend and revoke the license of a banker found in violation of certain acts.

Requires the banker to comply with specified accounting practices.

COMMERCE AND LABOR (Cont.)

S.B. 1250 (Cont.)

Provides that the validity of a loan is unaffected if a broker or banker fails to comply with the provisions of this chapter.

This act is effective from and after September 30, 1987.

Credit card rates; report; expiration (H.B. 2077) - Chapter 106

Extends the repeal date of A.R.S. 6-140 to December 31, 1991, requiring financial institutions to report credit card interest rates and the Superintendent of Banks to publish such information.

Smoke detectors; residential housing (H.B. 2087) - Chapter 107

Requires the tenant to maintain and keep operable smoke detectors installed in new or remodeled residential housing units unless written notification of its malfunction is given to the landlord. Requires the landlord to be responsible for the repair of a smoke detector when notice is given by the tenant. Requires the landlord to give written notification to the tenant of the tenant's responsibilities.

Banks; powers; investments (H.B. 2140) - Chapter 143

Allows bank subsidiaries and non-bank subsidiaries of holding companies to underwrite and broker the following:

1. Government obligations and municipal bonds.
2. Mortgage backed securities.
3. Property backed credit obligations.
4. Commercial paper.

Allows these subsidiaries to operate and control investment companies and deal in related securities.

~~Mechanic's lien; notice; disciplinary~~ NOW: Contractors; mechanic's lien; notice; disciplinary action (H.B. 2142) - Chapter 110

Requires that a licensee shall not prohibit, threaten to prohibit, retaliate, threaten to retaliate or otherwise intimidate any contractor or materialman from serving a preliminary notice of a mechanic's or materialman's lien. This act is effective retroactively to midnight, June 30, 1987.

COMMERCE AND LABOR (Cont.)

Liquor; brewpubs (H.B. 2185) - Chapter 32

1. Allows a person holding an in-state producer's license to sell beer as a retailer if he complies with all of the following requirements:
 - a. Holds an on-sale retail license.
 - b. Sells only beer produced by the in-state producer through his own on-sale retail premises.
 - c. The retail sale of the beer is on or adjacent to the premises of the in-state producer.
2. Requires the manufacturer-retailer of beer to comply with the tax procedures established for in-state wine producers that hold on-sale retail licenses.

Fiber optics system; licensing (H.B. 2203) - Chapter 206

Authorizes cities, towns and counties to issue licenses for fiber optics communication systems.

Provides for definitions relating to fiber optics systems. Establishes authority to issue a license and prescribes the application process to receive a license.

Exempts certain entities from licensure if they are part of a cable television system or telecommunications corporation and meet certain criteria. Provides that these licensure requirements do not affect any other provisions of law regarding fiber optics systems.

Manufactured and mobile homes; procedures (H.B. 2217) - Chapter 126

Expands the definitions of "accessory structure" and "factory-built building" and adds a definition of "installation."

Requires the Manufactured Housing Board and the Installations Standards Committee to promulgate rules relating to inspection and installation of manufactured and mobile homes as part of a sales contract or an agreement to move a manufactured or mobile home.

Allows the Assistant Director to discontinue natural gas or electrical service to a home not located in a mobile home park if an inspection reveals faulty installation which poses danger to the inhabitants.

Requires the Assistant Director to verify written complaints against dealers, brokers, salespersons, installers and manufacturers made within one year of purchase or installation of the home.

COMMERCE AND LABOR (Cont.)

H.B. 2217 (Cont.)

Provides for an exemption of dealers or brokers of manufactured or mobile or factory-built homes from surety bond or cash deposit requirements.

Prohibits a salesbroker, dealer or broker of mobile or manufactured homes from collecting claims on a surety bond or cash deposit.

Changes the name of the Trust Account Recovery Fund to the Consumer Recovery Fund. The bond monies required before granting an original license that are currently deposited in the manufactured housing cash bond fund are to be deposited in the fund.

Allows the Director of the Office of Manufactured Housing, on approval of the board, to expend up to 75 per cent of the previous fiscal year's interest earned on the consumer recovery fund for consumer and licensee education in connection with the Office of Manufactured Housing.

Mechanics' lien; architects, engineers, surveyors (H.B. 2229) - Chapter 341

Allows architects, engineers and land surveyors to obtain a lien for professional services rendered.

Provides for a definition of professional services and the rights granted to certain persons with valid lien rights. Specifies time limits on the attachment of a lien, applicability of liens and notice requirements of liens.

Provides for priority of professional services liens to be equal with those of mechanics' and materialmans' liens.

Liquor license; revocation; prior lien (H.B. 2280) - Chapter 218

Requires the Department of Liquor Licenses and Control to provide the same notice to a lienholder that is provided to a licensee of all disciplinary action involving the license. Provides that the state shall not be liable for damages for any failure to provide the required notice.

Requires the Board or Superintendent in an act to revoke a license, to evaluate the circumstances and consider mitigating factors with respect to any lien filed against the licensee.

Provides for the Board or Superintendent to order the forfeiture of all interest of the licensee in the license, if the Department does not revoke the license due to the existence of a bona fide lien. If there is more than one lienholder, the Board or Superintendent may inquire into all liens and issue orders with the provisions of this subsection.

COMMERCE AND LABOR (Cont.)

Residential lease violations; remedies (H.B. 2283) - Chapter 263

Provides for remedies for residential lease violations including the following:

Reduces the time period for termination of a rental agreement by either party to 14 days from 30 days after receipt of notice when there is a material noncompliance. Reduces the period of time to remedy the breach to 10 days from 14 days.

Reduces the time for termination of a rental agreement by either party to 10 days from 20 days upon notice of a noncompliance affecting health and safety. Reduces the period of time to remedy such breach to 5 days from 10 days.

Allows the landlord to institute a special detainer action after giving a 30-day notice to a tenant if a second noncompliance of the same or similar nature occurs within a period of six months from the previous remedy of a noncompliance.

Provides for imminent serious property damage to be cause for written notice of immediate rental agreement termination.

Provides for the filing of a special detainer action if rent is unpaid more than seven days after past due notice is served and allows the landlord to recover reasonable damages including attorney fees and quantifiable damages.

Reduces the time after which the tenant may cause minor work to be done and deduct those costs from his rent to ten days from twenty days after the landlord has been notified of the defect and fails to comply.

Defines "abandonment" and provides the following remedies for abandonment of property:

1. Requires the landlord to send a notice of abandonment by certified mail to the tenant and post a notice for five days if the dwelling has been abandoned.
2. Allows the landlord to retake possession of the dwelling five days after notice of abandonment has been posted and mailed; allows the landlord to re-rent the property and retain the security deposit.
3. Requires the landlord to make reasonable efforts to rent the dwelling at a fair rental, and, if rented, the original rental agreement is deemed to be terminated as of the date the new tenancy begins. Establishes the date of notice of abandonment as the termination date of a rental agreement if the landlord does not make reasonable efforts to re-rent.

COMMERCE AND LABOR (Cont.)

H.B. 2283 (Cont.)

4. Requires the landlord to hold the tenant's personal property for 60 days. If the tenant makes no reasonable attempt to recover it, the landlord may sell the property and apply the proceeds to the tenant's outstanding rent. The property may be destroyed if its value is less than the cost of moving, storage and conducting a public sale, if so provided in a written rental agreement.
5. Requires the landlord to keep adequate records of the tenant's unpaid rent and personal property and hold any excess proceeds for the benefit of the tenant for a period of 12 months after the sale.
6. Allows the tenant five days to reclaim the personal property after he notifies the landlord in writing, and upon payment to the landlord for the costs incurred in removal and storage.

Establishes procedures for special detainer actions:

1. Provides for the issuance of a summons on the day the complaint is filed which commands the person against whom the complaint is made to answer the complaint within three to six days from the date of the summons.
2. Allows the trial to be postponed for good cause for not more than three days in a justice court or five days in the superior court.
3. The court may determine the right to actual possession, assess damages, attorney fees and court costs.
4. Provides for the court to order immediate restitution for the plaintiff if the court finds that a material and irreparable breach occurred, and prescribes conditions of the judgment.

Savings and loan associations; trusts (H.B. 2285) - Chapter 116

Prescribes the scope and authority for the operation of trust divisions or subsidiaries by savings and loan associations.

Requires associations to maintain the same type of trust records as required of banks. Exempts certain associations from needing separate trust company certificates.

Allows associations to establish and administer common trust funds and to serve as a depository for funds of other trust companies.

COMMERCE AND LABOR (Cont.)

H.B. 2285 (Cont.)

Exempts associations from rendering a court accounting of trust funds unless ordered by a court of competent jurisdiction. Allows associations to apply for informal probate proceedings if they are named in the will to act as a personal representative and to serve as a personal representative or conservator without posting a bond with the court. Permits the association operated by the conservator or trustee to serve as depositories for estate and trust funds.

Credit union conversions (H.B. 2312) - Chapter 233

Allows credit unions to convert into alternate forms of financial institutions by merger or sale of assets with approval by a supervising regulatory agency.

1. Provides the following conditions for conversion:
 - a. The resulting entity may not be a credit union and may not acquire or merge with an existing credit union for three years after the conversion.
 - b. The board of directors of the converting credit union must submit the final plan with an application and any other required information for the Superintendent's approval.
 - c. Within 60 days of filing, the Superintendent shall approve any plan of conversion and application after examining the credit union's financial history and condition unless the Superintendent finds the statutory criteria are not met.
 - d. After receiving the Superintendent's approval, the credit union shall submit the final conversion plan for approval by a majority of its members.
 - e. Each member is entitled to one vote on the conversion and will be sent a ballot by certified mail. A dissenting member is entitled to receive dissenters compensation in cash as provided for in general corporation law.
2. Requires all debts, obligations and liabilities be paid or provisions made to do so for credit unions converting through sale of assets.
3. Allows the resulting entity to simultaneously or subsequently convert into a newly formed federal financial institution, provided any necessary approval from a federal supervising regulatory agency is obtained.

COMMERCE AND LABOR (Cont.)

H.B. 2312 (Cont.)

4. Prohibits a person other than a holding company formed by the resulting entity from acquiring control of the entity or its holding company for three years after the conversion.
5. Prohibits any voting security acquired in violation of any provision controlling conversion from voting rights for five years after the acquisition, except by permission of the Superintendent. Any shareholder, its holding company or the Superintendent may apply to superior court for injunctive relief to prohibit the violator from voting.
6. Allows the Superintendent to promulgate rules or issue appropriate or necessary orders to regulate conversions.

Retail installment contract; leases (H.B. 2321) - Chapter 272

Changes the definition of "retail installment contract" in section 44-281 to clarify that a bailee or lessee who has the option to become the owner of a motor vehicle may do so for no other or for a nominal consideration upon full compliance with contractual provisions. Excludes services purchased in connection with a lease from the definition of a "retail installment transaction." Allows a retail seller to pay a premium for insurance in lieu of perfecting a security interest created by a retail installment transaction.

Domestic microbrewery (H.B. 2323) - Chapter 264

Establishes provisions for the licensing, fees and taxes on domestic microbreweries. Establishes a domestic microbrewery license that allows a licensee to sell the beer on or off the premises and make sales and deliveries to person licensed to sell beer.

Requires that licensed microbreweries:

1. Produce not less than 10,000 gallons of beer in each year following the first year of operation.
2. A controlling person shall have an interest in only one microbrewery which is operated at only one site.
3. All retail operations in conjunction with the microbrewery shall be conducted from the site of the microbrewery.

Increases original and annual license fee for domestic farm wineries from \$100 to \$300; establishes original and annual license fees of \$300 for microbreweries.

Requires domestic microbreweries to pay luxury and privilege taxes on all malt liquor sold.

COMMERCE AND LABOR (Cont.)

Contractor licensing NOW: Registrar of contractors; nonresidential contractors (H.B. 2350) - Chapter 348

An emergency measure prescribing bond requirements, conditions of licensing and release of certain bonds for contractors.

Requires that the Registrar of Contractors be confirmed by the Senate.

Prescribes the bond required before granting an original contractor's license in amounts based on the estimated annual volume of work. Subjects swimming pool contractors to the same bond schedule.

Provides that contractors who hold both residential and commercial classifications and whose total estimated volume of work for all licenses is \$350,000 or less may post a single bond based on their commercial bond requirements.

Clarifies who is eligible to claim on a residential bond.

Permits temporary licenses to be issued to commercial contractors required to be regulated as a commercial contractor from and after July 1, 1987, subject to certain requirements.

Allows the release of a swimming pool contractor's surety bond or cash deposit posted under prior law where the new bonding requirements are met, so long as no claims are outstanding against it.

Trust deed sales (H.B. 2365) - Chapter 286

Provides for certain procedures for the sale of trust deed property relating to the location and legal description of the property including required information needed for proper notice of sale. Any error or omission required in such notice shall not invalidate a trustee's sale.

Requires a trustee to provide certain information relating to the trustee's sale and trust property upon request when a trust deed is subject to reinstatement.

Amends procedures for bidding relating to the public auction of a trust property and requires bidders to meet certain time limits for the payment of such bid.

This act is effective from and after December 31, 1987.

Consumer loans; requirements (H.B. 2382) - Chapter 210

Defines "consumer loan" as a direct loan of \$10,000 or less that is subject to a finance charge or any other compensation.

COMMERCE AND LABOR (Cont.)

H.B. 2382 (Cont.)

Exempts individuals not regularly in the business of making loans and companies making guaranteed student loans under federal law from the requirements of the consumer loan statutes.

Requires prior notice to the Superintendent before any other business is conducted on any licensee's premises. Allows the Superintendent to issue a cease and desist order, before holding a hearing, if the business being conducted in the same place as the consumer finance office is being conducted in such a manner as to evade the statutory requirements or is contrary to the public interest.

Removes the requirement that the Superintendent publish an annual analysis and recapitulation of the annual reports submitted by the consumer finance companies.

Eliminates the Spanish/English form disclosure and provides for the use of signs informing borrowers of the availability of Spanish disclosures. Requires all promissory notes disclose that the borrower may request the Spanish language disclosure before signing any loan documents. Provides for a \$300 penalty against a licensee for failure to execute a bilingual disclosure.

Prohibits consumer lenders from charging an annual percentage rate of more than 36 per cent.

Permits charges to be calculated based on thirty day months or on a 360, 365 or 366 day year, as the borrower and lender may agree in writing.

Banking department; fees (H.B. 2383) - Chapter 221

Establishes fees to be assessed by the Banking Department for applications, renewals, and annual examinations of financial institutions.

Authorizes the Superintendent to set the amount of annual assessments upon banks, savings and loans and credit unions, with consideration given to the annual assessment set by the comptroller of the currency for national banks and the assessments for credit unions set by the National Credit Union Administration for federal credit unions.

Removes consumer lenders from assessment requirements.

Requires the Superintendent to make annual assessments before August 31 of each year.

Allows the Superintendent to charge no more than \$50 per hour for each examiner employed for any examination.

COMMERCE AND LABOR (Cont.)

H.B. 2383 (Cont.)

Provides for increases of the application fees and annual renewal fees paid by financial institutions, enterprises and branches.

Allows the Superintendent to give consideration to the potential impact of the acquisition on the acquiring institution in determining the comparability of offers of an emergency acquisition of an in-state financial institution.

Repeals provisions which established priorities for the approval of acquisition offers of failing financial institutions and which required Superintendent approval of a bank as a qualified reserve depository.

Provides for late fees to be assessed for late applications and reports and an increase in the rate at which funeral establishments can be assessed for examiners from \$100 to a maximum of \$400 per day for each examiner.

Commerce department; tourism; solar energy (H.B. 2412) - Chapter 327

Combines the functions of the Solar Energy Commission into the Department of Commerce including the following provisions:

1. Repeals existing sections on the Commission and provides for the powers and duties of the newly named solar energy advisory council.
2. Prescribes the terms, conditions and duties of the council.
3. Establishes a commerce and solar energy fund consisting of monies received from department services and publications.
4. Provides for a delayed repeal of the Commercial Solar Credit. Extends the sunset date for the council to July 1, 1994. This act is effective retroactively to July 1, 1987.

Board of cosmetology (H.B. 2461) - Chapter 276

An emergency measure prescribing name changes, new definitions and adding license types. Inserts "nail technician" and "nail technology" as terms to replace "manicurist," and "manicuring"/"pedicuring," respectively, and adds a definition for "cosmetic purposes." Expands the definition of "salon" to include a mobile unit and requires the board to promulgate rules for mobile salon units. Establishes fees for different types of aesthetic salon licenses. Changes the heading of Title 32, Chapter 5, Article 2, to "cosmetologists, aestheticians and nail technicians." Amends application requirements for aesthetician's licenses and adds a new section addressing inactive licenses and reactivation.

COMMERCE AND LABOR (Cont.)

Overhead powerline safety; responsibility (H.B. 2453) - VETOED

Would have clarified the responsibilities for safety of activities near overhead electrical powerlines. Would have defined and classified responsibility, liabilities and civil penalties for violations.

In his veto message, the Governor stated the bill imposed strict liability without regard as to whether an alleged violation of the act actually caused or contributed to an accident. The Governor stated that the bill was flawed because liability would be placed upon a person without being able to clearly discern the issues of violation, negligence and responsibility.

EDUCATION

LEGISLATION ENACTED
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FIRST REGULAR SESSION

EDUCATION

~~Community colleges; DOA facilities; exemption~~ NOW: Community colleges; appropriations for capital outlay; exemption (S.B. 1079) - Chapter 360

Exempts the State Board of Directors for Community Colleges from the state agency capital review process for those capital projects which are funded from local property taxes, bonds, or from the state aid formula for capital outlay. Requires the State Board to comply with the state capital review process when requesting special appropriations for capital projects for community colleges or for matching monies for new campuses. Effective June 30, 1987, modifies the state aid formula for maintenance and operations by changing the current reference to the preceding year's state aid received to the preceding year's state aid prescribed by statute based upon the estimated enrollment. Amends Laws 1987, Chapter 154 (S.B. 1191) by allowing cafeteria plans as a community college employee benefit instead of requiring them.

School district procurement; rules; report (S.B. 1080) - Chapter 293

An emergency measure allowing the State Board of Education, with the approval of the Auditor General, to adopt procurement rules for school districts which contain modifications of the provisions in the state procurement code. Gives school district governing boards the option of publishing public notice of an invitation for bids either as prescribed by the procurement code or by publishing the notice in the official newspaper of the county. Repeals provisions specifying services for which school districts may purchase three-year contracts and the requirement that school districts submit an annual list of vendors.

Board of regents; student member (S.B. 1104) - Chapter 76

An emergency measure establishing in permanent law the current session law providing for a student regent. Adds the following provisions to the current law:

1. Requires the Governor to consider the nominees submitted by the student association, but allows the appointment of any qualified student.
2. Requires the Governor to submit the name of the nominee to the Senate for confirmation before adjournment and prohibits the student regent from serving until confirmed by the Senate.

EDUCATION (Cont.)

Excess insurance costs; schools; 1987-1988 (S.B. 1131) - Chapter 9

An emergency measure enabling school districts to continue to budget for excess insurance costs outside their revenue control limits for fiscal year 1987-1988. Defines excess insurance as the amount of property and casualty insurance costs greater than a 100 per cent increase over the 1984-85 cost of property and casualty insurance plus the percentage increase in the districts' general budget limit between 1985-1986 and 1987-1988 applied to the 1984-1985 insurance costs. Requires the Department of Education to prescribe the method for determining the insurance costs.

Juvenile offenders; educational rehabilitation (S.B. 1139) - Chapter 324

Requires juveniles under probation from the juvenile court or released from the Department of Corrections (DOC) who have not acquired a GED or a high school diploma to either attend school and make satisfactory progress or attend an on-the-job training program or secure and maintain employment. Requires either the juvenile court or the DOC, whichever has jurisdiction, to take appropriate action to enforce, modify, revoke the order granting probation or terminate the release if the juvenile does not meet one of the requirements. Requires the school district of the juvenile's residence to admit the juvenile to a school in the district even if the juvenile had previously been expelled, but allows the district to expel the juvenile for subsequent actions. Requires the school the juvenile chooses to attend to screen the juvenile for possible handicapping conditions.

Accounting responsibility pilot program; schools (S.B. 1140) - Chapter 132

An emergency measure authorizing a pilot program allowing the State Board of Education to approve up to ten school districts with a student count of at least 10,000 to assume accounting responsibility and operate with full independence from county school superintendents with regard to revenues and expenditures. Requires the Auditor General to evaluate districts applying for the program and to conduct an annual review of the districts in the program, and allows the Auditor General to recommend at any time that a district be disapproved to continue in the program. Requires the State Board of Education in consultation with the Auditor General to report to the Legislature by September 1, 1990, recommendations for continuing the pilot program and extending it to allow other school districts to participate. The act expires from and after June 30, 1991.

EDUCATION (Cont.)

School buses; safety rules (S.B. 1199) - Chapter 155

Requires the Director of the Arizona Department of Transportation (ADOT) to work in conjunction with the State Board of Education in adopting rules for the safety and welfare of school bus passengers. Transfers the responsibility of enforcing the rules, including the yearly inspection of school buses, from ADOT to the Department of Public Safety.

Test data analysis; DOE report (S.B. 1204) - Chapter 24

Requires the Department of Education to annually provide a report to the Legislature containing an analysis of the results of the annual statewide achievement test, including a comparison of actual to expected test scores. Requires the Superintendent of Public Instruction to seek advice on the format of the report from potential users of the report. The cost of the report is to be paid from \$60,000 of federal block grant monies.

Desegregation costs; capital outlay budget (S.B. 1205) - Chapter 296

An emergency measure allowing school districts to budget outside the capital outlay revenue limit for capital expenses incurred in complying with a court order of desegregation or an administrative agreement with the U.S. Department of Education Office of Civil Rights. Limits the amount which can be budgeted to 12 per cent of the maintenance and operation desegregation budget.

County school superintendent's duties (S.B. 1229) - Chapter 36

Repeals archaic provisions in the prescribed powers and duties of the county school superintendent.

ASDB; sensory impaired pupils (S.B. 1251) - Chapter 363

An emergency measure containing the following provisions regarding the education of sensory impaired pupils:

1. Establishes a three year pilot program of regional service cooperatives for sensory impaired pupils to be operated by the Arizona State School for the Deaf and the Blind (ASDB) through intergovernmental agreements with participating school districts. Requires the cooperatives to provide:
 - a. Educational programs and related services for all sensory impaired pupils if the school district of residence is participating in the cooperative and cannot provide an appropriate program.

EDUCATION (Cont.)

S.B. 1251 (Cont.)

- b. Supplemental services to assist school districts in providing educational and related services to sensory impaired pupils, including evaluations, specialized related services and program and staff development assistance.
2. Requires the State Board of Education to establish a Sensory Impairment Advisory Committee which will serve as the advisory committee for the pilot program of regional service cooperatives and will make recommendations regarding:
 - a. Modifications of current rules governing special education programs for sensory impaired pupils.
 - b. A summer program for sensory impaired pupils.
 - c. A classification system for pupils who have both mental and sensory impairments.
 - d. Residential placement for sensory impaired pupils who reside in remote areas.
 - e. Admission criteria for placement at a special purpose school operated by the ASDB.
 - f. Programs for teachers of the sensory impaired.
3. Requires the State Board of Education to establish a Committee to Study the Improvement of Special Education Services, to make recommendations regarding improvements to the statewide system of delivery of special education services and modifications of existing rules to provide consistent standards for special education programs.
4. Reestablishes the Joint Legislative Committee to Study the ASDB, adds school district representatives to the Committee and requires the Committee to develop recommendations related to the current system of funding the ASDB and school district programs for the sensory impaired by November 1, 1987.
5. Allows the State Board of Education to withhold special education voucher monies from an institution for noncompliance with state law.
6. Adds a new handicapped category, multiple handicapped with severe sensory impairment, to the school finance formula.

EDUCATION (Cont.)

S.B. 1251 (Cont.)

7. Updates the ASDB statutes to reflect current practices, to remove archaic language and to provide consistency with other education statutes.

The pilot program and the committees terminate from and after June 30, 1990.

Teacher certification study (S.B. 1264) - Chapter 83

An emergency measure requiring the State Board of Education to study the current requirements for certification of teachers trained in other states to determine whether the requirements discourage these teachers from applying for certification and make it difficult for districts to recruit these teachers. Requires the State Board to report its findings to the Legislature by November 1, 1987.

Gifted pupils; annual financial report (S.B. 1311) - Chapter 85

Adds a provision to the law on programs for gifted pupils requiring school districts to report how much they spend on the programs and the number of pupils enrolled in them.

School resources; prohibited political use (S.B. 1341) - Chapter 240

Requires the State Board of Education by December 31, 1987, to prescribe rules limiting the use of school resources for the purpose of influencing the outcomes of elections and rules for governing board policies regarding the political activities of school district employees. Requires school district governing boards to adopt policies by June 30, 1988, that are consistent with the State Board rules. Specifies that the currently allowed uncompensated use of school property by public organizations would be limited by the rules adopted by the State Board.

Teacher performance evaluation system; report (S.B. 1378) - Chapter 303

Requires school districts to include in their annual report on the teacher performance evaluation system evidence that teachers were involved in the development of the evaluation system.

EDUCATION (Cont.)

Daily attendance; parent-teacher conferences NOW: School finance studies; intergovernmental agreement (S.B. 1383) - Chapter 201

An emergency measure requiring the State Board of Education to conduct or enter into an intergovernmental agreement with the Arizona Board of Regents to conduct school finance studies by November 1, 1987, and November 1, 1988. Requires the Department of Education to reserve \$100,000 of federal block grant monies for fiscal year 1987-1988 to pay for the cost of the studies.

Inadequacy of classroom performance notices (S.B. 1384) - Chapter 202

Clarifies the procedure which a governing board may use in issuing a preliminary notice of inadequacy of classroom performance to a teacher by specifically allowing the governing board to delegate to employees the general authority to issue these notices without prior board approval. Requires the employees issuing such notices to report the issuance to the board within five school days. Specifies that the term "certificated teacher" does not include psychologists.

Regents; WICHE loans; interest rates (S.B. 1420) - Chapter 15

Changes the rate of interest for repayment of state aid under the WICHE program from 12 per cent per annum to the average interest rate of auctioned 91-day United States treasury bills. Also increases the maximum repayment period from 10 to 15 years.

Joint legislative committee; education excellence (S.B. 1423) - Chapter 245

An emergency measure creating a 13 member Joint Legislative Committee on Goals for Arizona's Educational Excellence to recommend a list of specific, attainable goals for education and indicators to determine the progress made toward attaining these goals. Goals are to be reported to the Superintendent of Public Instruction by September 15, 1987, with final recommendations for goals and indicators due December 31, 1987, to the President of the Senate, the Speaker of the House of Representatives and the State Board of Education.

The committee terminates from and after December 31, 1987.

EDUCATION (Cont.)

School dropout prevention program (S.B. 1424) - Chapter 333

An emergency measure establishing a three-year dropout prevention program allowing eligible school districts to increase their high school student counts for budget purposes by 75 per cent of the difference between the average daily membership for the first 40 and 100 days in session. The additional budget capacity generated by this increase will be paid by an increase in local property taxes which is not subject to the homeowner's rebate. Allows the State Board of Education to approve districts to participate in the program if:

1. For the previous year, the average daily membership through the first 40 days in session was at least one per cent greater than it was through the first 100 days in session.
2. The school district governing board submits a comprehensive dropout prevention plan to the Department of Education.
3. For the second or third year, the district demonstrates satisfactory progress toward the goals specified in the dropout prevention plan.

Requires districts to use the additional budget capacity only for their dropout prevention program. Requires the State Board of Education to submit a recommended definition of "dropout" and a system for reporting dropouts to the Legislature by November 15, 1988, and the Department of Education to submit a report on the dropout prevention programs to the Legislature by November 15, 1989.

Universities; nonpedestrian traffic; regulation (S.B. 1456) - Chapter 246

Allows the Board of Regents to:

1. Adopt rules controlling the traffic of nonpedestrian devices on properties under its jurisdiction.
2. Impose the sanctions that currently apply to parking violations to cover all violations of traffic rules by students, faculty and staff.
3. Impound nonpedestrian devices belonging to members of the general public who violate rules governing the nonpedestrian devices on property under the Board's jurisdiction.
4. Defines nonpedestrian devices to include skateboards, bicycles, roller skates and horses.

EDUCATION (Cont.)

State aid; monthly apportionment NOW: Alternative kindergarten programs (H.B. 2022) - Chapter 93

Allows school districts to offer alternative kindergarten programs having attendance of three days per week. Requires that the minimum number of minutes per day in such programs be increased so that the total minutes per year would be at least as great as the total minutes per year in a regular kindergarten program of five days per week.

School budgets; warrant expenses (H.B. 2060) - Chapter 188

Allows school districts to budget outside the revenue control limit for the interest expense of registering warrants incurred the year preceding the current year if:

1. The county treasurer pooled all tax levied accounts for investment.
2. The school district applied for an early apportionment of state aid.

Requires the Department of Revenue to submit claims for unsecured property before the first day of each month and the Department of Education to make payments for additional state aid for unsecured property on the 15th day of each month.

Marijuana; produce for sale NOW: Tests on personal beliefs (H.B. 2099) - Chapter 320

Requires school district governing boards in consultation with parents, teachers and administrators to develop a policy on parental involvement in the schools by January 1, 1988, including:

1. A plan to improve parent and teacher cooperation in areas such as homework, attendance and discipline.
2. Procedures for parents to learn about their children's courses of study and review learning materials.
3. Procedures for parents to withdraw their children from activities or programs when they object to the materials or activities involved, including objections that the material or activity questions beliefs about sex, morality or religion.

Requires school personnel to provide parents access to instructional materials upon written request by a parent. Requires the school to have at least one copy of each instructional material available for review. Allows textbooks and printed material to be taken from the school district premises for not more than 48 hours for review, and all films and other materials to be reviewed only on the school district premises.

EDUCATION (Cont.)

Schools; financial records system; corrections (H.B. 2104) - Chapter 62

Increases from 60 to 90 the number of days within which a school district must demonstrate to the State Board of Education that it has corrected a deficiency in its compliance with the uniform system of financial records.

Teacher certification; complaint procedures continue (H.B. 2111) - Chapter 220

Allows the State Board of Education to continue to act on complaints filed against certificated personnel even after their certificates have expired or have been suspended or surrendered.

Board member; spouse; employment prohibition (H.B. 2114) - Chapter 138

Adds to the conflict of interest statutes provisions clarifying the prohibition against school and community college district governing boards employing members or spouses of members.

DOE; remove budget form requirement (H.B. 2155) - Chapter 164

Repeals the provision which requires the Department of Education to send a budget form to school districts annually by October 1.

Missing children; records; flagging (H.B. 2156) - Chapter 254

Requires the records of a missing child to be flagged at both the school a child attends and the State Registrar and requires that all inquiries made about these records be traced. Requires the guardians of a pupil in kindergarten through grade 12 to provide proof of the pupil's identity and age to the school district enrolling the pupil, or to the county school superintendent if the pupil is taught at home.

State aid adjustment; succeeding year (H.B. 2160) - Chapter 338

Adds a provision to the section of law which allows a common school district not within a high school district to adjust its budget to conform to over- or under-estimation of tuition charges for high school pupils. Requires the Superintendent of Public Instruction to adjust a district's state aid in the following year to correct any over- or under-payment if the adjusted budget limit required a corresponding adjustment of state aid which could not be made in the current year.

EDUCATION (Cont.)

Budgets; financial reports; mailing authorized (H.B. 2267) - Chapter 343

An emergency measure allowing school districts to publish their annual financial reports in the official newspaper of the county, instead of in a newspaper of general circulation within the school district.

School procurement; bid invitation; publication NOW: Psychologists; qualifications (H.B. 2268) - Chapter 271

Removes the Board of Regents as the agency responsible for recognizing accrediting agencies to approve doctoral programs in psychology from which applicants for state certification have graduated. Requires programs of U.S. institutions to be approved by a regional accrediting agency and requires applicants who have graduated from a foreign program to show that the program meets all the requirements of at least one regional accrediting agency.

Free textbooks; ending phase in NOW: County treasurer; school district accounts (H.B. 2292) - Chapter 345

Allows county treasurers to maintain either separate accounts for each school district fund or only two accounts (in addition to accounts for bond monies) for each school district, one consisting of all tax levied monies and the other consisting of all other monies. Clarifies that county treasurers may only register warrants on tax levied accounts. Changes from the 10th to the 15th the day of the month by which the county treasurer must notify the county superintendent of the month end balances and requires these balances to be provided for each account maintained instead of for each school district fund.

Unexpended balances; authorize carry forward NOW: Carry forward balance; maintenance and operation (H.B. 2298) - Chapter 269

An emergency measure allowing school districts for fiscal years 1987-1988 through 1989-1990 to carry forward a limited amount of their maintenance and operation budget balance from the prior year. The amount carried forward may not exceed 0.5 percent of the district's revenue control limit or include any portion of the budget balance attributable to monies budgeted outside the revenue control limit for excess insurance, excess utilities, audit costs or the bond issues portion of tuition. Requires the Department of Education to report by December 1, 1989, the amount of the fund balance carried forward in total and per student count for each school district, and the cost of the additional state aid caused by the carry forward.

EDUCATION (Cont.)

Absence of pupil; parental notification (H.B. 2322) - Chapter 273

Requires schools to make a reasonable effort to telephone the parents of a child in kindergarten through grade eight of the child's unauthorized absence from school within two hours after the first class which the child misses. Requires school districts to notify parents of their responsibility to notify the school in advance of any authorized absence of their children and to provide a current telephone number, if available. Exempts school districts, governing board members and employees or agents of a school district from liability for failure to notify parents of an unexcused absence of their children.

School district certification of teachers (H.B. 2327) - Chapter 313

Prohibits the State Board of Education from requiring that applicants for a special teaching authorization as an associate teacher pass a written proficiency examination to demonstrate minimum teaching skills.

~~ASDB; residency requirements~~ NOW: Base level increases; school districts (H.B. 2450) - Chapter 235

An emergency measure adding a provision specifying that approval for a school district to increase its base level for a given fiscal year is approval for that year only and is not a permanent increase in the base level for that school district. This provision applies to the career ladder program, additional monies for teacher compensation and any other future program that might be similarly structured.

Voluntary school prayer (H.C.R. 2003)

Requests the United States Congress to propose an amendment to the constitution that asserts the right to voluntary prayer in public schools.

COMMITTEES AND BOARDS
CREATED DURING THE 1987 SESSION

EDUCATION

ASDB; sensory impaired pupils
S.B. 1251

Created (or extended) the following four committees:

1. Regional Service Cooperative Advisory Committees

PURPOSE: To provide advice on the administration of the three regional service cooperatives for sensory impaired pupils.

MEMBERSHIP: Other: Must include parents, representatives from participating school districts, and representatives from local organizations which provide services to the sensory impaired.

REPORTS: None

TERMINATION DATE: June 30, 1990

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 363, Section 19

2. State Board of Education Sensory Impairment Advisory Committee

- PURPOSE:
- a. To review the current rules governing special education programs for sensory impaired pupils and make recommendations to the State Board of Education regarding modifications necessary to ensure consistency of standards among programs statewide.
 - b. To review and make recommendations to the Legislature regarding:
 - 1) A summer program for sensory impaired pupils.
 - 2) A classification system for pupils who have both mental and sensory impairments.
 - 3) A framework for cooperative agreements to provide residential placement for sensory impaired pupils who reside in remote areas.
 - 4) Admission criteria for placement at a special purpose school operated by ASDB.

Education Committee
Committees and Boards

- c. To review and make recommendations to the Board of Regents regarding expansion and funding of programs for teachers of the sensory impaired.
- d. To develop guidelines for expenditures from the tuition fund.
- e. To serve as the advisory committee for the pilot program of regional service cooperatives.

MEMBERSHIP: Other: All appointed by the State Board:

- 3 - Parents of children who are sensory impaired.
- 2 - Sensory impaired adults.
- 1 - Representative from a nonpublic organization which provides services to hearing impaired children.
- 1 - Representative from a nonpublic organization which provides services to visually impaired children.
- 1 - Representative from the Arizona State School for the Deaf and the Blind (ASDB).
- 1 - Representative from a school district who is experienced in the area of special education for sensory impaired children.
- 1 - Representative from the Department of Education who is knowledgeable in the area of special education for sensory impaired children.
- 2 - Representatives from the Department of Economic Security.
- 1 - Representative from the Department of Health Services who is knowledgeable in the area of screening and evaluation of sensory impaired children.

REPORTS: September 1, 1987, expenditure guidelines for the tuition fund

TERMINATION DATE: June 30, 1990

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 363, Section 21

Education Committee
Committees and Boards

3. State Board of Education Committee to Study
the Improvement of Special Education Services

PURPOSE: To make recommendations regarding:

- a. Improvements to the statewide system of delivery of special education services.
- b. Modifications to existing rules to provide consistent standards for special education programs.

MEMBERSHIP: Senate: 2 - Appointed by the President of the Senate.

House: 2 - Appointed by the Speaker of the House of Representatives.

Other: 5 - Parents of handicapped children.
1 - Representative from the Arizona State School for the Deaf and the Blind.
1 - Representative from the Department of Education who is knowledgeable in the area of special education.
3 - Representatives from school districts who are experienced in the area of special education.
1 - County school superintendent.
1 - Representative of a university which is under the jurisdiction of the Arizona Board of Regents.
1 - Representative from the Sensory Impairment Advisory Committee.

REPORTS: None

TERMINATION DATE: June 30, 1990

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 363, Section 22

Education Committee
Committees and Boards

4. Joint Legislative Committee to Study the Arizona
State School for the Deaf and the Blind (Extended)

PURPOSE: To develop recommendations related to the current system of funding the Arizona School for the Deaf and the Blind (ASDB) and school district programs for the sensory impaired.

MEMBERSHIP: Senate: 3 - Appointed by the President of the Senate, one to cochair the committee.

House: 3 - Appointed by the Speaker of the House of Representatives, one to cochair the committee.

Other: 3 - Parents of children who are eligible to attend the ASDB - Appointed by the Speaker of the House of Representatives.

2 - Sensory impaired adults - Appointed by the President of the Senate.

1 - Member of the Board of Directors of ASDB - Appointed by the President of the Senate.

1 - The Deputy Associate Superintendent for Special Education of this state or another representative from the Department of Education, Division of Special Education - Appointed by the State Board of Education.

1 - The Superintendent of ASDB or another representative from the school - Appointed by the Board of Directors of ASDB.

1 - Representative from the Department of Economic Security in the field of developmental disabilities - Appointed by the President of the Senate.

2 - Representatives from school districts - Appointed by the Speaker of the House of Representatives.

REPORTS: November 1, 1987

TERMINATION DATE: June 30, 1990

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 363, Section 24

Education Committee
Committees and Boards

Joint legislative committee; educational excellence
S.B. 1423

NAME: Joint Legislative Committee on Goals for Arizona's Educational Excellence

PURPOSE: To recommend a list of specific, attainable goals for education including: achievement levels of pupils at the end of grades three, eight and twelve; high school graduation rate; and post-school employment and college enrollment rate.

MEMBERSHIP: Senate: 3 - Appointed by the President of the Senate.

House: 3 - Appointed by the Speaker of the House of Representatives.

Other: 1 - Member from the business community.
1 - Member from the educational community.
1 - Member from a school district governing board.
1 - Member of the State Board of Education.
1 - Parent of a pupil in kindergarten or a grade from 1 to 12.
1 - Teacher.
1 - Superintendent of a school district.

REPORTS: December 31, 1987

TERMINATION DATE: December 31, 1987

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 245

FINANCE

LEGISLATION ENACTED
THIRTY-EIGHTH LEGISLATURE
FIRST REGULAR SESSION

FINANCE

Sales tax exemption; packing ice (S.B. 1002) - Chapter 69

Exempts ice and dry ice used for packing, shipping or transporting food from the transaction privilege tax.

Property tax exemption; vehicle valuation (S.B. 1023) - Chapter 33

Exempts the value of motor vehicles when determining property tax exemption eligibility for veterans, widows, widowers and disabled persons.

Installment payment of estate tax (S.B. 1041) - Chapter 178

Allows Arizona estate tax liability to be paid in installments if the taxpayer makes federal estate tax payments in installments and the state liability exceeds \$50,000.

Municipal bonding (S.B. 1062) - Chapter 291

Allows municipalities to issue bonds as short term obligations that may be repurchased and reissued during the life of the bond authorization. Bonds may be issued in the form of commercial paper, zero coupon or variable rate instruments.

Requires the municipality to employ a recognized agent in municipal bonds to market and remarket the issues, and allows the municipality to contract with a commercial bank to give guarantees and a line of credit for redeeming the bonds.

Interest rates may not exceed the maximum authorized by the bond election. When setting aside monies to pay bond interest on variable rate bonds the assumed rate of interest shall be 25 per cent above the actual rate at issue provided this does not exceed the maximum rate authorized.

Subsidiary corporation rental sales tax (S.B. 1063) - Chapter 44

Allows a corporation with an 80 per cent ownership of its subsidiaries to lease or rent tangible personal property to the subsidiary or between subsidiaries without incurring a sales tax obligation if taxes were paid on the gross proceeds or income from the initial sale of the personal property.

FINANCE (Cont.)

~~Executive salaries; reduction for absence~~ NOW: Tax exemptions; sales of goods (S.B. 1108) - Chapter 34

Exempts purchases of food items under the Special Supplemental Food Program for Women, Infants and Children (WIC) from state and local sales taxes. This exemption is effective from and after September 30, 1987.

~~State budget units; prepayment authority~~ NOW: Enterprise zones (S.B. 1145) - Chapter 361

Allows a county board of supervisors to establish an enterprise zone committee for the purpose of submitting specific areas of the county to the Department of Commerce as designated enterprise zones. Areas must have had an unemployment rate of 12 per cent or higher in three of the past five years. Enterprise zones may include the entire county in counties with a population of less than 500,000 persons.

The committee is comprised of five members appointed by the county board of supervisors, plus additional members appointed by each city or town within the enterprise zone. Cities and towns may not be included in an enterprise zone without their formal approval.

An income tax credit of \$5,000 is allowed for each net new employee hired in the zone who previously was receiving public assistance.

This law is effective from and after June 30, 1988.

~~Egg inspection account; technical corrections~~ NOW: Taxation exemption; buildings; research park (S.B. 1156) - Chapter 306

An emergency measure exempting from property taxes the possessory interest of headquarters and administrative offices located in a university research park if it primarily supports the research and development activities conducted in the park.

Property tax oversight commission (S.B. 1176) - Chapter 204

Creates a statutory three-member commission to enforce constitutional limitations on county, city and community college district property tax levies. The Director of the Department of Revenue and two legislatively-appointed lay persons comprise the committee.

The Commission oversees compliance with assessment accuracy, budget reporting and levy restrictions and has the power to establish procedures for determining levy limits. Provides for appeals to Commission decisions and requires tax rates to be rounded to four decimals.

These provisions are effective for property tax years from and after December 31, 1987.

FINANCE (Cont.)

Revenue anticipation notes (S.B. 1185) - Chapter 295

Allows a city, county, school, sanitary, electrical, irrigation or hospital district to issue notes for up to 50 per cent of all uncollected revenues estimated to be received in that fiscal year. Revenues cannot include taxes, grants, restricted funds or state shared transaction privilege taxes and must be from facilities existing and operating at the time notes are sold.

Sales tax on printing; exemption (S.B. 1196) - Chapter 183

An emergency measure which exempts sales of printing, engraving, embossing and copying to publishers who distribute newspapers and magazines for free from the transaction privilege tax. Also subjects advertising supplements, intended for sale with newspapers published in Arizona, which have not already been subject to an excise tax by another state equal to or in excess of the Arizona tax, to the Arizona use tax.

Multi-municipal sales taxes; exemptions (S.B. 1299) - Chapter 25

Extends existing sales tax dispute procedures to include the determination of tax liability between cities and towns if one city claims a tax for a transaction that another city exempts. Provides that transactions occurring before resolution of a dispute cannot be taxed at a higher rate after the dispute is settled. Applies retroactively to all cases and issues that have not been adjudicated that were pending on or before December 31, 1985.

General tax administration revisions (S.B. 1300) - Chapter 181

Clarifies taxpayer rights and obligations in filing and appealing taxes. Requires duplicate notification if spouses are separated. Taxes are due ten days after notice and demand is mailed to taxpayer following an audit. Requires the Department of Revenue to issue a certificate showing no tax liability within fifteen days of request. Failure to file penalty can be set aside if failure is due to reasonable cause rather than wilful neglect.

Sales tax surety bond (S.B. 1455) - Chapter 203

Requires certain contractors and manufacturers of housing subject to the sales tax to post a surety bond if their principal place of business is outside Arizona or they have conducted business in Arizona for less than one year. The Director of Department of Revenue may exempt a taxpayer in certain circumstances.

FINANCE (Cont.)

Correcting tax statutes (H.B. 2004) - Chapter 134

Provides various technical corrections, corrects multiple legislative enactments and removes obsolete language in the tax statutes. Adds nonprofit ambulance services to the definition of qualified organizations authorized to conduct bingo games.

Tax accounts; hiring collection agencies (H.B. 2005) - Chapter 57

Extends the Department of Revenue's existing authority to hire collection agencies to include in-state tax delinquencies of less than \$500. Collection agencies are hired on a contingency fee that is added to the taxpayer's tax liability.

Taxation; bad check fee (H.B. 2006) - Chapter 26

Allows the Department of Revenue to charge and collect a \$25 fee from taxpayers who offer checks or other negotiable instruments for payment of taxes that are subsequently dishonored.

Taxation; writ of mandamus (H.B. 2008) - Chapter 162

Provides for a writ of mandamus to be issued by the Superior Court when a taxpayer refuses to file a timely tax return. The Department of Revenue may also ask the court to compel a taxpayer to produce books, records and testimony when needed to determine a tax liability. Failure to obey the court's order may be punished as contempt.

Refund church property tax (H.B. 2039) - Chapter 191

An emergency measure exempting churches, charities, educational institutions and humane societies from property tax liabilities incurred as a result of a failure to file for a statutory exemption for tax years 1985 and 1986 and refunds taxes already paid. Provides statutory authority for the county board of supervisors to exempt qualified nonprofit organization property from property taxes if the organization files for the exemption after the statutory deadline but before taxes are due and payable.

Lottery monies; political subdivisions; distribution (H.B. 2046) - Chapter 309

Provides for the distribution of county assistance monies from the state lottery fund at the same time as the distribution to cities if the Lottery Director determines that sufficient monies will be available to fully fund the city share. This provision is effective retroactive to July 1, 1987.

FINANCE (Cont.)

Income tax withholding percentages (H.B. 2051) - Chapter 96

Changes existing withholding statute to become effective from and after December 31, 1987. Provides session law retroactive to July 1, 1987, which prescribes the following new withholding percentages until December 31, 1987.

<u>Income</u>	<u>Percentage Rates</u>	
	<u>Statute</u>	<u>Session</u>
Under \$15,000	10, 15, 20	10, 17, 22, 25
\$15,000 & over	15, 20	17, 22, 25

Property tax classification; day care (H.B. 2067) - Chapter 248

Changes licensed day care centers to property tax assessment ratio class six property from classes three and four. Moves nursing homes from class five property to class six property in 1992. Eliminates class nine property (scenic or historic railroad) as a separate property tax classification. These provisions apply to tax years from and after December 31, 1987.

Tax equalization orders; issuance; appeal (H.B. 2072) - Chapter 28

An emergency measure moving the deadline for Department of Revenue equalization orders to July 1 from May 1. Allows appeals to the tax appeals board from the assessor or taxpayers until August 10 and requires the hearing to be held by October 1. The final decision of the Board must then be issued by October 15.

Assessment advisory committee (H.B. 2074) - Chapter 105

Creates a statutory five member committee to advise the Department of Revenue on real or personal property tax status and on the residual value percentages of personal property.

Property tax exemption; inventory (H.B. 2075) - Chapter 98

Removes the requirement of a separate notarized affidavit and allows merchants and manufacturers to file for the annual inventory exemption on the personal property tax reporting form without having the form notarized.

FINANCE (Cont.)

Tax court study commission (H.B. 2161) - Chapter 310

An emergency measure creating an 11-member Tax Court Study Commission to analyze the need to establish a state tax court and to report findings and recommendations regarding its structure and activities to the Governor, Chief Justice, Senate President and Speaker of the House by November 30, 1987.

Public safety retirement; benefits; remarriage NOW: Lease-purchase agreements; tax exemptions (H.B. 2171) - Chapter 340

An emergency measure exempting from property taxes any property which is used exclusively during a taxable year for a governmental activity by the state or a political subdivision of the state under a lease-purchase agreement.

Property tax reports; valuation notice (H.B. 2174) - Chapter 64

Requires companies within certain property classes to file a report with the Department of Revenue by April 1 for the purpose of determining property valuation. A late filing penalty will be assessed at the lesser of .5 per cent of 105 per cent of the prior year's assessed value or \$100 per day beyond the due date of the report.

The following companies are required to file a report:

1. Producing and closed mines, mills and smelters.
2. Producing oil, gas and geothermal resource interests.
3. Gas, water and electric utilities and pipelines.
4. Air commerce operators.

Also stipulates that the statement of full cash value of the property of private car companies shall be sent by first class mail.

Parklands; property tax exemption (H.B. 2255) - Chapter 308

An emergency measure exempting from property taxes any parkland property held by a charitable organization for future transfer to the state or its political subdivisions. Provides that taxes and penalties are accrued and payable if the property is used for personal benefit or is transferred to anyone other than the state or a political subdivision.

Also provides that Vernon and Round Valley school districts have until May 25, 1987, to file statutorily required information for assessment and property tax levying purposes.

FINANCE (Cont.)

County ascertainment of property; taxation (H.B. 2258) - Chapter 66

Clarifies that the county assessor shall determine which property in the county is subject to property taxation by November 30 of each year. Allows the assessor to mail petition refusal notices to the address shown on the petition filed.

Sales tax credit; reduction (H.B. 2369) - Chapter 265

Halves the maximum sales tax credit allowed to a taxpayer for expenses incurred in accounting and reporting the taxes, to \$5,000 from \$10,000.

Sales tax exemption; precious metal (H.B. 2380) - Chapter 352

Exempts the sale of precious metals, whose value depends on its content rather than its form, and monetized bullion, used as a medium of exchange, from the transaction privilege tax retroactive to midnight, June 30, 1987 (or September 30, 1987, if the law is amended by a pending conditional enactment linked to the federal cigarette tax).

Exempts ambulances and ambulance services that are either certified by the Department of Health Services, or provided by cities and towns in a county with a population of less than 150,000 persons in the latest decennial census, or provided by a special taxing district, from the transaction privilege tax retroactive to June 30, 1982.

Requires a county that is under a court order to compensate another county as a result of a county division to levy a transaction privilege (sales) tax equal to 10 per cent of the state tax beginning on and after October 1, 1987, and terminating after midnight March 31, 1989. The Department of Revenue will administer the tax and the state treasurer shall disburse the money monthly to the compensated county until the liability is satisfied. Any additional collections are deposited in the state general fund and used to offset any debts owed to the state by the compensating county.

Underground utility improvement districts (H.B. 2390) - Chapter 315

Allows the governing body of a city or town with a population greater than 100,000 persons but less than 225,000 persons to contract without competitive bids with a utility to place utility facilities underground within certain districts.

Districts are formed in the same manner as other municipal improvement districts, or upon petition of all the real property owners in the district. The governing body levies on all of the real property in the district to pay for the additional cost that underground utilities impose over regular utility installation, unless the city agrees to contribute to meeting the costs.

FINANCE (Cont.)

H.B. 2390 (Cont.)

Any single family residence in the district whose owners would suffer a financial hardship due to the levy may be granted an extension of time to pay for up to ten years. The remaining properties in the district shall make up the difference through increased levies.

Requires notification of Corporation Commission and when necessary the Rural Electrification Administration.

Remote municipal property; fiscal impacts (H.B. 2462) - Chapter 268

Requires the property of a city or town to be counted as taxable for determining the distribution of state shared sales taxes to counties if the property is outside the municipal boundaries and used to withdraw water for use elsewhere. Also allows the property to be considered taxable for county levy limit purposes if the city or town agrees through an intergovernmental agreement to pay in-lieu taxes.

State superfund revenue sources (S.B. 1347) - VETOED

Would have established a five-year dedicated funding source of approximately \$5 million for the Water Quality Assurance Revolving Fund (WQARF), to be used for clean-up of polluted sites when the responsible party could not be identified or refused to undertake remedial action. Funding would have been generated through various taxes and fees, including a tax on municipal water use, a tax on environmentally hazardous products, increasing fees for commercial fertilizer licenses and pesticide brand registration, establishing registration fees on underground storage tanks, landfills and on numerous activities associated with handling, discharging or impounding pollutants.

Without this legislation, and pursuant to Laws 1986, Chapter 368, the WQARF will be funded by annual transfers of \$6 million from the state general fund, of which \$1 million per year will go towards repayment of the tax protest resolution fund from which \$5 million was borrowed in 1986.

In his veto message, the Governor stated that the bill establishes an unfair tax by attempting to assess who the polluters will be, improperly delegates to the Department of Environmental Quality the authority to develop a list of taxable products and burdens business with the responsibility of collecting another special tax when most businesses are trying to reduce costs in order to survive. Because everyone benefits from a clean environment, the state general fund should provide the funding source for clean-up when polluters cannot be charged directly.

FINANCE (Cont.)

Fire fighters insurance; technical correction NOW: State superfund
revenue sources (H.B. 2234) - VETOED

Would have established a five-year dedicated funding source of approximately \$5 million for the Water Quality Assurance Revolving Fund (WQARF), to be used for clean-up of polluted sites when the responsible party could not be identified or refused to undertake remedial action. Funding would have been generated through various taxes and fees, including a tax on municipal water use, a tax on environmentally hazardous products, increasing fees for commercial fertilizer licenses and pesticide brand registration, establishing registration fees on underground storage tanks, landfills and on numerous activities associated with handling, discharging or impounding pollutants.

This bill was a second attempt to establish a dedicated funding source for the WQARF, after the first bill, S.B. 1347, was vetoed by the Governor (see summary of S.B. 1347). H.B. 2234 contained all the provisions of S.B. 1347, with the exception of the tax on environmentally hazardous products. Instead of the tax, the bill would have provided for a \$1 million appropriation from the state general fund to make up for the revenue that would have been generated by the tax on environmentally hazardous products. It also reduced the registration fee for underground storage tanks from \$40 to \$20.

Without legislation, and pursuant to Laws 1986, Chapter 368, the WQARF will be funded by annual transfers of \$6 million from the state general fund, of which \$1 million per year will go toward repayment of the tax protest resolution fund from which \$5 million was borrowed in 1986.

In his veto message, the Governor reiterated his opposition to "special set aside taxes" and his support for a Superfund funded by general fund revenue. He also stated that a third approach which was considered by the Senate -- to provide Superfund funding with Lottery monies -- would have been acceptable. However, that bill was defeated on the floor of the House of Representatives.

Sales tax; recodify business classification (H.B. 2357) - VETOED

Would have combined and consolidated sales tax statutes into specific classifications of business, placing all requirements and exemptions for that class of business in one section of statute. The Governor's veto message suggested that the bill was not necessary and had the potential to create confusion by reducing the overall level of understanding of the tax laws. The Governor's veto message further stated that inadvertently, this recodification might alter the laws to the detriment of the state and the public, and that the administrative costs would be disproportionately large during the transition without sufficient benefits to offset the expense.

COMMITTEES AND BOARDS
CREATED DURING THE 1987 SESSION

FINANCE

Property tax oversight commission
S.B. 1176

PURPOSE: To oversee compliance with assessment accuracy, budget reporting and levy restrictions. Establishes procedures for determining levy limits.

MEMBERSHIP: Other: 1 - Director of the Department of Revenue.
1 - Person knowledgeable in the area of property tax assessment and levy - Appointed by the President of the Senate.
1 - Person knowledgeable in the area of property tax assessment and levy - Appointed by the Speaker of the House of Representatives.

REPORTS: Quarterly - Findings and recommendations to the Governor, the Director of the Department of Revenue and Legislature.

TERMINATION DATE: None

STATUTORY CITE/AUTHORITY: A.R.S. 42-306, Laws 1987, Chapter 204

Tax court study commission
H.B. 2161

PURPOSE: To consider and analyze the need to establish a tax court and to report the issues, alternatives, advantages, disadvantages and recommendations.

MEMBERSHIP: Senate: 3 - Senators - Appointed by the President of the Senate.
House: 3 - Representatives - Appointed by the Speaker of the House of Representatives.
Other: 1 - Private attorney or accountant experienced in state taxes - Appointed by the President of the Senate.
1 - Private attorney or accountant experienced in state taxes - Appointed by the Speaker of the House of Representatives.

Finance Committee
Committees and Boards

- 1 - Director of the Department of Revenue or designee.
- 1- Attorney General or designee.
- 1 - Chief Justice or designee.

REPORTS: November 30, 1987

TERMINATION DATE: November 30, 1987

STATUTORY CITE/AUTHORITY: Laws 1987, Chapter 310

Assessment advisory committee
H.B. 2074

PURPOSE: To review guidelines for determining property status. Also to review personal property residual market valuation percentages used by the Department of Revenue.

- MEMBERSHIP: Other:
- 1 - Director of the Department of Revenue or designee.
 - 1 - County assessor from a county with a population of less than 200,000 - Appointed by the Director of the Department of Revenue.
 - 1 - County assessor from a county with a population of more than 200,000 - Appointed by the Director of the Department of Revenue.
 - 1 - Representative of properties assessed by the Department of Revenue - Appointed by the President of the Senate and the Speaker of the House of Representatives.
 - 1 - Representative of properties assessed by the county assessors - Appointed by the President of the Senate and the Speaker of the House of Representatives.

REPORTS: None

TERMINATION DATE: None

STATUTORY CITE/AUTHORITY: A.R.S. 42-152, Laws 1987, Chapter 105

GOVERNMENT

LEGISLATION ENACTED
THIRTY-EIGHTH LEGISLATURE
FIRST REGULAR SESSION

GOVERNMENT

Correcting county boundary descriptions (S.B. 1001) - Chapter 4

Makes changes that correct obsolete, ambiguous and contradictory references in the statutory descriptions of county boundaries.

Appeals of sanitary district resolutions (S.B. 1004) - Chapter 170

An emergency measure providing that property owners in sanitary districts injured by a decision of the board of directors regarding a proposed improvement, may have the decision reviewed by the filing of a special action in the superior court.

Allows the district board to order an improvement if no protests have been filed, if protests were found to be insufficient or denied or if an appeal of the board's decision was resolved in favor of the board.

~~National monument zoning; moratorium~~ NOW: ~~Zoning; national park,~~
~~monument, recreation area, state park (S.B. 1007) - Chapter 225~~

An emergency measure that prohibits a decision by a county or municipality which changes the zoning classification of land from taking effect for at least 30 days. This act also includes the following provisions:

1. Requires that counties and municipalities provide notice by first class mail to property owners of the area to be rezoned and to property owners within 300 feet when the rezoning request is not initiated by the property owner.
2. Requires counties to post notice of proposed zoning changes in at least two places with at least one notice per quarter mile of frontage along public rights-of-way.
3. Requires counties to provide notice by first class mail to counties or municipalities which are contiguous to an area for which a zoning change is proposed.
4. Allows a county to publish zoning notices in a weekly newspaper.

Irrigation districts; contracts; bidding exceptions (S.B. 1046) - Chapter 41

Increases the dollar amount of contracts that irrigation and water conservation districts can award without advertising for bids. Increases these amounts from \$3,000 to \$15,000 for construction; \$10,000 for materials or services; and \$15,000 for the total amount of a contract.

GOVERNMENT (Cont.)

~~Private enterprise board; members' terms~~ NOW: Private enterprise review board; state governing board (S.B. 1088) - Chapter 197

Codifies the Private Enterprise Review Board established in 1983 to provide a mechanism for review of complaints from the private sector regarding unfair competition by government agencies. Consists of nine members representing state agencies and private enterprise, including small businesses. Two members of the House and two members of the Senate act as advisory members of the Board.

Allows the Private Enterprise Review Board to review the exceptions provided to state agencies, universities and community colleges and provide its findings to the Legislature and Governor.

Allows the Auditor General to provide the board with performance audit information about an agency, university or community college obtained through the sunset review process.

Provides that procedures developed by the Board of Regents for hearing complaints shall also provide for an expedited hearing process if the alleged complaint may impose a severe financial hardship on the complainant.

Provides that the Board of Regents must render a decision regarding a complaint against a university or college before the complaint may be considered by the Private Enterprise Review Board.

Clarifies the expiration date of terms of members of the Board and adds the Board to the 1997 sunset termination schedule.

DOC correctional center residents; compensation (S.B. 1109) - Chapter 46

Allows the Department of Corrections to collect one-third of any compensation received by an inmate or parolee living at a community correctional center for room and board and one-third of the compensation for payment on court ordered restitution. Requires all remaining compensation to be credited to the inmate's or parolee's account. Exempts compensation received by inmates or parolees assigned from community correctional centers from provisions relating to compensation for labor performed by prisoners in state prisons and the ARCOR enterprises revolving fund.

GOVERNMENT (Cont.)

Juvenile justice study commission (S.B. 1111) - Chapter 207

Establishes a Juvenile Justice Study Commission to evaluate the state's current practices and possible alternatives regarding the housing, detention, punishment, reformation and counseling of juveniles. The commission will be comprised of 11 professional and public members knowledgeable about juvenile corrections issues and two legislators serving as advisory members. The Commission will report its findings and recommendations to the President of the Senate and the Speaker of the House of Representatives by December 31, 1987.

Municipal improvement district contracts (S.B. 1130) - Chapter 47

Allows cities and towns to collect a specified amount of damages (liquidated damages) from a contractor who fails to complete a project within a specified time frame. Damages received shall be used to decrease the amounts assessed by prorating the cost between the city and assessed properties.

Requires that a city or town publicly declare bids in an open council session, but strikes the requirement that bids actually be opened and examined in open session.

~~Progress payments on public works~~ NOW: State board of deposit; investments; banks (S.B. 1172) - Chapter 184

Separates the duties of the State Treasurer from the duties of municipal and county treasurers regarding the management of public funds. Establishes a new article 2 relating to the State Treasurer which increases membership on the state Board of Deposit, expands investment alternatives available to the Treasurer and changes requirements regarding contracts between the Treasurer and banks for providing banking services to the state.

Omnibus sanitary district statute revisions (S.B. 1187) - Chapter 227

Provides sanitary districts with additional powers to develop and enforce on-site sewage disposal plans and formulate rules regarding effluent disposal. Increases the bid limit for purchase of materials from \$1,000 to \$10,000, provides that elections shall be conducted pursuant to Title 16, authorizes refunding of bonds and provides for fees the district may charge. Establishes procedures for modifying assessments, for challenging the completion of work, for the sale of delinquent lots and for providing that a district may be formed to provide sanitary services at a higher level than in the remainder of a community. Authorizes a tax levy on mobile homes.

Authorizes a district board to acquire collector sewers, acquire capacity in treatment works and acquire or construct treatment works.

GOVERNMENT (Cont.)

Federal benefit plan; county employees (S.B. 1191) - Chapter 154

An emergency measure allowing the state Department of Administration, county boards of supervisors, the community college district governing boards and the Arizona Board of Regents to establish a plan for employees that allows participation in a cafeteria plan that meets the requirements of the Internal Revenue Code. Cafeteria plans would allow employees to pay premiums for eligible benefits with pre-tax dollars and would reduce the employer's FICA tax liability. Provides that monies remaining in the state benefit plan fund shall be used to pay administrative costs of the program and reduce employee and employer contributions to eligible benefits.

Safe harbor securities exemption fee NOW: Agency and nongovernmental entity accounts; payment (S.B. 1215) - Chapter 325

Provides that a nongovernmental agency which purchases goods and services from another nongovernmental agency to provide the goods and services to the state, a school district or county agency must make payment not more than 30 days after receipt of goods and services or pay interest on the balance.

Also provides that the accounts of an agency are not considered paid in full until the interest required has been paid. It also provides that if a dispute exists regarding a portion of an account due, interest shall be paid on the remaining amount.

Prison facility health administrator; x-rays (S.B. 1216) - Chapter 200

Authorizes the state Department of Corrections to request a licensed practitioner to order x-rays on inmates who are suspected of possessing contraband in the prison. Exempts x-rays ordered by a licensed practitioner pursuant to this act from the provision in section 32-2811(B) which allows x-rays only for diagnostic or therapeutic purposes.

Judicial productivity credits; DWI documentation NOW: Board of supervisors; reimbursement of travel (S.B. 1240) - Chapter 81

Allows a board of supervisors to make rules providing for reimbursement of travel and subsistence expenses to members of any county board, commission and advisory committee that is authorized or required by federal or state law or by county ordinance. These members must serve without compensation to be eligible for reimbursement.

GOVERNMENT (Cont.)

Oil overcharge; fund; expenditure; loans (S.B. 1241) - Chapter 175

Establishes a fund in the State Treasurer's Office from monies received by the state as a result of oil overcharge settlements. Requires that 15 per cent of these monies be allocated to purposes which benefit the low income population. Allows the Director of the Department of Commerce to approve loans from the principal balance of the fund to political subdivisions and non-profit organizations for projects which meet the legal requirements of the settlements. Requires the Director to assess a fee on each loan to cover the annual costs of administering the loan program. Requires legislative appropriation of monies to pay these administrative costs. Allows grants which meet the legal requirements of the settlements to be made with the approval of the Joint Legislative Budget Committee. Requires the Director to submit an annual report to the Legislature by December 31 of each year which includes a financial summary of the preceding fiscal year, a description of the outstanding loans, and a summary of the grant program. Requires investment earnings to be credited to the fund. Exempts the fund from lapsing of appropriations.

Department of corrections; statutory changes (S.B. 1243) - Chapter 53

Makes technical and procedural changes to conform statutes to comply with the Department of Corrections' current operations. Removes outdated statutes and language relating to the superintendent and matron of the state prison, work furlough release, educational rehabilitation, correctional training facilities and prison chaplains. Allows inmates to perform barbering and cosmetology services without being licensed.

Fire district procedures (S.B. 1244) - Chapter 299

Provides for the merger of fire districts by which 25 per cent of the residents of each affected fire district may petition for an election to merge districts. Provides for public notice of the election by posting, publication and first class mail to property owners. Also provides for election of a district board or chief and for disposition of assets and liabilities of merged fire districts.

This act also includes the following provisions:

1. Amends law regarding computation of county contribution to fire districts. Provides that when county assistance is reduced based on district monies which are unencumbered or unexpended, district capital reserve monies and monies necessary to pay for goods and services received the preceding fiscal year are not considered "unexpended and unencumbered." This provision is effective retroactively to July 1, 1987.

GOVERNMENT (Cont.)

S.B. 1244 (Cont.)

2. Allows fire districts to establish fees for services provided to nonresidents and nontaxpayers of the district.
3. Provides that petitions requesting creation of an improvement district must be signed by a majority of property owners or owners of at least 51 per cent of the property and more than 50 per cent of the qualified electors. Petition must also request that the district be governed by a board.
4. Provides that an improvement district that proposes to serve domestic water within a certificated area served by a public service corporation shall pay just compensation to the corporation pursuant to section 9-516.

Rural economic development program (S.B. 1275) - Chapter 331

Appropriates \$150,000 and authorizes the Department of Commerce to establish and administer a rural economic development program and a state cooperative advertising program. Under the development program, rural cities and towns would be selected under a competitive process to receive intensive technical assistance to promote economic development in their communities. Selected communities would receive \$15,000 and be required to commit local staff and matching funds to qualify for the program.

Under the advertising program, local and regional economic development organizations may receive matching funds to conduct a cooperative advertising program with the state.

Regents; health care institutions; leases (S.B. 1385) - Chapter 243

Removes a provision in current law that prohibits a non-profit health care corporation that leases property from the Arizona Board of Regents, to own, lease or operate other health care institutions outside of the county in which the corporation is currently operating.

DOC peace officer status (S.B. 1446) - Chapter 89

Allows certain employees of the Department of Corrections to have peace officer status for the purpose of investigating or arresting persons who commit or attempt to commit crimes relating directly to the operations of the Department. Requires personnel appointed as peace officers to have the minimum qualifications established for officers by the Arizona Law Enforcement Officer Advisory Council.

GOVERNMENT (Cont.)

S.B. 1446 (Cont.)

Limits the power and authority of these peace officers to the time they are on duty and while engaged in an investigation or arrest. Requires, except in an emergency, that these peace officers notify and ask for the participation of agencies of the state and political subdivisions with jurisdiction before conducting an investigation or making an arrest. Does not allow these employees to be eligible for the Peace Officers' Training Fund.

Municipal water rates (S.B. 1447) - Chapter 161

Amends Laws 1986, Chapter 15, which established a water rate system for a municipality that provides water to another municipality. Current law provides municipalities serving other municipalities must base their rates on one of four alternatives.

Establishes a retroactive effective date of August 13, 1986, to apply existing law to a municipality which was providing water to another municipality. Provides that municipalities which charged a rate in violation of the act are not required to make refunds to the public.

Navajo Indian veterans' memorial board (S.B. 1451) - Chapter 185

Creates a nine-member board that will establish a memorial to honor Native American Indian war veterans. The Board consists of two legislators as advisory members and seven Native American Indian representatives of specified organizations. Entitles members to reimbursement for expenses by the Veterans' Service Commission.

Joint study committee; county issues (H.B. 2048) - Chapter 61

An emergency measure establishing a Joint Legislative Study Committee on County Issues to consider topics such as finances, home rule, and population changes. The committee consists of four members appointed by the Governor, four members of the Senate and four members of the House of Representatives. The chairmen of the Senate Government Committee and the House Counties and Municipalities Committee serve as co-chairmen. Committee members are eligible for reimbursement of expenses. The committee shall submit its findings and recommendations to the Governor, President of the Senate and the Speaker of the House of Representatives by December 31, 1987.

County prisoner employment (H.B. 2050) - Chapter 27

Allows the county sheriff to establish work projects that will employ county prisoners. These may include agricultural projects and projects for the production of articles needed for construction, operation, maintenance or use by a county.

GOVERNMENT (Cont.)

Legislative vacancies; appointment (H.B. 2055) - Chapter 186

Prescribes procedures for filling legislative vacancies. Requires the board of supervisors of the county where the affected legislative district is located to appoint, within ten days and by a majority vote, a qualified elector to fill the vacancy. Requires the board of supervisors of the county of residence of the predecessor to fill the vacancy, if the legislative district is not entirely within one county. Requires the appointee to meet the requirements for service in the Legislature, belong to the same political party and reside in the same district as the immediate predecessor.

~~Forcible entry and detainer; representation~~ NOW: Park rangers
(H.B. 2090) - Chapter 250

Allows cities or towns to appoint park rangers who may issue citations for violations of city park rules and regulations and city ordinances. Park rangers are not granted peace officer status by this act.

~~County supplies and building contracts~~ NOW: County purchases;
competitive bids; notices (H.B. 2123) - Chapter 251

Increases county bid limits for purchases of supplies, materials, equipment and contract services from \$5,000 to \$10,000 per transaction. Provides that boards of supervisors may declare an emergency by two-thirds vote and waive publication requirement for notice of bid.

Provides that purchases of \$10,000 or less shall be made pursuant to county purchasing procedures that comply with the uniform accounting system prescribed by the Auditor General.

Provides that professional services shall be obtained pursuant to written policies adopted by the board of supervisors.

Provides that construction and repair of county buildings are subject to Title 34, chapter 2, relating to employment of contractors for public buildings.

~~County zoning notice; publication~~ NOW: Board of supervisors;
off-road recreational vehicles (H.B. 2124) - Chapter 230

Allows county boards of supervisors to make and enforce regulations regarding the use of motor vehicles operated for recreational purposes within the county. Includes the regulation of off-road recreational vehicles operated on public or private lands without proper consent or authority, or which may cause air pollution. Defines off-road recreational motor vehicle as three- or four-wheel vehicles manufactured for recreational, non-highway, all-terrain travel.

GOVERNMENT (Cont.)

~~Incentive awards; county employees~~ NOW: Residential utility consumer office (H.B. 2125) - Chapter 222

Extends the sunset termination date for the residential utility consumer office from July 1, 1987, to July 1, 1990. Provides that the Residential Utility Consumer Office shall record complaints, may refer the consumer to other agencies which might provide assistance and shall then refer the consumer to the consumer section of the Corporation Commission.

County property acquisition (H.B. 2126) - Chapter 29

Allows county boards of supervisors to acquire the remainder of a parcel of property by purchase, donation, condemnation, dedication, exchange or other lawful means if a portion of the property is to be used for public purposes and the board and the affected property owner determine the condition of the remainder of the parcel could cause a claim or litigation. Allows the board to sell the remainder of the parcel or exchange it for other properties needed for any public purpose.

Unclaimed property; municipal custody (H.B. 2128) - Chapter 30

Reduces the time a municipality must hold lost or unclaimed property from 180 days to 90 days before donation to a nonprofit, charitable organization.

Sick leave payment; political subdivisions (H.B. 2131) - Chapter 252

Provides that county officers and employees who have accumulated at least 1,000 hours of sick leave are eligible to receive \$750 upon retirement, subject to authorization by the board of supervisors.

Dilapidated buildings; county removal (H.B. 2132) - Chapter 140

Allows county boards of supervisors to order the removal of dilapidated buildings which constitute a hazard to public health and safety. Authorizes the county to remove the building at the expense of the owner, lessee or occupant who fails to comply with the notice requesting the removal. Authorizes the county to impose an assessment on the property for the cost of the removal.

Personnel board appeals; notice (H.B. 2141) - Chapter 109

Requires that an appeal of a disciplinary action to the State Personnel Board be filed not later than ten working days after the effective date of the action.

GOVERNMENT (Cont.)

Leave of absence; military training (H.B. 2173) - Chapter 256

Provides that the definition of year for purposes of military leave with a branch of the U.S. armed forces shall mean fiscal year. This act also includes the following provisions:

1. Provides that the days for which an individual was not scheduled to work shall not be counted as military leave days.
2. Allows the adjutant general to appoint members of the National Guard to peace officer status when performing duties at facilities under the jurisdiction of the adjutant general. Individuals appointed as peace officers must complete a course prescribed by the Arizona Law Enforcement Council and are not eligible for the Peace Officer Training Fund or Public Safety Retirement System.

Landlord-tenant relations; mobile homes (H.B. 2243) - Chapter 232

Amends provisions of the Mobile Home Landlord and Tenant Act relating to rental agreements, late payment penalties and rules and regulations. Adds provisions relating to utility charges, a statement of policy, change in land use, and establishes a mobile home relocation fund.

Provides that rental agreements must be written, must identify the specific period for which the agreement is in effect shall include the amount of current rent and security deposit and may provide for a guest fee. Requires the landlord attach to the rental agreement, a statement signed by the tenant acknowledging receipt of the names of the park manager and owner or agent, copy of the Landlord-Tenant Act and copy of park rules and regulations.

Allows a landlord to require a tenant to make improvements to the mobile home as a condition of tenancy. Provides that each tenant must have a separate meter and receive an itemized bill if the landlord charges separately for utilities. Provides that a fee for late payment of rent shall not exceed \$5 per day.

Requires that each tenant must be provided with a mobile home park statement of policy before execution of the rental agreement. Statement shall include the classification of the park, the period of time before a change in land use is expected, the method of determining rent charges, conditions for sale of park to tenants, specifications of mobile homes allowed in the park and improvements required as a condition of tenancy.

Provides landlord may immediately terminate a lease for material and irreparable noncompliance and may terminate a lease thirty days after giving notice within a 12-month period of repetitive misconduct.

GOVERNMENT (Cont.)

H.B. 2243 (Cont.)

Requires landlord notify tenants 180 days before a change in use of land and inform tenants of the Mobile Home Relocation Fund which is established with contributions from landlords and tenants to reimburse tenants up to a specified amount for relocation costs.

Governmental mall; commission members; boundary (H.B. 2270) - Chapter 344

Increases the size of the governmental mall by moving the northern boundary from Polk Street two blocks north to Fillmore Street.

Department of weights and measures (H.B. 2345) - Chapter 314

Creates a separate Department of Weights and Measures by removing the authority of weights and measures from the Department of Administration. Provides for appointment of a director, strengthens enforcement powers of the Department and increases license fees. Appropriates \$1,548,600 in fiscal year 1987-1988 from the state general fund to the Department of Weights and Measures for its operating budget, establishes a nine-member search committee for the director's position composed of industry representatives and consumers, authorizes the director to appoint a five-member advisory committee on proposed rules and Department administration, changes the penalty for certain violations from a class 2 misdemeanor to a class 1 misdemeanor and requires the Department to implement a pilot program to contract with private firms for weights and measures inspection services. Adds the Department to the 1992 sunset termination schedule.

State contract payment retention (H.B. 2347) - Chapter 189

Requires the Director of the Department of Administration to pay one-half of the retained amount of construction contract payments to the contractor when 50 per cent of the contract is satisfactorily completed, provided the contractor is making satisfactory progress and there is no specific cause or claim which would require a greater amount be retained. Reduces the amount retained on construction contract payments from 10 per cent to 5 per cent after 50 per cent of the contract is completed satisfactorily, but reinstates 10 per cent retention for the remainder of the progress payments made under the contract if satisfactory progress is not maintained.

Construction contracts; delay; damages (H.B. 2417) - Chapter 266

Provides that a state governmental unit, school district or an agent (defined in A.R.S. 34-101 as "county, city or town, or officer, board or commission thereof, and irrigation, power, electrical, drainage and

GOVERNMENT (Cont.)

H.B. 2417 (Cont.)

flood control districts, tax levying public improvement districts, and county or city improvement districts") which enters into a construction contract shall include a provision in the contract for negotiations for damages or expenses incurred by the contractor for delays caused by the public agency.

Also provides that the provision regarding recovery of damages will not void any other provisions in a contract relating to notice of delays, providing for arbitration or other settlement procedures or for liquidated damages.

County powers; property purchase (H.B. 2447) - Chapter 277

Allows counties to lease-purchase real property and improvements, provided final payment be made not later than 15 years after the date of purchase.

State treasurer; limitation on terms (S.C.R. 1006)

Provides for the repeal of Article V, section 10 of the Arizona Constitution which relates to the limitation on the number of terms the State Treasurer may serve. The repeal would become valid when approved by a majority of the qualified voters at the next regular general election or at a special election called by the Secretary of State and upon proclamation of the Governor.

United Way anniversary (S.C.R. 1014)

Commends the nine Arizona United Ways, their volunteers and the people of Arizona for 100 years of service and commitment to the state and to the nation.

National veterans cemetery (H.C.M. 2001)

Requests that Congress provide the funding necessary to acquire the state veterans' cemetery for use as a national cemetery.

Community facilities district (S.B. 1310) - VETOED

Would have allowed cities and towns to form districts within their corporate boundaries to finance construction, operation and maintenance of certain public improvements by a tax levy against the area where the facilities and/or services are provided.

Would have allowed a municipality and property owners to enter into development agreements to provide for land uses, land dedications for public purposes, preservation of historic structures, financing and construction of infrastructure, timing on development of property and terms of annexation and deannexation.

GOVERNMENT (Cont.)

S.B. 1310 (Cont.)

Would have authorized a district to contract with a municipality for enhanced municipal services defined as services provided at a higher level in the district than provided in the remainder of the municipality. Services could have included public safety, fire protection, street cleaning or landscape maintenance.

In his veto message, the Governor stated the following district powers created opportunities for abuse:

1. Issue general obligation debt outside the municipalities' constitutionally imposed debt limits.
2. Levy ad valorem property taxes outside of the constitutionally imposed levy limitations.
3. Impose user charges and fees, which in turn could be used to secure revenue bonds, and
4. Exercise the powers of eminent domain.

Annual leave; employee transfer (H.B. 2073) - VETOED

Would have allowed state employees to transfer accumulated annual leave from one employee to another.

In his veto message, the Governor stated the bill "would establish an undesirable precedent in making a transferable 'commodity' of employee benefits" and create administrative problems regarding transfers between various pay grades of employees.

COMMITTEES AND BOARDS
CREATED DURING THE 1987 SESSION

GOVERNMENT

Joint legislative study committee on county issues
H.B. 2048

PURPOSE: To study county issues such as finances, home rule and population changes.

MEMBERSHIP: Senate: 4 - Chairman of the Government Committee, who shall serve as Co-Chairman and three other senators - Appointed by the President of the Senate.

House: 4 - Chairman of the Counties and Municipalities Committee, who shall serve as Co-Chairman and three other representatives - Appointed by the Speaker of the House of Representatives.

Other: 4 - Appointed by the Governor.

REPORTS: December 31, 1987

TERMINATION DATE: December 31, 1987

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 61

Juvenile justice study commission
S.B. 1111

PURPOSE: To evaluate the state's current practices and possible alternatives regarding the housing, detention, punishment, reformation and counseling of juveniles.

MEMBERSHIP: Senate: 1 - Advisory member - Appointed by the President of the Senate.

House: 1 - Advisory member - Appointed by the Speaker of the House of Representatives.

Government Committee
Committees and Boards

- Other:
- 1 - Experienced in juvenile corrections - Appointed by the Director of the state Department of Corrections.
 - 1 - Familiar with juvenile and family counseling services - Appointed by the Director of the Department of Economic Security.
 - 1 - Staff from the supreme court - Appointed by the supreme court.
 - 2 - Juvenile court judges representing a county with a population of more than 400,000 persons and a county with a population of less than 400,000 persons - Appointed by the President of the Senate and the Speaker of the House of Representatives.
 - 1 - Deputy county attorney - Appointed by the President of the Senate and the Speaker of the House of Representatives.
 - 1 - Attorney experienced in representing juveniles in juvenile justice proceedings - Appointed by the President of the Senate and the Speaker of the House of Representatives.
 - 1 - Public member familiar with foster care issues - Appointed by the President of the Senate and the Speaker of the House of Representatives.
 - 1 - Public member familiar with juvenile counseling services - Appointed by the President of the Senate and the Speaker of the House of Representatives.
 - 1 - Chief juvenile probation officer - Appointed by the President of the Senate and the Speaker of the House of Representatives.
 - 1 - Public member familiar with child welfare agencies - Appointed by the President of the Senate and the Speaker of the House of Representatives.

REPORTS: December 31, 1987

TERMINATION DATE: December 31, 1987

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 207

Private enterprise review board
S.B. 1088

PURPOSE: To consider written complaints from the private sector regarding unfair competition by government agencies.

Government Committee
Committees and Boards

- MEMBERSHIP: Senate: 2 - Advisory members, one of whom shall be a member of the Senate Appropriations Committee - Appointed by the President of the Senate.
- House: 2 - Advisory members, one of whom shall be a member of the House Appropriations Committee - Appointed by the Speaker of the House of Representatives.
- Other: 2 - Engaged in private enterprise, one representing small business - Appointed by the President of the Senate.
2 - Engaged in private enterprise, one representing small business - Appointed by the Speaker of the House of Representatives.
2 - Engaged in private enterprise, one representing small business - Appointed by the Governor.
1 - Appointed by the Board of Regents.
1 - Appointed by the Board of Directors for Community Colleges.
1 - Chief administrative officer of a state agency - Appointed by the Governor.

REPORTS: Each quarterly meeting and any public hearings

TERMINATION DATE: January 1, 1998 (unless renewed)

STATUTORY CITE/AUTHORITY, IF ANY: A.R.S. 41-2754, Laws 1987, Chapter 197

Native American Indian veterans' memorial board
S.B. 1451

PURPOSE: To establish a memorial to honor native American Indian veterans.

- MEMBERSHIP: Senate: 1 - Advisory member - Appointed by the President of the Senate.
- House: 1 - Advisory member - Appointed by the Speaker of the House of Representatives.
- Other: 1 - Native American Indian representative of the United States Bureau of Indian Affairs - Appointed by the Governor.
1 - Native American Indian representative of the Commission on Indian Affairs - Appointed by the Governor.

Government Committee
Committees and Boards

Rural economic development program advisory committee
S.B. 1275

PURPOSE: To advise the Department of Commerce on the selection of communities for participation in the rural economic development program.

MEMBERSHIP: Other:

- 1 - Director of the Department of Commerce.
- 1 - Local elected official representing a rural community - Appointed by the Director of the Department of Commerce.
- 1 - Representative of a rural private nonprofit economic development corporation - Appointed by the Director of the Department of Commerce.
- 1 - Representative of the Governor's advisory board to the Department of Commerce - Appointed by the Director of the Department of Commerce.
- 1 - Representative of a rural chamber of commerce - Appointed by the Director of the Department of Commerce.
- 1 - Representative from a board of a statewide economic development association - Appointed by the Director of the Department of Commerce.

REPORTS: Annually (by the Department of Commerce)

TERMINATION DATE: None

STATUTORY CITE/AUTHORITY, IF ANY: A.R.S. 41-1505.03, Laws 1987, Chapter 331

Government Committee
Committees and Boards

- 1- Native American Indian representative of the Veterans of Foreign War - Appointed by the Governor.
- 1 - Native American Indian representative of the American Legion - Appointed by the Governor.
- 1 - Native American Indian representative of the Disabled American Veterans - Appointed by the Governor.
- 1 - Native American Indian representative of the Arizona Veterans' Service Commission - Appointed by the Governor.
- 1 - Native American Indian representative of the Indian health services - Appointed by the Governor.

REPORTS: None

TERMINATION DATE: None

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 185

State board of deposit
S.B. 1172

PURPOSE: To review investments for the permanent endowment funds.

MEMBERSHIP: Other:

- 1 - State Treasurer.
- 1 - Director of the Department of Administration.
- 1 - Superintendent of Banks.
- 2 - Appointed by the State Treasurer.

REPORTS: None

TERMINATION DATE: None

STATUTORY CITE/AUTHORITY, IF ANY: A.R.S. 35-311, Laws 1987, Chapter 184

HEALTH AND WELFARE

LEGISLATION ENACTED
THIRTY-EIGHTH LEGISLATURE
FIRST REGULAR SESSION

HEALTH AND WELFARE

~~Liquor store license; church; school~~ NOW: Public nuisance; mercaptan
emission (S.B. 1085) - Chapter 323

Adds the emission of mercaptan at a level that endangers the health or safety of a neighborhood or community as a public nuisance, except when the emission of mercaptan is a by-product of a pesticide and applied according to state and federal restrictions.

Organ procurement protocol (S.B. 1119) - Chapter 131

Expands organ procurement protocol by:

1. Requiring hospitals to add tissue procurement protocol, including notification of an appropriate tissue procurement agency, and defining who may obtain consent for donation of an anatomical gift.
2. Allowing hospitals to obtain consent from patients to donate anatomical gifts upon admission to a hospital.
3. Providing a limited waiver of a patient's confidentiality.
4. Requiring an authorized person to notify the procurement agency at or near death to permit a viable donation.
5. Requiring the consent of the county medical examiner before a procurement agency may seek consent to donate in cases which require an investigation of the facts surrounding death.
6. Barring persons from civil damages or legal action as a consequence of good faith acts or omissions related to procurement of organs or tissue.

~~CERCLA reauthorization; emergency response organization~~ NOW:
Exemption; general anesthesia (S.B. 1235) - Chapter 80

Exempts private offices of health care providers from health care institution licensure requirements when treatment by general anesthesia is provided by health care providers regulated by the Arizona Dental Board.

Phoenix training program closure delay (S.B. 1237) - Chapter 10

An emergency measure extending the deadline to close the Arizona Training Program facility in Phoenix to no later than August 7, 1988.

Also extends the date by which the Director of the Department of Economic Security must establish a state-operated service center to June 30, 1988.

HEALTH AND WELFARE (Cont.)

Drinking water; prohibiting lead (S.B. 1238) - Chapter 52

Prohibits the use of lead from and after June 19, 1988, as a material used in the installation or repair of public water systems or in plumbing that provides drinking water that is connected to public water systems. Pipes and pipe fittings having a lead content of more than eight per cent and solders and flux containing more than two-tenths of one per cent lead content cannot be used. The prohibition shall not apply to leaded joints used for the repair of cast iron pipes.

Public water systems shall notify persons who may be affected by lead contamination in their drinking water due to lead content in construction materials or corrosivity.

DES collection funds (S.B. 1273) - Chapter 55

Establishes a public assistance collection fund consisting of 25 per cent of monies recovered from support incorrectly paid to recipients of general assistance or aid to families with dependent children. Enables the Department of Economic Security (DES) to use the public assistance collection fund monies and up to ten per cent of children and family services training fund monies to improve DES collection of child support monies owed to the DES for children who are in the Department's custody.

~~Discharge facilities; permits; zoning approval~~ NOW: Mine safety
(S.B. 1317) - Chapter 302

Provides that the Mine Inspector may inspect any abandoned, inactive mine to determine whether conditions exist which may affect public health and safety. A mining company representative shall be present during the mine inspection.

Requires the mine operator to notify the Inspector of a suspension of mining operations that would exceed six months. The property shall be inspected to ensure that safety precautions were taken to secure mine openings.

Imposes a class 2 misdemeanor penalty on a mine owner or operator who fails to secure the mine within 60 days of notification by the Inspector. A time extension for compliance may be granted by the Inspector but shall not exceed an additional 180 days.

Authorizes the Inspector to place warning signs near any mine opening that may be hazardous to public safety. Increases the penalty from a petty offense to a class 6 felony for a person who knowingly tampers with a posted warning sign.

HEALTH AND WELFARE (Cont.)

Hearing loss; early identification; infants (S.B. 1334) - Chapter 219

Establishes a program, from and after December 31, 1987, under the direction of the Arizona Department of Health Services (DHS) for the early identification of hearing loss in high risk neonates and infants. The program shall include: an identification procedure to detect hearing loss for neonates and infants, a central register of infants at high risk of hearing loss, a statewide hearing loss educational program and an identification of audiology programs that provide services for neonates and infants.

Also establishes a nine-member Hearing Impaired Children Advisory Committee appointed by the Director of the Department and requires the Department to evaluate the program for early identification of hearing loss and report its findings by January 1, 1991, to the Governor and Legislature.

Appropriates \$75,000 in fiscal year 1987-1988 from the state general fund to the DHS to establish and administer the program.

Asbestos regulation (S.B. 1354) - Chapter 241

Provides for the development of an educational pamphlet on asbestos identification and health hazards, to be distributed from and after December 31, 1987, by the Director of Occupational Safety and Health. Requires asbestosis and mesothelioma diseases to be reported to the Industrial Commission.

Radiologic technologists; licensing (S.B. 1357) - Chapter 242

Alters the composition of the Medical Radiologic Technology Board by reducing the number of practicing radiologic technologists from five to four and adds a practical technologist with at least five years experience. Establishes Board procedures for notification of certificate expiration and renewal.

Permits the Board, until December 31, 1988, to place a certified technologist on inactive status or to reinstate the certificate of a technologist if the person was a certified technologist after January 1, 1984, failed to renew the certificate, and was inactive during the period in which the certificate was not renewed.

Blood banks; disease; donor notification (S.B. 1388) - Chapter 176

Requires all federally registered blood banks, blood centers and plasma centers to notify blood donors of any test results indicating syphilis, HIV or Hepatitis B.

HEALTH AND WELFARE (Cont.)

Chiropractic license; qualifications (S.B. 1412) - Chapter 244

Allows graduates of a chiropractic school or college which has been accredited by an accrediting agency recognized by the U.S. Department of Education, to take the state chiropractic licensure examination.

Omnibus AHCCCS revision (S.B. 1418) - Chapter 332

Provides for the following major changes:

Current AHCCCS Program

1. Deletes the AHCCCS termination date of October 1, 1987, and makes the AHCCCS program permanent in statute.
2. Allows the AHCCCS Director, subject to appropriation, to provide certain psychotherapeutic drugs to persons defined as mandatorily eligible and diagnosed as chronically mentally ill beginning October 1, 1988.
3. Beginning January 1, 1988, adds pregnant women and children (up to two years) with family incomes below the federal poverty level.
4. Beginning October 1, 1988, expands coverage of "notch group" children to include children who are six to thirteen years of age. Requires the AHCCCS administration to evaluate the benefits of the notch group children program and submit findings to the President of the Senate and Speaker of the House of Representatives, by January 1, 1988.
5. Adds beginning October 1, 1988, federally mandated home health services which are to be made available in lieu of hospitalization as a covered AHCCCS service pending federal approval of a home and community based program for the Arizona Long Term Care (ALTC) System.
6. Includes heart transplants as an AHCCCS covered service for persons defined as mandatorily eligible contingent upon federal financial participation.
7. Clarifies that medically necessary, kidney, cornea and bone transplants are covered services under the AHCCCS administration.
8. Eliminates the hospital rate freeze for the AHCCCS program on October 1, 1988, and provides a phase-in for rate increases over the next three years.
9. Clarifies lien priority under the AHCCCS administration as: a) AHCCCS, b) counties, c) hospitals, and extends the time from ten to thirty days to record a hospital lien.

HEALTH AND WELFARE (Cont.)

S.B. 1418 (Cont.)

10. Includes occupational and speech therapy for adults as a covered inpatient service under the AHCCCS administration.
11. Allows the AHCCCS Director to permit the delivery of medical services outside the county of residence.
12. Deletes the residency affidavit attesting that an applicant is not employed outside the state.
13. Modifies the methodology by which error rates are determined.
14. Permits the AHCCCS administration to award four-year contracts, versus two-year contracts, to health care provider plans.
15. Excludes inmates of public institutions from AHCCCS eligibility (Medically Indigent/Medically Needy).

Arizona Long Term Care System

Governance

Establishes, effective October 1, 1988, the ALTC system under the AHCCCS administration. The AHCCCS administration will contract with the following program contractors:

1. The Department of Economic Security (DES) to provide ALTC services to developmentally disabled members.
2. The counties to provide ALTC services to all other members, if as a rural county they opt and are approved by the AHCCCS administration to participate in the ALTC system.
3. Other qualified providers through a competitive bid process for the provision of ALTC services to all other members, if a rural county's proposed service delivery plan is not approved by the AHCCCS administration or if a rural county opts not to participate in the ALTC system.

Licensure/Certification

Provides that the AHCCCS administration shall enter into an intergovernmental agreement with the Arizona Department of Health Services (ADHS) to enforce federally approved standards for licensure and certification of LTC facilities. To receive funding, skilled nursing facilities and home health agencies must first be Medicare certified. Prescribes licensure requirements of adult care homes which have at least one resident who is an ALTC member. The licensing is to be performed by the ADHS beginning July 1, 1988, pending federal financial participation.

HEALTH AND WELFARE (Cont.)

S.B. 1418 (Cont.)

Financial Eligibility

1. Requires the AHCCCS Director to determine financial eligibility and to conduct post eligibility treatment of income and resources. Allows the AHCCCS Director to enter into an intergovernmental agreement with the DES to carry out these responsibilities for developmentally disabled applicants.
2. Defines financial eligibility for ALTC as: mandatorily eligible under Title XIX; would be eligible for supplemental security income (SSI) or aid for families with dependent children (AFDC) except for institutional status or except for income, would be eligible for SSI and gross income does not exceed 300 per cent of SSI.
3. Prohibits the transfer of personal property within two years of the date of application for ALTC eligibility, except if the transfer is between spouses. Provides guidelines for spousal maintenance.
4. Permits the AHCCCS administration to file a claim against a deceased ALTC member's estate to recover the cost of services rendered to the member.
5. Requires the AHCCCS administration to reimburse providers for services if eligibility was determined incorrectly.

Preadmission Screening

1. Requires the AHCCCS administration to perform preadmission screening of ALTC applicants in order to determine if they require institutional services. Allows the AHCCCS Director to enter into an intergovernmental agreement with the DES or the counties to perform preadmission screening.
2. Preadmission screening shall be conducted by a registered nurse and social worker, in consultation with a physician.
3. Provides for optional pre-screening by the AHCCCS administration of non-indigent persons who are seeking nursing home placement. The state is responsible for the cost of the screening.

County Maintenance of Effort

Requires counties to maintain services to LTC county members until income eligibility for ALTC is set at 300 per cent of SSI, at which time all LTC members in need of institutional services shall be enrolled in the ALTC. Requires counties to set county LTC income eligibility no higher than 300 per cent of SSI.

HEALTH AND WELFARE (Cont.)

S.B. 1418 (Cont.)

Case Management

Mandates that program contractors must provide continual case management services to members in compliance with the AHCCCS rules.

Services

1. Mandates that the following services be provided under ALTC: skilled nursing facility services, intermediate care facility services, intermediate care facility services for the developmentally disabled, adult care home services, adult foster care services, home and community based services (HCB), case management and health and medical services as defined under the current AHCCCS program.
2. HCB services may include case management, home health, home health aide, homemaker, personal care, adult day health, habitation, respite care, transportation, hospice and home delivered meals.
3. Allows the AHCCCS Director to implement a HCB demonstration program for special population groups.
4. Service provision is conditional on obtaining federal financial participation and approval.

Finance

1. The AHCCCS administration shall apply for and receive Title XIX funds on a capitated basis.
2. Requires the AHCCCS administration to contract on a capitated basis with program contractors for ALTC services.
3. Allows the AHCCCS administration to execute discount advance contracts and capped fee-for-service contracts if there are insufficient bidders in a county that is not a program contractor.
4. Provides that the ALTC system is the payor of last resort.
5. Exempts providers or program contractors from the provisions of Title 20 (insurance regulation).
6. Establishes a reinsurance fund and an ALTC system fund to be used by the AHCCCS administration for administrative and program costs.

HEALTH AND WELFARE (Cont.)

S.B. 1418 (Cont.)

7. Requires the DES and county program contractors to establish long term care system funds to be used for ALTC administrative and program costs.
8. Establishes a "pooled" county contribution for ATLC which is based on the counties' total annual estimated amount of the nonfederal portion of the ALTC program costs, and apportioned to each county based on fixed percentages to be determined by an audit of county expenditures in fiscal year 1985-1986. The amount budgeted excludes costs for the developmentally disabled and state administrative costs.

Committees and Studies

1. Requires the AHCCCS administration, in conjunction with the DHS, to study implementation of a mental health program by October 1, 1989. A written report is to be submitted to the Governor and Legislature by October 1, 1988.
2. Establishes the Select Committee on Funding Systems for LTC to study integration of Titles III, V, XX and state supplemental payment monies with Title XIX monies and to develop alternative LTC funding systems with Title XVIII and Title XIX monies. Consultants shall make recommendations to the Committee by January 1, 1988, and the Committee shall make recommendations to the Legislature by January 15, 1988.
3. Requires the AHCCCS administration to conduct an annual state and county LTC expenditure study and to submit a written report to the Governor and Legislature by December 1 each year.
4. Extends the Joint Legislative Council Committee for AHCCCS from September 30, 1987, to September 30, 1991, adds review of the LTC system under its scope, and requires the committee, in conjunction with the AHCCCS administration, to negotiate with the federal government regarding ALTC and AHCCCS continuation.

Appropriation*

Appropriates for fiscal year 1987-1988 from the state general fund:

1. \$930,000 to the AHCCCS administration for the notch group pregnant women and children program.
2. \$4,600,000 to the AHCCCS administration to develop eligibility, preadmission screening, case management systems and administrative costs to implement the ALTC system.

HEALTH AND WELFARE (Cont.)

S.B. 1418 (Cont.)

3. \$100,000 to the AHCCCS administration to study implementation of a mental health program.
4. \$300,000 to the DES to pay administrative costs to implement the ALTC system for the developmentally disabled.
5. \$45,000 to the Joint Legislative Council Committee for the AHCCCS for expenses.
6. \$100,000 to the Select Committee on Funding Systems for LTC to hire a consultant.

*\$930,000 for the acute AHCCCS program; \$5,145,000 for the AHCCCS LTC program; Total: \$6,075,000.

Joint legislative commission on service delivery coordination for the homeless (S.B. 1426) - Chapter 88

Establishes a 13-member Joint Legislative Commission on Service Delivery Coordination for the Homeless. The Commission shall, by February 1, 1988, review local homeless population plans and develop a written report of findings and recommendations for legislation and for allocation of state and federal monies.

Board of pharmacy (S.B. 1430) - Chapter 367

1. Expands the definition of medical practitioner to include practitioners from other states.
2. Deletes general dealer definition and substitutes Category I and Category II dealers.
3. Requires that at least one of the seven members of the Arizona State Board of Pharmacy be a pharmacist employed by a licensed hospital.
4. Increases compensation for board members from \$30 to \$100 per day.
5. Amends license registration and permit renewal procedures.
6. Adds a limited service pharmacy permit fee, not to exceed \$400.

HEALTH AND WELFARE (Cont.)

S.B. 1430 (Cont.)

7. Allows a pharmacist to substitute generically equivalent for brand name drugs for both in- and out-of-state prescriptions. The prescription form shall provide a place for conspicuous indication by the physician of whether a generic equivalent may be used.
8. Requires the Board to establish a list of drugs that shall not be used as generic equivalents for substitution. Hospitals must have a separate formulary to be exempt from labeling and oral notification requirements.
9. Stipulates that only one controlled substance drug, other than a hospital drug order, can be prescribed per prescription form.
10. Requires a pharmacist to be licensed to practice pharmacy. An individual who knowingly practices pharmacy without a license is guilty of a class 2 misdemeanor.

Podiatric assistant; certification NOW: Practical technologist in podiatry; rules; examination (S.B. 1434) - Chapter 212

Establishes a practical technologist in podiatry as a new occupation classification in radiologic technology.

Defines practical technologist in podiatry as a person certificated by the Medical Radiologic Technology Board.

Establishes a Joint Committee on Education, Training and Examination comprised of an equal number of representatives from the Medical Radiologic Technology Board and the Board of Podiatry Examiners. The Joint Committee shall determine qualifications and minimum standards for applicants and shall prepare an examination for certification.

Increases the compensation to members of the State Board of Podiatry Examiners from \$30 to \$50 per day.

Physician's assistants; regulations (H.B. 2012) - Chapter 92

Adds definitions regulating physician's assistants and clarifies administrative procedures of the Joint Board on the Regulation of Physician's Assistants. Sets maximum fees and penalties. Amends the Board's disciplinary action procedures in terms of summary suspensions, letters of concern, stipulations and notification requirements.

HEALTH AND WELFARE (Cont.)

Board of medical examiners (H.B. 2014) - Chapter 135

Clarifies the powers and duties of the Board of Medical Examiners by defining their primary duty as protecting the public from unlawful, incompetent, unqualified, impaired or unprofessional allopathic practitioners.

Doctors licensed in another state or country performing emergency harvesting of donor organs in this state are exempt from state licensure requirements. Also, clarifies that one academic year of study is a condition for licensure under the fifth pathway program. Increases maximum allowable Board fees and penalties. Expands definition of unprofessional conduct to include use of chelation therapy, prescription of anabolic-androgenic drugs and lack of supervision of health care personnel.

Physicians; substance abuse; rehabilitation (H.B. 2015) - Chapter 102

Enables the State Board of Medical Examiners to establish a rehabilitation program for physicians impaired by drug or alcohol abuse. The Board may contract for operation of the program and may allocate up to \$20 from each licensure renewal fee to operate the program. The Board may also require an impaired physician to enter into a stipulation order or be subject to disciplinary action.

Controlled substances; advisory committee (H.B. 2016) - Chapter 103

Provides for an annual review of lists of certain drugs and controlled substances by the Attorney General and the Executive Secretary of the Board of Pharmacy or their designees, and requires the Executive Secretary to file a written report on recommended statutory changes to the President and Speaker by November 1st of each year.

Also, conforms Arizona's Uniform Controlled Substance Act with the Federal Drug Enforcement Administration's drug schedules.

Mentally disabled; unauthorized absence; hearing (H.B. 2053) - Chapter 97

Excludes periods of unauthorized absence from a mental health treatment agency from the total length of inpatient treatment imposed upon a patient. Provides for a court hearing if requested by a patient to determine mental status and need for treatment if unauthorized absence extends continuously for 90 days or more.

HEALTH AND WELFARE (Cont.)

Behavioral health; evaluation; computer (H.B. 2054) - Chapter 223

An emergency measure authorizing the Assistant Director of the Division of Behavioral Health, Department of Health Services to contract for a financial evaluation of the CMI pilot program with an organization other than that which developed the financial standards for the program. Requires that the elements of a computer system necessary to monitor the pilot program be in place by July 1, 1987, and that the computer system be fully operational by July 1, 1988.

Allows the Division to phase-in the number of CMI clients included in the pilot programs during the first year, with the total number of clients to be assigned by March 1, 1988.

Limits the duration of full financial risk assumed by the CMI pilot clinical teams to 14 days. After 14 days, reduces the financial risk of the clinical team to a rate not to exceed the cost of crisis residential care.

Permits a CMI pilot contractor to offset service cost with client or third-party payments.

Smoking; restrictions in state buildings (H.B. 2069) - Chapter 337

Extends the time for the establishment of smoking rules in a state building to November 1, 1987. Prohibits smoking in a work area of a state building when smoking and nonsmoking employees cannot reach a satisfactory agreement. Prohibits termination or disciplinary action against an employee who makes a formal complaint regarding the rules on smoking and nonsmoking. Exempts inmate use areas within state prisons.

Arthritis and musculoskeletal diseases; committee (H.B. 2200) - Chapter 258

Establishes a 21-member Advisory Council on Arthritis and Musculoskeletal Diseases in the Office of the Governor. The duties of the Council shall include: advising the Governor, Legislature and state agencies on issues relating to arthritis and musculoskeletal diseases, initiating a public education program, serving as a repository of information on these diseases and monitoring services for persons afflicted with the diseases.

Requires the Council to annually report by November 15 to the Governor and Legislature on their recommendations regarding the problems of the diseases.

Adds the Council to the 1997 sunset termination schedule.

HEALTH AND WELFARE (Cont.)

Child care personnel; fingerprinting; exemptions (H.B. 2227) - Chapter 165

Exempts parents, foster parents and guardians who are not employees and who participate in day care activities with their children from fingerprinting requirements for child care personnel.

Plat amendments; technical correction NOW: Long-term care services; counties (H.B. 2235) - Chapter 311

Appropriates \$5,500,000 in fiscal year 1987-1988 from the state general fund to the county long-term care fund for distribution to counties for institutional and alternative long-term health care services.

For fiscal year 1986-1987 and fiscal year 1987-1988, exempts counties, except Maricopa and Pima, from the requirements of the long-term care fund expenditure formula as to the percentage of monies spent for alternative long-term care services and from the provision of a county match which is equal to the state fund monies.

Requires Maricopa and Pima counties to spend no more than 60 per cent of the monies for institutional long-term care services and at least 40 per cent of the monies for alternative long-term care services.

Day care centers; board; rules (H.B. 2306) - Chapter 205

An emergency measure authorizing the Department of Health Services to enforce rules effective January 1, 1987, which pertain to staff-child ratios for infants and toddlers. Delays enforcement of other rules identified by the Department Director prior to May 15, 1987, until the Department completes a review of day care rules and reports the findings to the Legislature and Governor by November 1, 1987. Requires the Department to change day care rules to conform with review findings. Changes the composition of the Day Care Advisory Board, and requires that parental Board members have a child enrolled in a licensed day care center.

Low-level radioactive waste disposal site (H.B. 2336) - Chapter 369

Requires the Director of the Radiation Regulatory Agency to recommend to the Legislature for its approval or disapproval a primary and two alternate sites for a low-level radioactive waste disposal facility in Arizona. The siting criteria shall be based on compliance with federal technical and performance objectives and an evaluation of five to seven regional areas, to be identified from the 1981 Report to the Legislature Regarding Siting of a Statewide Hazardous Waste Disposal Facility or other environmentally acceptable areas.

HEALTH AND WELFARE (Cont.)

H.B. 2336 (Cont.)

Requires the Director, upon legislative selection of the designated area, to contract with a facility operator-licensee. The operator-licensee shall report to the Director on specific site location, proposed facility design, the environmental impact of the facility, and apply for an operating license, plus any other necessary permits for facility construction and operation.

The bill further requires the agency to:

1. Provide for on-site and off-site environmental monitoring at the facility;
2. Develop rules for licensing the facility operator and permitting generators and brokers for access to the facility;
3. Ensure the decommissioning of the facility and transfer of site;
4. Develop a fee schedule for licensing and permitting and establish rules for financial assurance requirements for the facility operator, generators and brokers.

In addition, the bill specifies that the licensee shall indemnify the state and host municipality against liabilities and losses related to the facility operation during the time the licensee possesses a valid license. Specifies defenses for the rebuttal of responsibility for radioactive contamination by the licensee of the facility. Establishes a Low-Level Radioactive Waste Fund which shall be made up of: civil penalties, surcharges, license and permit fees, grants, monies available through the Western Low-Level Radioactive Waste Disposal Compact and interest on monies deposited in the fund.

Appropriates \$200,000 in fiscal year 1987-1988 from the state general fund to the Low-Level Radioactive Waste Fund.

Assistance award appeal; repayment waiver (H.B. 2356) - Chapter 349

Prescribes administrative and judicial review procedures for actions taken by a local office of the Department of Economic Security (DES) which are appealed to the DES.

Nursing care institution; temporary licenses (H.B. 2368) - Chapter 167

Allows the Board of Examiners of Nursing Care Institutions Administrators to issue, without examination, one-year temporary, nonrenewable nursing care institution administrator's licenses and deletes the provision allowing issuance of six-month provisional licenses.

HEALTH AND WELFARE (Cont.)

DWI; alcohol abuse treatment; proof (H.B. 2435) - Chapter 275

Prohibits the Department of Transportation from terminating suspension of a driver's license of a person who has been ordered to obtain alcohol abuse classes or treatment until the person provides proof of treatment program completion.

Requires the court to order a person convicted of driving under the influence to an alcohol abuse screening session and, if the treatment facility determines that the offender has an abuse problem, the court shall require the person to obtain treatment under its supervision. Treatment facilities shall be approved and adhere to standards set by the Behavioral Health Division of the Department of Health Services. An offender, if able, shall pay for the cost of classes or treatment. The above provisions are effective from and after December 31, 1987.

Establishes an Alcohol Abuse Treatment Fund to be administered by the Director of the DHS. The fund is exempt from lapsing of appropriations.

Levies, in addition to the \$30 fine for violation of the DWI statute, an additional \$40 to be deposited in the Alcohol Abuse Treatment Fund to cover the cost of court-ordered treatment for those who cannot afford treatment costs.

Provides that monies in the Department of Corrections Alcohol Abuse Treatment Fund are not subject to legislative appropriation, effective retroactively to July 1, 1985.

COMMITTEES AND BOARDS
CREATED DURING THE 1987 SESSION

HEALTH AND WELFARE

Advisory council on arthritis and musculoskeletal diseases
H.B. 2200

PURPOSE: To study and make recommendations on the problems of persons afflicted with arthritis or other musculoskeletal diseases.

MEMBERSHIP: Other: 9 - Afflicted with arthritis or parents of persons with arthritis - Appointed by the Governor.
5 - Representing the professional health community in rheumatology - Appointed by the Governor.
2 - General public - Appointed by the Governor.
1 - Representative of a statewide, private, non-profit agency providing services to those persons with arthritis/musculoskeletal diseases - Appointed by the Governor.
1 - Representative of a private, non-profit research center that conducts biomedical or bioengineering research - Appointed by the Governor.
2 - Directors of the Department of Economic Security and Department of Health Services or their designees.
1 - Chairman of rheumatology at the University of Arizona.

REPORTS: November 15 - annually

TERMINATION DATE: July 1, 1997 (unless renewed)

STATUTORY CITE/AUTHORITY, IF ANY: A.R.S. 41-971 and 41-972, Laws 1987,
Chapter 258

Joint legislative commission on service delivery coordination for the homeless
S.B. 1426

PURPOSE: To review plans for coordinating organizational efforts to address problems of the homeless.

MEMBERSHIP: Senate: 2 - Appointed by the President of the Senate.
House: 2 - Appointed by the Speaker of the House of Representatives.

Health and Welfare Committee
Committees and Boards

- Other:
- 1 - Representing counties with populations less than 400,000 (1980 census) - Appointed by the President of the Senate and the Speaker of the House of Representatives.
 - 1 - Representing cities with populations less than 300,000 (1980 census) - Appointed by the President of the Senate and the Speaker of the House of Representatives.
 - 2 - Representing counties with populations greater than 400,000 (1980 census) - Appointed by each board of supervisors.
 - 2 - Representing cities with populations greater than 300,000 (1980 census) - Appointed by each city council.
 - 1 - Public member - Appointed by the President of the Senate and the Speaker of the House of Representatives.
 - 2 - Director of the Department of Economic Security and Director of the Department of Health Services or their designees.

REPORTS: February 1, 1988

TERMINATION DATE: February 1, 1988

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 88

Omnibus AHCCCS revision
S.B. 1418

Created (or extended) the following two committees:

1. Select Committee on Funding Systems for Long Term Care

PURPOSE: To develop models for alternative funding systems for long term care in Arizona and for the integration and management of Title III, Title V, Title XX, state supplemental payments and other related program monies.

Health and Welfare Committee
Committees and Boards

MEMBERSHIP: Senate: 3 - Not more than two of the majority party appointed by the President of the Senate.

House: 3 - Not more than two of the majority party appointed by the Speaker of the House.

Other: 1 - Director of AHCCCS or his designee.
1 - Director of the Department of Insurance or his designee.
1 - Director of the Department of Economic Security or his designee.

REPORTS: Consultants report by January 1, 1988

Select Committee reports by January 15, 1988

TERMINATION DATE: April 1, 1988

STATUTORY CITE: Laws 1987, Chapter 332, Section 34

2. Joint Legislative Council Committee for Arizona Health Care Cost Containment System (Extended)

PURPOSE: To oversee the implementation of the Arizona Long Term Care system.

MEMBERSHIP: Senate: 5 - Appointed by the President of the Senate.

House: 5 - Appointed by the Speaker of the House.

TERMINATION DATE: Extended to September 30, 1991

STATUTORY CITE: Laws 1987, Chapter 332, Section 25

INSURANCE, RETIREMENT AND AGING

LEGISLATION ENACTED
THIRTY-EIGHTH LEGISLATURE
FIRST REGULAR SESSION

INSURANCE, RETIREMENT AND AGING

Workers' compensation; state claims; administration (S.B. 1048) -
Chapter 42

Outlines the procedures and requirements of the Department of Administration (DOA) in handling workers' compensation claims against state risk management programs.

This act has the following provisions:

1. Allows the DOA to process, make payments on, and self-insure against worker's compensation claims.
2. Makes optional, the procurement of excess coverage from the state compensation fund by the DOA.
3. Excludes community colleges from procurement of insurance by the DOA on the contents of state buildings.
4. Allows the DOA to obtain insurance from a third party, self-insure or develop risk retention pools to provide for payments of claims against political subdivisions and contractors of this state.
5. Specifies that settlement of liability claims is to be made solely by the DOA, the Attorney General and the Joint Legislative Budget Committee.
6. Defines "bidder" or "offerer" as a person who has submitted a bid or proposal upon request from the DOA.

PSPRS; prior service; redemption (S.B. 1050) - Chapter 128

An emergency measure allowing present members of the Public Safety Personnel Retirement System to buy back previously forfeited service credits.

Any present member wishing to buy back previously forfeited service credits is required to pay into the system contributions previously withdrawn, accumulated interest as determined by the fund manager, and an additional amount, if any, calculated by the system's actuary, to offset any increases in the present value of projected benefits which result from his reinstatement.

INSURANCE, RETIREMENT AND AGING (Cont.)

Corporation directors; liability limitation; enabling (S.B. 1051) - Chapter 129

Extends immunity from civil liability to directors of profit and nonprofit corporations by authorizing modification of articles of incorporation, with the consent of shareholders, to eliminate or limit their personal liability to shareholders for breach of fiduciary duty. Specifically prohibits extending immunity for any of the following:

1. Breach of the duty of loyalty.
2. Acts not in good faith and knowing violations of the law.
3. Authorization of illegal dividends.
4. Transactions from which the director derived an improper personal benefit.

Removes prohibition on indemnification of legal fees to directors, adjudged to be liable for negligence or misconduct in the performance of duties. Allows indemnification to those who have ceased to be directors and to their heirs.

Extends to non-profit directors, members of a governing body not authorized to issue capital stock and persons serving in an advisory capacity to non-profit corporations immunity from civil liability for any act or omission resulting in damage or injury if they act in good faith and within the scope of their official capacity unless such damage or injury is caused by willful and wanton or grossly negligent conduct.

Health care providers; peer review NOW: Study commission; expiration date; repeal (S.B. 1052) - Chapter 237

Repeals legislation which established the 18-member Study Commission on Insurance to study tort reform and economic incentives necessary to induce insurance companies to write high risk lines to assure availability and affordability of insurance.

Insurance; managing general agents; surety (S.B. 1053) - Chapter 130

Requires all managing general agents operating within Arizona to place in trust a surety bond in favor of the state to protect policyholders and insurers against the failure of an agent to pay obligations due to insolvency or acts of fraud or dishonesty. The bond would equal ten per cent of the monies handled annually, but in no case would it be less than \$50,000 or greater than \$100,000.

Defines monies as the total amount of gross written premium less gross return premium.

INSURANCE, RETIREMENT AND AGING (Cont.)

Insurance law violation; licensee; restitution (S.B. 1054) - Chapter 23

Grants the Director of the Department of Insurance the authority to order an insurance certificate holder (licensee) to pay restitution directly to any party injured by the holder's failure to perform properly or within the limits of the law. Such an order may be imposed in lieu of, or in addition to, civil penalties provided by law.

Insurance cancellation; proof of notice NOW: Contractor risk retention pools; administration (S.B. 1055) - Chapter 359

Defines a state contractor as any contractor which contracts with the state without respect to the amount that state-contracted work bears to non-state-contracted work. Extends to state contractors the same insurance options which are currently available to departments and agencies through the Department of Administration to pool retention of risks for property and liability and workers' compensation claims. Requires a board of five trustees for each risk retention pool. Requires an annual audit of each pool by a certified public accountant and monitoring and reporting to the Legislature by the Director of the Department of Insurance for failure to comply with his recommendations. Authorizes the Department of Administration, the Attorney General and the Joint Legislative Budget Committee to settle liability claims against the state.

Long-term care insurance policies (S.B. 1093) - Chapter 179

Defines long-term care insurance as any policy designed to provide coverage for at least twelve consecutive months in a setting other than an acute care unit of a hospital. Authorizes the issuance of long-term or nursing home insurance policies to individuals or groups. Requires that an outline of the extent and limits of coverage under such policies be made available if requested by a consumer, or in the case of a group policy, that a certificate of insurance containing such information be made available to each group member. Applies to policies delivered or issued for delivery on or after the effective date of this act. Prohibits cancellation solely for age or the deterioration of the mental or physical health of the insurance individual. Provides the right to full refund of premium within a 10-day review period for unsolicited policies and within 30 days for solicited policies.

Nonprofit corporations; risk retention pools (S.B. 1094) - Chapter 74

Authorizes nonprofit corporations to purchase insurance jointly or to pool retention of their risk for property and liability losses. This may be done on a cooperative or contract basis or through a nonprofit corporation or trust agreement providing such pools meet the requirements for public agency risk pools pursuant to section 11-952.01 and the requirements for other authorized insurers pursuant to Title 20.

INSURANCE, RETIREMENT AND AGING (Cont.)

Unlawful insurance business; exemption NOW: Compensation and reimbursement; public employees (S.B. 1097) - Chapter 75

Grants eligibility to members of the state retirement board, the investment advisory council and the fund manager to receive fifty dollars per meeting, not to exceed \$1,000 in any fiscal year. Also makes members eligible for reimbursement of expenses.

PSPRS; administrator; powers and duties (S.B. 1098) - Chapter 180

An emergency measure outlining the powers and duties of the fund manager and administrator.

Restores authority to the fund manager to contract with and set salaries of employees of the system. Provides that the fund manager, administrator and employees will not be under the jurisdiction of the Department of Administration. Provides exemption to the PSPRS from provisions of the procurement code relating to contracts for goods and services.

As outlined in this act, the administrator shall:

1. Invest funds within guidelines established by the fund manager.
2. Organize and maintain a system of accounts and records to be integrated with those accounts and records of the employers.
3. Hire employees, prescribe their duties and contract for services as necessary in accordance with personnel procedures and the budget approved by the fund manager.
4. Be responsible for income, the collection of income and the accuracy of all expenditures.
5. Make recommendations to the fund manager regarding yearly contracts for the system's various counsels and services.

The provisions of this act are effective retroactively to July 1, 1968.

Exempts the Department of Commerce from provisions of the procurement code for contracts of engineering and scientific analysis directly related to the state's application to the U.S. Department of Energy for the superconducting super collider.

INSURANCE, RETIREMENT AND AGING (Cont.)

Chiropractors; insurance benefits; direct payment (S.B. 1099) - Chapter 216

Makes permanent the current, temporary provision which prohibits the denial of chiropractic insurance benefits. Allows for the direct reimbursement of chiropractors by insurers and allows chiropractors to contract with hospital service corporations. Continues beyond September 30, 1987, the prohibition of denial of chiropractic contract benefits in subscription, disability or group/blanket disability insurance contracts.

Health coverage; PSPRS retirees; option NOW: Qualified retirement plans; exemption from process (S.B. 1161) - Chapter 217

Protects the assets and interest of either a participant or beneficiary of a qualified retirement plan (under sections 401(a), 403(a), 403(b), 408 or 409 of the United States Internal Revenue Code of 1986 as amended) from any and all claims of creditors in bankruptcy proceedings. Excludes from the exemption an alternate payee under a qualified domestic relations order, contributions made within 120 days prior to a bankruptcy filing and bankruptcies filed before July 1, 1987.

Risk retention groups; regulation (S.B. 1164) - Chapter 213

Clarifies the extent of state authority with respect to the regulation of risk retention groups authorized under the Federal Risk Retention Act of 1986 which provided that groups which qualify in a single state need not requalify in order to conduct risk retention business in other states.

Sets financial requirements for risk retention groups which choose to be licensed in Arizona. Requires certain information be submitted to the Department of Insurance before risk retention groups not chartered in Arizona can offer insurance in the state.

Prohibits allocation of guarantee funds or proceeds to risk retention groups. Requires that members of purchasing groups be informed that they are not protected by insolvency guarantee funds and that risk retention groups and insurers might not be subject to all insurance laws and regulations of the state.

State retirement; previous service credit (S.B. 1166) - Chapter 208

Provides all active members of the system or plan the opportunity to receive credit for previously forfeited service by paying into the system or plan at the time of retirement the actuarial present value of projected benefits which results from crediting the previously forfeited service.

INSURANCE, RETIREMENT AND AGING (Cont.)

Health care services organizations; solicitation (S.B. 1245) - Chapter 82

An emergency measure removing restrictions which prohibit health care services organizations from identifying their health providers and describing their professional qualifications, experience, competence, skills, reputations and achievements in advertising or solicitations for membership.

Retirement service credit; foreign teacher (S.B. 1266) - Chapter 182

Allows school teachers or administrators who are members of the Arizona State Retirement System or Plan and have service credits in another state as a school teacher or administrator to receive up to five years of credited service in the Arizona retirement system or plan for the out-of-state service. This act applies only to those teachers or administrators who are not receiving retirement benefits due to such service. Teachers or administrators with out-of-state service choosing to exercise this option will pay into the system an amount equal to the increase in the actuarial present value of projected benefits as computed at the time of retirement.

Motor vehicle insurers; prohibited act (S.B. 1280) - Chapter 239

Prohibits motor vehicle insurers from increasing premiums of an insured who is involved in an accident not caused or significantly contributed to by the actions of the insured. Requires insurers who increase premiums as the result of accident involvement to notify the insured of the reasons for such increase. Authorizes the Director of the Department of Insurance to investigate and hold hearings to ascertain violations of this act and to impose a civil penalty of up to \$300.

Public safety retirement; benefits; remarriage (S.B. 1293) - Chapter 364

Provides that a surviving spouse of a deceased member of the system shall continue to receive a surviving spouse's pension after remarriage. Provides for designation of a conservator by a member and for payment of a guardian's or conservator's pension to a trust created for the benefit of eligible children.

Corrections officer retirement; membership waiver (S.B. 1294) - Chapter 133

Allows those corrections officers who are presently members of the Correctional Officers' Retirement Plan, who became members as of July 1, 1986, to transfer all employer and employee contributions together with prior service credits accumulated under the state retirement system, into the Corrections Officer Retirement Plan Fund.

INSURANCE, RETIREMENT AND AGING (Cont.)

S.B. 1294 (Cont.)

Allows the fund manager the discretion to exclude county detention officers, at their request, from the joinder agreement incorporating them into the Correctional Officers' Retirement Plan.

PSPRS; credited services; transfer (S.B. 1400) - Chapter 87

Increases the amount of time from 120 days to two years in which employees of the Public Safety Personnel Retirement System (PSPRS) are allowed to transfer service credits from one participating employer of the PSPRS to another. Applies to any person who transfers service credits within two years and does not withdraw accumulated contributions from the fund, even if the date of termination was prior to the effective date of this act.

Former elected officials; life insurance (H.B. 2011) - Chapter 91

An emergency measure providing that former elected officials of the state and their dependents may obtain group life insurance at no expense to the state. Allows the Department of Administration (DOA) to adopt standards of eligibility for participation in the coverage, and to group former elected officials, their dependents or surviving spouse, with officers and employees of this state to obtain coverage at favorable rates. Allows the DOA to establish rules to provide that if the former elected official dies before an insured surviving spouse, the spouse will be eligible to participate in the coverage.

Car rental companies; insurance; liability (H.B. 2033) - Chapter 16

Provides that an owner of a motor vehicle who rents it to another without a driver will not be held jointly or severally liable with the renter if the owner qualifies as a self-insurer.

~~Transaction of insurance business; definition~~ NOW: Insurance rates; consumer advisory board (H.B. 2034) - Chapter 136

Authorizes the Director of the Department of Insurance to set standards which define excessive rates and to regulate adjustments to filed rates. Establishes a seven-member Insurance Consumer Advisory Board to advise the Director on the conditions of the insurance marketplace.

INSURANCE, RETIREMENT AND AGING (Cont.)

H.B. 2034 (Cont.)

Eliminates the presumption of the existence of competition and enables the Director to hold public hearings to make that determination. If the absence of competition is determined, the Director shall set a maximum rate which cannot be exceeded or implemented prior to submission and review of supportive actuarial data. Maximum rates established will be in effect for no more than one year. The Director, upon determining an insurer's failure to comply with established rate procedures and differentials can suspend the insurer, require refunds to policyholders or impose a civil penalty in lieu of refund.

Insurance exchanges (H.B. 2035) - Chapter 60

An emergency measure which allows insurance exchanges that are authorized to conduct business in at least one other state, to transact insurance business in Arizona. Prohibits an insurance broker from investing in an insurance exchange, a single syndicate of which has been declared, by the Director of the Department of Insurance to be in unsound financial condition, improperly managed or unreliable in insurance transactions.

Insurance fees; revision (H.B. 2036) - Chapter 17

Authorizes the Department of Insurance to make annual adjustments in fees which are required for motor vehicle service contracts, annual report filings and life care facility permits.

Requires:

1. Fees of not less than \$100 nor more than \$300 for motor vehicle service contracts.
2. An initial fee of not less than \$100 nor more than \$300 for mechanical reimbursement insurers.
3. A fee of not less than \$50 nor more than \$450 for annual report filings.
4. Adjustment of the above fees if total fees for any given year fall outside 95 to 110 per cent of the Department's appropriated budget.

Notices to insured; nonrenewal; cancellation (H.B. 2076) - Chapter 137

Provides a grace period for payment of premium of at least seven days for consumers with motor vehicle insurance. Requires the insurer to mail a notice of cancellation after the grace period stating the reason for cancellation. Allows the insured ten days after receipt of the notice of cancellation to file a complaint with the Director of the Department of Insurance.

INSURANCE, RETIREMENT AND AGING (Cont.)

H.B. 2076 (Cont.)

These provisions apply to policies issued or renewed after the effective date of this act.

Nonprofit corporations; directors; immunity NOW: Tax exemption; payments from the secretary of health and human services (H.B. 2082) - Chapter 249

Exempts health care service organizations which contract with the Department of Health and Human Services to provide services to Medicare patients on a risk basis from the 1.7 per cent insurance premium tax imposed by the Department of Insurance.

Elected officials' retirement; benefit increases (H.B. 2158) - Chapter 111

An emergency measure effective July 1, 1987, providing a 3 per cent increase in base retirement benefits for retired members of the Elected Officials' Retirement Plan.

State retirement; retirees; benefit increase (H.B. 2159) - Chapter 281

An emergency measure providing a permanent increase in monthly benefits effective July 1, 1987, equal to 60 cents for each year of credited future, past and prior service, plus 60 cents for each year of retirement as of June 30, 1987. The increase for any individual cannot exceed 10 per cent nor shall it be less than 2 per cent of the current monthly benefit.

Health coverage; PSPRS retirees; option (H.B. 2169) - Chapter 282

Authorizes retired members of the Public Safety Personnel Retirement System, the Elected Officials' Retirement Plan, the Corrections Officer Retirement Plan and dependents who are receiving benefits, to participate in group health and accident coverage provided through, and administered by the Department of Administration. Expenditure of public funds for insurance premiums is not authorized.

PSPRS; retirement benefits; amount (H.B. 2170) - Chapter 339

Provides that members of the Public Safety Personnel Retirement System who complete at least 25 full years of credited service shall receive an increase of 2.5 per cent in monthly retirement benefits for each year of credited service in excess of 20 years with a pro rata increase for any fractional year. Provides that the maximum amount payable as a normal pension shall be eighty per cent of the average monthly benefit compensation.

INSURANCE, RETIREMENT AND AGING (Cont.)

ASRP; long-term disability program (H.B. 2181) - Chapter 112

Establishes a program of long-term disability benefits for members of the Arizona State Retirement Plan to become effective from and after June 30, 1988.

The main provisions are:

1. Monthly disability payments shall not exceed two-thirds of the participant's monthly compensation at the time of the disability and shall not be less than \$50 per month.
2. Social security disability or retirement benefits, workers' compensation benefits and other benefits received due to employment shall be deducted from the monthly disability benefit payments.
3. Requires that a participant be totally disabled for a period of six consecutive months before receiving monthly benefits.
4. Prohibits disability payments from this program to any participant who is already receiving disability or retirement benefits from the state retirement plan or system or any other retirement plan established by state law.
5. Provides conditions under which monthly benefits are not payable or cease to be payable.
6. Entitles the participant to receive service credit for the period of disability to the normal retirement date.

Insurance license surcharge; computer fund (H.B. 2218) - Chapter 260

An emergency measure authorizing the Director of the Department of Insurance to impose a surcharge of not more than 15 per cent on all licenses and certificates of authority for the purpose of establishing a computer system for the Department. Enables the Director to contract with and compensate personnel necessary to implement the system. Establishes a Department of Insurance computer system fund for deposit of the collected surcharges.

Insurers; investments in foreign bank (H.B. 2231) - Chapter 125

Authorizes insurers to invest or deposit funds in foreign banks which have been approved by the Director of the Department of Insurance after a hearing providing that such banks are rated long-term AA or A-1/P-1 by Standard and Poor's or Moody's rating services. Deposits and investments authorized under this act will be included in the ten per cent limitation on foreign investment.

INSURANCE, RETIREMENT AND AGING (Cont.)

Fire fighters' pension; technical correction NOW: Administration account; investment management fees (H.B. 2237) - Chapter 321

Authorizes the Director of the Arizona State Retirement System to transfer from the investment account to the administration account those investment-management and related fees deemed necessary by the Investment Advisory Council and approved by the Board.

Insurance agents of record (H.B. 2254) - Chapter 285

An emergency measure requiring that licensed motor vehicle insurance agents/agencies remain the agent of record with authority to provide customary services to policyholders at normal fees through any insurer who has terminated the agent's/agency's service contract. Makes inapplicable the above provisions if: the agent of record is under exclusive contract to the insurer; expiration of the policies is owned by the insurer; the agent's license has been revoked; the agent is indebted to the insurer; the insured requests a change of agent or the Director determines continuation of the relationship is not in the public's interest.

Elected officials' retirement; city officials (H.B. 2257) - Chapter 146

Authorizes elected officials of incorporated cities to participate in the elected officials' retirement plan providing an appropriate joinder agreement is executed by their cities with the elected officials' retirement plan.

Enables cities to pay on behalf of current and former elected officials all or any part of the amounts necessary to provide their retirement benefits under the joinder agreement whether or not an applicable retirement plan was in effect during the period of service purchased under the joinder agreement.

Requires employers to pay normal annual costs of the fund over and above member contributions and to amortize over 20 years the unfunded liability generated by admission of their elected officials to the system.

Increases member contributions from 6 to 7 per cent of gross income and increases the multiplier used to calculate retirement benefits from 3.33 to 4 per cent.

INSURANCE, RETIREMENT AND AGING (Cont.)

Vehicle emissions; inspections; vehicle insurance NOW: Joint underwriting associations; powers; rates (H.B. 2271) - Chapter 261

Subjects all powers of the Joint Underwriting Association (JUA) to approval by the Director of the Department of Insurance. Authorizes the Director to retain those persons necessary for effective operation of the JUA, to impose surcharges for occurrence riders and to allow amortization of start-up expenses over a period of at least five years.

Increases the maximum initial assessment on each participating insurer of the Association from \$100 to \$500. Permits the Director to annually assess each insurer an amount up to \$200 for administrative costs.

These provisions terminate from and after December 31, 1990.

Psychologists; insurance benefits; direct payment (H.B. 2275) - Chapter 215

Allows direct reimbursement of insurance proceeds to psychologists and allows them to enter into participation contracts with hospital service corporations. Continues the prohibition of denial of insurance benefits to psychologists or physicians under any disability insurance contract for services for which the subscriber is eligible and which fall within the scope of practice of the psychologist or physician.

Insurance benefits; adopted children (H.B. 2326) - Chapter 209

Prescribes that insurers, pre-paid dental plan organizations and health care services organizations provide coverage for adopted children from the time the adoption or adoption placement procedures have been completed. Defines child for purposes of initial placement as any person under the age of 18 years. Allows the above organizations to require payment of applicable premiums within 31 days of adoption or placement.

INSURANCE, RETIREMENT AND AGING (Cont.)

ASRP; retired member; reemployment (H.B. 2352) - Chapter 274

Eliminates mandatory retirement at age 70 for members of the System or Plan. Allows service credit, contributions and recomputation of retirement annuities for previously retired members who are employed or reemployed by an employer member of the Plan for all service in excess of the initial five months of employment or reemployment. Allows formerly retired participants who were employed or reemployed between July 1, 1980, through June 30, 1987, and participants who continued to work beyond age 70 to recover service credits previously denied them by paying into the system the actuarial present value, computed at the time of retirement, which results from crediting the service in question. Provides a window of opportunity, until September 30, 1988, during which any compensation earned beyond age 70 must be used to calculate average monthly compensation for members who have worked beyond age 70.

The provisions of this act are effective retroactively to June 30, 1987.

COMMITTEES AND BOARDS
CREATED DURING THE 1987 SESSION

INSURANCE, RETIREMENT AND AGING

Insurance consumer advisory board
H.B. 2034

PURPOSE: To advise and counsel the director of the Department of Insurance on matters relating to the condition of the insurance marketplace in terms of competition and standards of compliance with filed rates as set forth in this act.

MEMBERSHIP: Other: All appointed by the Director of the Department of Insurance:

- 2 - Members licensed as insurance agents in the state.
- 2 - Members licensed as insurance brokers in this state.
- 3 - Members representing consumers.

REPORTS: Ongoing advisory

TERMINATION DATE: None

STATUTORY CITE/AUTHORITY: A.R.S. 20-399.09, Laws 1987, Chapter 136

JUDICIARY

LEGISLATION ENACTED
THIRTY-EIGHTH LEGISLATURE
FIRST REGULAR SESSION

JUDICIARY

ARCOR powers and duties NOW: Arizona correctional industries; powers; duties; compensation for prisoners (S.B. 1003) - Chapter 358

Revises the management of Arizona Correctional Enterprises and renames ARCOR enterprises Arizona Correctional Industries.

Eliminates the ARCOR enterprises board and transfers its powers and duties to the Director of the Department of Corrections.

Requires all articles produced by correctional industries after July 1, 1989, except agricultural products, to be priced at not less than the actual cost of production, plus an allowance for overhead and administrative costs.

Provides that correctional industries shall defray its costs out of receipts from the sale of its products after July 1, 1989.

Requires the Director to submit a financial and management report annually to each member of the Legislature.

Child support; automatic wage assignment (S.B. 1031) - Chapter 211

Promotes collection of delinquent child support by instituting a requirement for automatic assignment of wages in all new support orders entered on and after December 31, 1987, and whenever a 30-day arrearage occurs after that date.

Permits a parent required to pay child support to voluntarily request wage assignments.

Provides for the termination of an automatic wage assignment only when the duty to pay child support ceases.

Requires the court to order a local social service agency to exercise continuing supervision for enforcement of visitation rights whenever either parent requests it, if the court finds the best interests of the child would be served.

Directs the Supreme Court, upon recommendation of the presiding superior court judge in each county, to promulgate a plan for expedited hearings for enforcement of visitation orders.

Authorizes the Supreme Court to prescribe forms to be used in support, visitation and wage assignment actions.

Constitution day; holiday (S.B. 1032) - Chapter 6

Establishes "Constitution Day" as a state holiday to be celebrated on September 17, if it is a Sunday, or on the Sunday preceding it if September 17 is not a Sunday.

JUDICIARY (Cont.)

Criminal justice fund (S.B. 1033) - Chapter 40

Allows the Supreme Court to expend criminal justice enhancement fund monies to enhance the ability of justice of the peace courts to process criminal cases.

Gambling law revision (S.B. 1035) - Chapter 71

Revises the gambling code, creating new prohibitions, providing increased penalties for unlawful gambling activities, and permitting social gambling, amusement gambling and regulated gambling.

Provides that a person who conducts, organizes, or finances gambling, except for amusement, regulated or social gambling, commits promotion of gambling, a class 5 felony.

Retains engaging in the business of accepting bets or running a wagering pool as a class 6 felony.

Prohibits benefiting from gambling (class 1 misdemeanor), but profiting from amusement, regulated or social gambling as a player is not unlawful.

Provides that possession of a bingo gambling device is a class 2 misdemeanor, while possession of any other gambling device is a class 1 misdemeanor.

Permits the seizure of any monies, gambling devices or gambling records by a peace officer having probable cause to believe they are being used or are intended to be used in illegal gambling.

Exempts antique slot machines at least 25 years old and not used for gambling from confiscation.

Retains the current statutory provision allowing nonprofit tax exempt organizations to conduct a raffle.

Subjects all gambling profits, gambling devices and things of value used in committing a gambling violation to forfeiture.

Joint and several liability; abolish (S.B. 1036) - Chapter 1

Abolishes the doctrine of joint and several liability in all actions for personal injury, property damage and wrongful death, except:

1. Where defendants acted in concert;
2. Where one acts as the servant or agent of another;

JUDICIARY (Cont.)

S.B. 1036 (Cont.)

3. In actions relating to hazardous wastes or substances or solid waste disposal sites.

Provides that a defendant shall be liable only for the amount of damages allocated to that defendant in direct proportion to the defendant's percentage of fault.

Provides that in apportioning fault, the trier of fact shall consider the fault of all persons who contributed to the alleged injury, including parties who settle prior to trial or others who, for whatever reasons, are not a party to the suit. Pursuant to such rules as the Supreme Court may adopt, a defendant seeking a determination of fault of a nonparty must provide the other parties with notice prior to trial. Assessment of fault against nonparties does not subject them to any liability, nor may it be introduced as evidence in any other action.

Applies to actions filed on or after December 31, 1987.

Private prisons (S.B. 1039) - Chapter 322

Authorizes the Department of Corrections to contract with private enterprise and other governmental entities for the provision of various adult correctional services.

Requires Joint Legislative Budget Committee approval of any request for proposals, original contract, contract renewal, any price or cost adjustment or any other amendment to any contract for the detention or incarceration of adult offenders by a private contractor.

Establishes prequalification criteria for firms submitting proposals including that they possess the necessary qualifications, experience and personnel and have a demonstrated history of successful operation and management of other correctional facilities.

Provides that a contract for private prison administration may be awarded only if cost savings to the state are demonstrated.

Mandates contract provisions concerning the state's right to terminate, price or cost adjustments and insurance requirements.

Precludes a prison contractor from exercising any authority over developing and implementing procedures for calculating release and parole eligibility dates, awarding sentence credits, approving furloughs or work release, the type of work inmates may perform and the wages or sentence credits which may be given to working inmates.

Requires any facility for adult offenders contracted for to be sited by the Legislature.

JUDICIARY (Cont.)

Trial jurors; employment; seniority rights (S.B. 1040) - Chapter 156

Extends current protection against loss of job seniority afforded to grand jury members to trial jurors.

Subpoena compliance costs; liability (S.B. 1067) - Chapter 152

Expedites reimbursement for costs incurred by a non-party in responding to a subpoena of documentary evidence in a civil action. Requires that reasonable costs incurred by a non-party witness to produce documents shall be paid by the requesting party upon presentation by the witness of an itemization of reproduction and clerical costs. Reasonable costs is defined as 10 cents for each page of standard reproduction of documents and the actual costs for reproduction of documents which require special processing, plus clerical costs incurred in locating and making the documents available billed at \$10 per hour.

Health care institutions; subpoena (S.B. 1071) - Chapter 73

Expands to other health care institutions the expedited procedure for responding to medical records subpoenas already applicable to hospitals.

Voter registration cancellation (S.B. 1086) - Chapter 172

Subjects licensed drivers to cancellation of voter registration for failure to vote in a general election and requires a special one-time purge to be conducted commencing on January 1, 1988, of all registered persons who did not vote in the 1986 general election and who were not cancelled in the January 1, 1987, purge. Provides that the act is effective only upon approval by the U.S. Department of Justice.

Prisoner accounts; access; emergency purposes (S.B. 1107) - Chapter 45

Confers upon the Director of the Department of Corrections the sole discretion to allow an inmate access to his trust fund or escrow fund account for emergency purposes.

Permits only those prisoners who have not been previously paroled or discharged, and who do not have at least \$250 in resources upon release, to receive a minimum of \$50 in cash and a maximum of \$35 in clothing at the time of release.

JUDICIARY (Cont.)

Family law referee; mandatory appointment (S.B. 1114) - Chapter 173

Requires that family law referees or commissioners be appointed by the presiding judge of each county to expedite enforcement of child support orders, unless the county has obtained a federal waiver.

Permits any modification of spousal maintenance or child support to apply only to amounts due after notice of the motion for modification is received.

Public fiduciary; estate account (S.B. 1150) - Chapter 49

Increases the maximum gross estate asset value limit for which an account in estates can be filed by a public fiduciary from \$3,000 to \$10,000.

Parole eligibility classification; review frequency (S.B. 1208) - Chapter 51

Extends the maximum time period between parole eligibility classification reviews conducted by the Director of the Department of Corrections, for each prisoner from three to six months.

Psychologists; educational qualifications NOW: Study commission on pornography (S.B. 1227) - Chapter 298

Establishes a ten-member commission to study pornography and the manner in which it is distributed in Arizona, and to evaluate methods of eliminating pornography while protecting and preserving legitimate cultural, educational and entertainment interests.

Requires that the commission complete its work and submit its findings and recommendations to the President of the Senate, the Speaker of the House of Representatives and the Governor by January 1, 1988.

Mediation proceedings; communications privileged NOW: Campaign committees; broadcast time; contribution (S.B. 1398) - Chapter 229

Requires campaign committees engaged in support of or opposition to state, county or municipal initiative measures or referenda which receive free broadcast time under the "fairness doctrine" of the Federal Communications Act to show that broadcast time and its fair market value in their contribution and expenditure reports.

Provides that campaign committees must file contribution and expenditure reports reflecting activity in support of or in opposition to county or municipal initiative measures or referenda, as well as for statewide ballot measures.

JUDICIARY (Cont.)

Medical liability review panels (H.B. 2081) - Chapter 193

Strengthens the medical liability review panel process for actions filed on and after December 31, 1987, by:

1. Forbidding the court from waiving the requirement for a review panel in cases where \$50,000 or less is claimed or where all the parties stipulate to waiver.
2. Prohibiting presentation to the panel of any claim, theory of liability or defense relating to medical malpractice unless the parties have received notice of the basis for it in advance of the hearing.
3. Precluding presentation at trial of any claims, theories or defenses relating to medical malpractice not heard and decided by the panel. However, the court may postpone the trial to a later date, reconvene the review panel and permit the plaintiff to present newly discovered claims for relief or theories of liability. The panel shall then hear and decide the newly discovered claims or theories prior to the trial of the case.
4. Requiring the panel's decision be read to the jury in any subsequent trial, to be accorded such evidentiary weight as the jury chooses to give it.

Provides that medical liability review panels are scheduled for sunset termination on July 1, 1993.

First degree burglary; classification (H.B. 2108) - Chapter 18

Provides that first degree burglary committed in a residential yard is a class 3 felony.

Disclosure of indictment; increase penalty (H.B. 2109) - Chapter 63

Increases the penalty from a class 2 misdemeanor to a class 1 misdemeanor for knowingly and unlawfully disclosing an indictment, information or complaint or secret information relating to grand jury proceedings.

Racketeering; disclosures; financial institutions; immunity (H.B. 2110) - Chapter 124

Allows the Attorney General or an authorized county attorney access to the records of any business under the jurisdiction of the Securities Division of the Corporation Commission, the Real Estate Department or the Department of Insurance for the purpose of conducting an investigation into alleged racketeering.

JUDICIARY (Cont.)

H.B. 2110 (Cont.)

Allows a financial institution or its employees or agents to volunteer information to the Attorney General or a county attorney which may be relevant to a possible racketeering violation. A person who voluntarily supplies such information is immune from civil liability for its release.

Abortions; minors; parental consent (H.B. 2113) - Chapter 192

Replaces current requirements involving written notification of the parents or legal guardians of an unmarried or unemancipated minor woman of her intent to obtain an abortion with a requirement for written parental consent to the abortion.

Allows an exemption from the parental consent requirement if:

1. The minor woman receives a consent waiver from a superior court that she is mature enough to make the abortion decision, or that the abortion decision is in her best interest in spite of her immaturity.
2. The attending physician certifies in writing that continuation of the pregnancy is an immediate threat and grave risk to the life of the minor woman.

Requires the parental consent waiver petition proceedings in the superior court and appeals from those rulings be heard on an expedited basis and take precedence over all other actions.

Guarantees confidentiality of the minor woman when filing for a consent waiver in all superior and appellate court proceedings and records. The court is required to issue written findings and conclusions supporting its ruling within five days of the filing of the petition.

Marriage dissolution; property disposition; maintenance (H.B. 2120) - Chapter 195

Permits the court to consider additional factors when ordering spousal maintenance in a dissolution proceeding, including the spouse's contribution to the educational opportunities of the other spouse, or that the marriage was of long duration and the spouse seeking maintenance is of an age which may preclude the possibility of obtaining employment adequate for self support.

JUDICIARY (Cont.)

H.B. 2120 (Cont.)

Provides for consideration of the following additional factors in determining the amount and duration of the order for spousal maintenance:

1. The contribution of the spouse seeking maintenance to the earning ability of the other spouse.
2. The extent to which the spouse seeking maintenance reduced income or career opportunities for the benefit of the other spouse.
3. The ability of both parties to contribute to the future educational costs of their mutual children.

Requires the court to maintain continuing jurisdiction for the period maintenance is ordered.

Automatic recount; legislative members (H.B. 2148) - Chapter 231

Provides that the margin required for an automatic recount in a state legislative election shall be 50 votes, replacing the current requirement of 200 votes. Exempts fire district chief and secretary-treasurer elections from the automatic recount provisions.

Criminal insanity; petition for hearing (H.B. 2175) - Chapter 144

Allows the court to order a release hearing for a person committed to a mental health evaluation or treatment agency for criminal conduct if the agency files a petition alleging the person is no longer suffering from a mental disorder or is no longer a danger to himself or others.

Requires that the petition filed by the mental health evaluation or treatment agency must include a written affidavit of the Medical Director of the State Hospital with the results of any examinations of the person and the Director's conclusions.

Reduces the time a person must serve in the mental health institution before being eligible for conditional release from 230 days to 120 days.

Trafficking in stolen property; inferences (H.B. 2179) - Chapter 31

Clarifies that statutory inferences pertaining to the crime of trafficking in stolen property are rebuttable by the defendant.

JUDICIARY (Cont.)

Prisoner release; notice to victim (H.B. 2195) - Chapter 113

Requires the Department of Corrections or Board of Pardons and Paroles to notify the victim or the victim's family (if the victim died as a result of the offense) at least 30 days before an inmate's completion of sentence, release on parole or absolute discharge.

Child support beyond minority (H.B. 2196) - Chapter 100

Provides that if a child reaches the age of majority (18) while still attending high school, the parents must continue to provide support during the period which the child is actually attending high school, but not beyond June 1 of the school year during which he or she reaches age 18.

Illegal drugs; statutory revisions (H.B. 2202) - Chapter 307

Establishes new drug offenses and increases penalties for those convicted of drug offenses, including:

1. Suspension of the driver's license of a child who commits a drug offense until the age of 18.
2. Addition of most of the criminal drug statutes to the list of "serious offenses," resulting in a 25-year minimum sentence before eligibility for release for any person who has been convicted of a third serious offense.
3. Addition of the crime of involving or using minors in drug offenses to the "dangerous crimes against children" statute, resulting in a 20-year presumptive sentence for any person who is convicted of involving or using a child under age 15 in a drug offense.
4. Addition of most criminal drug violations to the list of dangerous crimes committed while on release from confinement, resulting in a life sentence without possibility of release until 25 years are served for any person convicted of a dangerous crime while on probation, parole or other release for a prior felony.
5. Creation of a new offense of being intentionally present within three hundred feet of a school to possess, use or sell drugs. It is a class 3 felony if the offense involves marijuana and a class 2 felony if a dangerous or narcotic drug is involved. The penalty for all other drug-related loitering in a public place is increased from a class 1 misdemeanor to a class 6 felony.

JUDICIARY (Cont.)

H.B. 2202 (Cont.)

6. Recodification of criminal code drug provisions resulting in creation of four new statutes to separately treat illegal conduct involving marijuana, prescription-only drugs, dangerous drugs and narcotic drugs.
7. Requiring that the entire sentence imposed must be served by any person who commits the class 2 felony of using a minor to engage in a drug crime or selling or transferring to a minor any prohibited substance (except prescription-only drugs).
8. Imposition of mandatory life imprisonment with no possibility of release until 25 years have been served on a continuing commercial offender who engages in a pattern of drug violations (at least three criminal acts) constituting a significant source of his income (exceeding the annual minimum wage), and on any person who engages in drug crimes as part of his management of an ongoing drug racketeering enterprise.

Revises the membership of the Criminal Justice Commission and establishes new task forces and committees to coordinate, oversee and evaluate state and local programs for drug enforcement, education and treatment, including:

1. Revises the Criminal Justice Commission membership by removing the Supreme Court chief justice and the "ex-officio" legislative members, and replacing the members currently appointed by the President of the Senate and Speaker of the House with 13 members appointed by the Governor.
2. Creates a drug enforcement task force to advise the Criminal Justice Commission in regard to drug offenses, recommend uses for drug enforcement account monies and to recommend specific programs. The task force consists of the Governor, as chairman, the Attorney General, the Director of the DPS, and a sheriff, county attorney and two police chiefs appointed by the Governor.
3. Establishes the "Alliance for a Drug-free Arizona" interagency committee consisting of eleven members (Governor, Attorney General, Directors of the DPS, the DHS, the DES, the DOC, the Superintendent of Public Instruction, a representative of the Board of Regents, a representative of the community colleges, a member of the Criminal Justice Commission and a member of the drug enforcement task force).

JUDICIARY (Cont.)

H.B. 2202 (Cont.)

4. Creates a Joint Legislative Committee on Drug Policy consisting of: chairmen of the Senate and House committees on Judiciary (co-chairs) and Appropriations, and the majority and minority leaders of the Senate and House, a senator and representative of the minority party and one additional member from the Senate and the House.

Provides additional monies for enhanced drug enforcement, education and treatment programs, including:

1. Directs all fines collected in court for drug offenses to be paid to the newly created drug enforcement account.
2. Removes the \$50,000 limitation on the balance that can be carried in the Attorney General and county attorney anti-racketeering revolving funds.
3. Creates a drug enforcement account within the Criminal Justice Enhancement Fund, consisting of monies appropriated by the Legislature and the federal government, fines collected in drug cases and such other funds as may become available from other public or private sources. The monies will be distributed by the Criminal Justice Commission to enhance state and local efforts to apprehend, prosecute, adjudicate and punish drug offenders.
4. Appropriates \$8,032,600 in fiscal year 1987-1988 from the corrections fund to be used as follows:
 - a. \$7,000,000 to the drug enforcement account of the criminal justice enhancement fund to be administered by the Criminal Justice Commission for the purpose of enhancing efforts to investigate, prosecute, adjudicate and punish drug offenders.
 - b. \$82,600 to the Criminal Justice Commission to match federal funds for administration of the federal anti-drug abuse act.
 - c. \$100,000 to the Department of Education for training and evaluation of chemical abuse programs.
 - d. \$225,000 to the Department of Education to pass through to school districts for chemical abuse prevention education programs (brings state funding to \$1/pupil).
 - e. \$125,000 to the Supreme Court to be used in developing required drug testing programs.
 - f. \$500,000 to the local narcotics enforcement fund to be used in reimbursing cities and counties for costs resulting from the act not fully funded from other sources.

JUDICIARY (Cont.)

H.B. 2202 (Cont.)

Mandates the following studies:

1. Empowers the Joint Legislative Committee on Drug Policy to oversee all activities of the Arizona Criminal Justice Commission and the Alliance for a Drug-free Arizona Interagency Committee relating to drug enforcement and adjudication under this act, and report its findings and recommendations to the Legislature by October 1, 1989.
2. Directs the Supreme Court to develop a plan by February 1, 1988, and after Criminal Justice Commission approval, implement it by July 1, 1988, to provide for drug testing of adults and juveniles charged with public offenses.
3. Requires the Criminal Justice Commission to undertake a statewide survey of the nature of the chemical abuse problem in Arizona and report the results by January 1, 1989.
4. Directs the State Board of Education to conduct a survey of every school district in the state to determine their current chemical abuse disciplinary policies and procedures, with results due by July 1, 1988.
5. Requires the Director of the Department of Administration to prepare and submit to the Governor and Legislature an employee assistance plan for state employees with chemical abuse problems.

Conditions enactment of the appropriation of \$7 million to the drug enforcement account upon receipt of at least \$5 million in federal funds.

Misdemeanor sentences (H.B. 2207) - Chapter 114

Permits a sentencing judge to direct that a person convicted of a misdemeanor may not be released on any basis until the entire sentence imposed has been served.

DWI; drugs; test; implied consent (H.B. 2210) - Chapter 145

Provides that a person may be requested to submit to a test for drugs, as well as alcohol, under the implied consent law.

Penalizes a person arrested for driving under the influence of drugs who refuses to submit to a blood, breath or urine test when requested by the arresting officer by suspension of driving privileges for 12 months.

JUDICIARY (Cont.)

H.B. 2210 (Cont.)

Makes provisions currently applicable to breath, blood or urine testing for alcohol, including procedural requirements, rights of the accused, qualifications of medical personnel performing testing and immunities, also applicable to testing for drugs.

Conservator fee; veteran's estate (H.B. 2215) - Chapter 19

Allows the Arizona Veteran's Service Commission to charge a fee when acting as conservator of a veteran's estate, and prohibits charging a fee for guardianships.

Requires the State Treasurer to place conservatorship fees in the state veteran's conservatorship fund.

Criminals; employment with children prohibited (H.B. 2223) - Chapter 194

Requires persons convicted of a dangerous crime against children to disclose that fact when applying for employment or volunteering for service with a business or organization that deals with children such as schools, preschools, child care providers and youth organizations. Failure to disclose is a class 5 felony.

Justice of the peace; bail (H.B. 2272) - Chapter 115

Removes felony traffic offenses from the justice court traffic violation bail schedule.

Privileged communications; exception NOW: DWI; license suspension (H.B. 2273) - Chapter 262

Requires the Motor Vehicle Division to suspend the license of any driver who refuses to consent to a test for blood alcohol or for the presence of drugs, or whose blood alcohol concentration exceeds .10 per cent by weight.

Provides procedural due process through an administrative hearing prior to license suspension and judicial review of the administrative order.

Increases the fee for reinstatement of the driver's license following a period of suspension for the presence of .10 per cent or more alcohol in the driver's blood from \$10 to \$50.

The act is effective from and after December 31, 1987.

JUDICIARY (Cont.)

Court reports; transcripts; fee (H.B. 2276) - Chapter 20

Increases the fee a court reporter of a superior court receives for the original of an appeal transcript from \$1.50 to \$2.50 per page.

~~Candidates opposing judges; procedure~~ NOW: Prison assaults and riots; classification (H.B. 2320) - Chapter 312

An emergency measure increasing the penalty for dangerous or deadly assault by a prisoner from a class 3 to a class 2 felony and providing a class 2 felony for a prisoner who commits assault with the intent to incite to riot or participates in a riot.

Denies the possibility of commutation, suspension, probation, pardon, parole, work furlough or any release until the full sentence is served.

Provides that the sentence imposed for inciting or participating in a riot must be served consecutively to the sentence presently being served by the convicted person.

Probation revocation; consecutive sentences (H.B. 2324) - Chapter 21

Provides that if the court revokes the probation of a person who is serving more than one probationary term concurrently, the court may order the prison sentences which are imposed to be served consecutively.

~~Prisoners; conditional release~~ NOW: Taking child for prostitution; child prostitution (H.B. 2325) - Chapter 166

Increases the penalty for taking a child for the purpose of prostitution from a class 4 to a class 2 felony where the minor is under the age of 15.

Adds child prostitution and taking a child for the purpose of prostitution to the list of dangerous crimes against children under the age of 15.

~~Accumulated sick leave; transfer~~ NOW: Precinct register copy; state party chairman (H.B. 2353) - Chapter 150

Requires the county recorders of counties with less than 400,000 persons to deliver precinct registers to the state chairmen of qualifying political parties.

JUDICIARY (Cont.)

Protection order; service; peace officer (H.B. 2371) - Chapter 350

Permits any peace officer to serve a domestic violence order of protection. Protection orders are currently served only by the sheriff or by private process servers under the Arizona Rules of Civil Procedure, Rule 4(c).

Election dates; consolidation; study commission (H.B. 2381) - Chapter 151

Establishes a 15-member commission to study consolidation of election dates in Arizona. The commission terminates from and after December 31, 1987.

Requires a report to be submitted to the Legislature by December 31, 1987.

Labor blacklisting (H.B. 2388) - Chapter 278

Provides that a person who knowingly exchanges, solicits or gives out any labor blacklist commits a class 2 misdemeanor.

Allows a former employer to lawfully provide to a requesting employer information concerning a former employee's education, training, experience, qualifications and job performance to be used for the purpose of evaluating the person for employment.

Requires a copy of any written communication to be sent by the employer providing the information to the former employee's last known address.

Immunizes a person communicating information under this exemption from civil liability unless the information is false and defamatory and is acted on to the harm of the employee or prospective employee and the communicator knows the information is false or acts with reckless disregard of its truth or falsity.

Provides that communications concerning current or prospective employees made to a government body or agency, which are required by law, or which are furnished pursuant to written rules or policies, are privileged and the person making the communication may not be held civilly liable.

Public employees; immunity (H.B. 2400) - Chapter 288

Immunizes public officials and employees from personal liability for acts performed in their official capacity in good faith reliance on the written opinions of the Attorney General, or of the county attorney or city attorney for the county or city where the employee or official serves.

JUDICIARY (Cont.)

Child witnesses (H.B. 2429) - Chapter 118

Permits testimony by a minor under the age of ten to be admissible in civil and criminal proceedings concerning any sexual offense or physical abuse performed with, on or witnessed by the minor if certain conditions are met. Expands the applicability of statutes prescribing the use of recorded testimony of a minor under 15 years of age in criminal proceedings to cover criminal acts committed against or witnessed by the minor regardless of whether those acts are actually charged.

Periods of probation; calculation (H.B. 2432) - Chapter 119

Stops the running of the period of probation during the time from the filing of a petition to revoke probation to the termination of the probation revocation proceeding. If the court determines that the probationer is not a violator, there is no interruption in the running of the period of probation.

Domestic violence (H.B. 2445) - Chapter 120

Rescinds the requirement that a person who resides in a domestic violence shelter disclose his or her current address in court documents and proceedings involving dissolution of a marriage, custody of a child and orders restraining a person from committing acts of domestic violence.

Requires the disclosure of an address such as a post office box or the attorney's business to be used for communication purposes.

~~Second degree murder; sentence enhancement~~ NOW: ~~Second degree murder; presumptive sentence; recidivists~~ (H.B. 2448) - Chapter 168

Increases the presumptive sentence to 20 years for second degree murder where the defendant was previously convicted of second degree murder, or of a class 2 or 3 felony involving the exhibition or use of a weapon or the intentional infliction of serious physical injury.

Arson of a structure (H.B. 2452) - Chapter 169

Changes the culpable mental state required to prove arson of a structure or property from intentionally to knowingly.

Arson of an occupied structure is a class 2 felony and arson of any other structure is a class 4 felony.

JUDICIARY (Cont.)

Hazardous wastes records; confidentiality (H.B. 2456) - Chapter 355

Requires the Director of the Department of Environmental Quality to consult with the Attorney General prior to the public inspection or release of any records or information concerning hazardous waste which pertain to any ongoing criminal or civil enforcement action.

Aggravating circumstances; sentencing (H.B. 2459) - Chapter 121

Requires the imposition of an aggravated sentence if the court finds aggravating circumstances but no mitigating circumstances.

1987 corrections bill (H.B. 2469) - Chapter 357

Corrects multiple, potentially defective and conflicting legislative dispositions of statutory text.

Ratification of twenty-fourth amendment; poll tax (S.C.R. 1004)

Ratifies the twenty-fourth amendment to the U.S. Constitution, which forbids the denial of voting rights for non-payment of a poll tax or any other tax.

COMMITTEES AND BOARDS
CREATED DURING THE 1987 SESSION

JUDICIARY

Study commission on consolidation of election dates;
purpose; members; reimbursement; report

H.B. 2381

PURPOSE: To study the feasibility of consolidating election dates in Arizona.

MEMBERSHIP: Senate: 3 - Appointed by the President of the Senate.

House: 3 - Appointed by the Speaker of the House of
Representatives.

- Other:
- 1 - State elections officer from the office of the Secretary of the State.
 - 1 - County recorder of a county with a population in excess of 400,000 persons and not from the same county as the member of the board of supervisors appointed from a county in excess of 400,000 persons - Appointed by the Speaker of the House of Representatives.
 - 1 - County recorder of a county with a population of fewer than 400,000 persons - Appointed by the President of the Senate.
 - 1 - County elections director - Appointed by the Speaker of the House of Representatives.
 - 1 - Representative of a city or town who is the clerk or a member of the clerk's office - Appointed by the President of the Senate.
 - 2 - Representatives of special districts - Appointed by the Speaker of the House of Representatives.
 - 1 - County school superintendent - Appointed by the President of the Senate.
 - 1 - Bond counsel representative - Appointed by the President of the Senate.
 - 1 - Member of the board of supervisors from a county with a population in excess of 400,000 persons and not from the same county as the county recorder appointed from a county with a population in excess of 400,000 persons - Appointed by the President of the Senate.

REPORTS: December 31, 1987

TERMINATION DATE: December 31, 1987

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 151

Judiciary Committee
Committees and Boards

Study commission on pornography
S.B. 1227

PURPOSE: To study pornography and the manner in which it is distributed in Arizona, and to evaluate methods of eliminating pornography while protecting and preserving legitimate cultural, educational and entertainment interests.

MEMBERSHIP: Senate: 5 - Appointed by the President of the Senate.

House: 5 - Appointed by the Speaker of the House of Representatives.

REPORTS: January 1, 1988

TERMINATION DATE: January 1, 1988

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 298, Section 1

Illegal drugs; statutory revisions
H.B. 2202

Created/Revised the following committees/commissions:

1. Arizona Criminal Justice Commission

PURPOSE: To revise the membership of the Arizona Criminal Justice Commission, and to add to the commission's current duties the following responsibilities:

1. Allocation of monies available for enhanced drug enforcement.
2. Coordination with other agencies of the government in developing, implementing and assessing programs for alcohol and drug enforcement, education, prevention and treatment.
3. Completion of a statewide survey of the nature of the chemical abuse problem in Arizona and report the results to the Legislature by January 1, 1989.

Judiciary Committee
Committees and Boards

MEMBERSHIP: Other: 1 - Attorney General.
1 - Director of the Department of Public Safety.
1 - Director of Corrections.
1 - Chairman of the Board of Pardons and Paroles.
1 - Police chief - Appointed by the Governor.
1 - County attorney - Appointed by the Governor.
1 - Sheriff from each of the following groups of counties
according to population: - 1.2M or more
- 400,000 - 1.2M
- Less than 400,000
- Appointed by the Governor.
PLUS: 1 - Law enforcement leader.
1 - Former judge.
1 - Mayor.
1 - Member of a county board of supervisors.

REPORTS: January 1, 1989

TERMINATION DATE: July 1, 1997 (unless renewed)

STATUTORY CITE/AUTHORITY, IF ANY: A.R.S. 41-2404

2. Drug Enforcement Task Force

PURPOSE: To create the Drug Enforcement Task Force to advise the Criminal Justice Commission, and having the following duties:

1. Monitor the nature and scope of drug offenses and related criminal activity in the state.
2. Recommend to the Criminal Justice Commission appropriate expenditures of monies in the drug enforcement account.
3. Evaluate and report to the Criminal Justice Commission upon the effectiveness of programs funded by expenditures from the drug enforcement account.

MEMBERSHIP: Other: 1 - Governor as Chairman.
1 - Attorney General.
1 - County attorney - Appointed by the Governor.
1 - County sheriff - Appointed by the Governor.
2 - Police chiefs (from lists supplied by their respective organizations) - Appointed by the Governor.

Judiciary Committee
Committees and Boards

REPORTS: None

TERMINATION DATE: July 1, 1997 (unless renewed)

STATUTORY CITE/AUTHORITY, IF ANY: A.R.S. 41-2406

3. Alliance for a Drug Free Arizona Interagency Committee

PURPOSE: To create the alliance for a drug-free Arizona interagency committee for the purpose of fostering cooperation among all state and local governmental entities, community organizations and private groups to ensure the optimal delivery of educational, treatment and prevention programs that will reduce the incidence of substance abuse by children, youth and families.

MEMBERSHIP: Other:

- 1 - Governor as Chairman.
- 1 - Attorney General.
- 1 - Director of the Department of Public Safety.
- 1 - Director of the Department of Health Services.
- 1 - Director of the Department of Economic Security.
- 1 - Director of the Department of Corrections.
- 1 - State Superintendent of Public Instruction.
- 1 - Member of the Arizona Board of Regents - Appointed by its President.
- 1 - Member of the State Board of Directors for Community Colleges - Appointed by its Chairman.
- 1 - Member of the Criminal Justice Commission - Appointed by its Chairman.
- 1 - Member of the Drug Enforcement Task Force - Appointed by the Governor.

REPORTS: None

TERMINATION DATE: July 1, 1997 (unless renewed)

STATUTORY CITE/AUTHORITY, IF ANY: A.R.S. 41-2751

Judiciary Committee
Committees and Boards

4. Joint Legislative Oversight Committee on Drug Policy

PURPOSE: To create the Joint Legislative Oversight Committee on Drug Policy with the following duties:

1. Oversee all activities of the Arizona Criminal Justice Commission with respect to enhanced enforcement and adjudication of drug offenses.
2. Evaluate the effectiveness of monies expended from the drug enforcement account.
3. Report to the Legislature by October 1, 1989, its findings and recommendations regarding the effectiveness of the commission and the recipients of grants made by the commission in achieving enhanced enforcement of drug laws.
4. Review the activities of the Alliance for a Drug-Free Arizona Interagency Committee and other state agencies involved in programs and projects related to chemical abuse education, prevention and treatment.
5. Report to the Legislature by October 1, 1989, regarding the effectiveness of the state's efforts to develop a comprehensive statewide program for education, prevention and treatment of chemical abuse, together with recommendations for any additional legislation or funding which would improve the effectiveness of publicly supported chemical abuse programs and services.

MEMBERSHIP: Senate: 1 - Chairman of the Judiciary Committee (Co-Chairman).
1 - Chairman of the Appropriations Committee.
1 - Majority Leader.
1 - Minority Leader.
2 - Senators, one of whom must be of the minority party -
Appointed by the President of the Senate.

House: 1 - Chairman of the Judiciary Committee (Co-Chairman).
1 - Chairman of the Appropriations Committee.
1 - Majority Leader.
1 - Minority Leader.
2 - Representatives, one of whom must be of the minority
party - Appointed by the Speaker of the House of
Representatives.

Judiciary Committee
Committees and Boards

REPORTS: October 1, 1989

TERMINATION DATE: September 30, 1989

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 307, Section 52

NATURAL RESOURCES AND AGRICULTURE

LEGISLATION ENACTED
THIRTY-EIGHTH LEGISLATURE
FIRST REGULAR SESSION

NATURAL RESOURCES AND AGRICULTURE

Pest control district maximum assessments (S.B. 1013) - Chapter 3

An emergency measure which increases the maximum amount of pest control district assessments from \$5 to \$25 per acre to help eradicate agricultural pests. Redefines petition to conform with existing statute on the formation and content of a petition. Requires landowners in pest control districts to take individual action to prevent infestations before any monies from the assessment will be used on their land.

State forester; cooperative federal assistance (S.B. 1014) - Chapter 70

Changes reference to the Clark-McNary Act of 1924 as it applies to the duties of the state forester. Clark-McNary was replaced by the Cooperative Forestry Assistance Act of 1978.

The 1978 act allows the Secretary of Agriculture to aid the state in:

1. Advancement of forest resource management.
2. Encouragement of the production of timber.
3. Prevention and control of insects and diseases affecting trees and forests.
4. Efficient utilization of wood and wood residues, including the recycling of wood fiber.
5. Improvement and maintenance of fish and wildlife habitat.
6. Planning and conduct of urban forestry programs.

State parks; property disposal; report (S.B. 1016) - Chapter 171

An emergency measure allowing the State Parks Board (SPB), on certain conditions, to sell, lease, exchange or otherwise dispose of real and personal property. Also allows the SPB to designate roads and other traffic appurtenances within state park boundaries as public highways, and extends the due date of the annual report and describes its content.

Egg inspection fees (S.B. 1017) - Chapter 37

Increases the cap on inspection fees for shell eggs from two mills (\$.002) to three mills (\$.003) per dozen and increases the maximum fee for egg products from two mills to three mills per pound.

NATURAL RESOURCES AND AGRICULTURE (Cont.)

Horse racing; purses; amount (S.B. 1025) - Chapter 22

Clarifies the distribution of the wagering percentage retained by horse racing permittees. At facilities with an average daily handle of \$200,000 or more, 50 per cent of the permittee's share shall be distributed to horsemen in the form of purses. Expenses shall be deducted before the amount is divided.

Arizona geological survey; state geologist (S.B. 1102) - Chapter 158

Establishes the Arizona Geological Survey as an independent state agency which retains access to the University of Arizona. The Survey shall be administered by the State Geologist who is appointed by the Governor. The Survey replaces the Bureau of Geology and Mineral Technology which is under the jurisdiction of the UofA and will continue to provide scientific and investigative research and information regarding land and mineral resources. The Arizona Geological Survey and the State Geologist are added to the 1992 sunset termination schedule.

These provisions are effective from and after June 30, 1988.

Locating mineral claims (S.B. 1125) - Chapter 77

Prescribes methods to mark lode, placer or millsite mining claims to conform with federal regulations; eliminates the use of government survey monuments as markers and secures the rights to claims made in accordance with the laws in effect prior to passage of this act.

Artificial lakes; restrictions (S.B. 1200) - Chapter 238

Limits the use of drinking water in artificial lakes that are constructed in the state's four active management areas (AMAs) in Phoenix, Tucson, Prescott and Pinal County.

Requires new lakes larger than an olympic-size pool constructed after January 1, 1987, to be filled with effluent, storm-water runoff, poor quality water or water withdrawn to resolve water logging or water contamination.

Exempt from the restriction are: lakes filled or under construction prior to January 1, 1987, public recreation lakes, golf course lakes, lakes which are part of a groundwater recharge project, and hotel or resort swimming pools up to one acre in surface area. A phase-in to the use of effluent is permitted for a maximum of five years and a surcharge is imposed on groundwater used during the phase-in. The rate is \$25 per acre foot in the first year and the amount doubles each year, reaching \$400 per acre foot in the fifth year. Funds will be used to augment the state's water supply and to purchase and retire farmland for conservation purposes.

NATURAL RESOURCES AND AGRICULTURE (Cont.)

S.B. 1200 (Cont.)

The Department of Water Resources (DWR) may issue a temporary permit to use groundwater or surface water if the state determines an emergency exists that threatens public health and additional water is the only remedy available.

Requires a builder of a development that contains artificial lakes to notify buyers of:

1. The location of any easements or wastewater treatment facilities.
2. The type of water that will be used to fill a lake.
3. The expected length of time that a source of water will be available to fill and refill lakes.

Authorizes the DWR to inspect artificial lakes and to obtain injunctive relief when necessary.

Provides civil and criminal penalties for violations.

Inspection for stolen watercraft (S.B. 1267) - Chapter 301

Grants peace officers authority to inspect watercraft on or off waterways for identification numbers. Permits inspection of the registration, title and certificate of number of the watercraft to establish rightful ownership. Refusal to permit inspection is a class 1 misdemeanor.

Watercraft; numbering; registration; records (S.B. 1268) - Chapter 84

Allows the Game and Fish Commission to authorize the State Treasurer to invest both Commission monies and interest from investments which are free from immediate demand. Prescribes procedures to release watercraft registration information to the public. Clarifies decal display requirements for watercraft and establishes a maximum \$15 penalty for late registration of watercraft.

Watercraft license revenues; distribution (S.B. 1270) - Chapter 228

An emergency measure redistributing revenue received from watercraft registration. Places more emphasis on boating enforcement, education and safety rather than construction and improvement of lake facilities. Of the fees received, 45 per cent will go to the watercraft licensing fund (used to administer and enforce boating law), 8.25 per cent will go to the state lake improvement fund (used to construct facilities at lakes), and 46.75 per cent will go to the law enforcement and boating safety fund (used by law enforcement agencies for law enforcement, personnel, equipment and training).

NATURAL RESOURCES AND AGRICULTURE (Cont.)

S.B. 1270 (Cont.)

Monies in the watercraft licensing fund from license taxes that exceed \$290,000 will be used for education programs relating to boating and boating safety.

Appropriates \$100,000 from the State Lake Improvement Fund in fiscal year 1987-1988 to the Arizona State Parks Board for state lake improvement planning. Any unexpended or unencumbered monies revert to the improvement fund on June 30, 1988.

Land boundaries; monuments; agreements (S.B. 1321) - Chapter 86

Requires the party responsible for the damage or destruction of a U.S. survey monument to pay for the replacement cost of the monument in addition to current criminal responsibility (class 2 misdemeanor).

State land auctions; protest; refund (S.B. 1393) - Chapter 366

An emergency measure providing a limited opportunity to protest the terms of any urban lands leased prior to April 29, 1986. The opportunity expires July 21, 1987.

Exempts lands leased under the Urban Lands Development provisions from mandatory reservation of mineral and other rights for the state, unless such reservation is required by the state Constitution, the enabling act, or when the State Land Commissioner determines a reservation of rights is required in the best interests of state lands.

Horse and dog racing; drugs (S.B. 1440) - Chapter 160

Requires any blood samples that may be ordered to test a racing animal for the presence of drugs to be taken by a veterinarian. Provides discretion to the Department of Racing when imposing disciplinary action for excessive use of certain medications. Racing Commission rules allow permissible trace levels of butazolidine (an anti-inflammatory drug) and furosemide (used to reduce exercise-induced pulmonary hemorrhage).

Arizona beef council collections (S.B. 1448) - Chapter 56

An emergency measure repealing the refund provision for fees collected on cattle sold and removing the exemption for calves under 30 days of age. Amends the definition of producer to exempt traders who resell cattle within ten days of purchase. Calves under 30 days of age will be exempt from the fee only if the National Beef Promotion and Research Act is repealed by referendum in 1988.

NATURAL RESOURCES AND AGRICULTURE (Cont.)

Irrigation districts; omnibus statutory revisions (S.B. 1449) - Chapter 304

An emergency measure making multiple changes to irrigation district laws. Allows irrigation districts that have between 10,000 and 25,000 acres to elect five directors, one director from each of their divisions and two directors at-large. Prescribes authority and procedures for an irrigation district to eradicate noxious weeds. Eliminates the limit on the number of acres represented by a petitioner in a request to change from an individual system of voting to an acreage system of voting. Increases the maximum number of votes allowed a person from 160 to 1,280. Removes the limit on interest rates for money borrowed by the district. Authorizes a district to issue revenue bonds to finance all or part of the costs of any undertaking if approved by a majority of its members. Rewrote procedures and conditions to issue refunding bonds, formerly contained in sections 48-3222 through 48-3225.

Ownership of streambeds (H.B. 2017) - Chapter 127

An emergency measure relinquishing state ownership of land beneath all streams except the Salt, Verde and Gila Rivers. The Colorado River is not affected by the bill. Allows persons with a history of title to land in the riverbeds of the Salt, Verde or Gila Rivers to apply for a quitclaim deed from the State Land Department for a fee of \$25/acre in order to clear their titles. Political subdivisions are exempt from the quitclaim fee. An application fee not to exceed \$30 may be charged to cover processing and recording.

Quitclaim fees are deposited into the Riparian Acquisition Trust Fund and interest from the fund shall be used to acquire riparian land for flood protection, recreation and preservation of wildlife. The State Land Commissioner acquires and manages the land with the advice of the State Parks Board and the Game and Fish Commission.

Retains the public right to recreational use of surface waters in rivers which are not altered if a quitclaim deed is issued. Recreational use does not include use of a riverbed when dry, off-road vehicle use, hunting and fishing not licensed by Game and Fish Department, or the right to use surface water. The public may not cross private land to use the water, except for limited portage rights for boaters.

The Attorney General is required to study land transactions involving the United States government since 1912 to determine if the state has any cause of action against the federal government for conveyance from the federal government to non-federal parties. The study deadline is December 31, 1990.

NATURAL RESOURCES AND AGRICULTURE (Cont.)

Renumber A.R.S. title 45 statutes (H.B. 2018) - Chapter 2

An emergency measure providing for the renumbering of chapters, articles and sections of Title 45, Arizona Revised Statutes, relating to waters.

Cotton research council; administrative procedures (H.B. 2019) - Chapter 58

An emergency measure repealing the Cotton Research Council's authority to refund the fees collected on cotton produced in Arizona; however, the Council is required to conduct a referendum in 1988 to allow cotton growers to vote to reinstate the refund provision. Prior to passage of this bill, growers could request a full refund within 60 days of payment of the fee.

The bill also allows an increase in the assessment fee to a maximum of \$5 per bale of cotton produced on land below 2700 feet in elevation. On land above 2700 feet, the maximum fee is \$1 per bale. However, if the state entomologist determines that cotton pest eradication programs are needed, the Council may increase the bale assessment up to \$5.

Other provisions include an increase in the penalty assessment from five percent to ten percent; exempts the fee setting process from the procedural requirements of the Administrative Procedures Act; requires the governor to replace a member of the Council who has three consecutive unexcused absences; and changes the number of signatures required on a petition to conduct a vote to recommend termination of the Council to the Legislature.

~~Pest control district maximum assessments~~ NOW: Defining grain
(H.B. 2020) - Chapter 283

Changes the definition of grain for purposes of the Arizona Grain Research and Promotion Council statutes. Excludes grain sorghum and all cereal grains from the definition of grain which has the effect of excluding them from the council's check-off assessment cap of five cents per 100 weight of grain.

Pesticide damage report (H.B. 2021) - Chapter 59

Establishes time limitations for any person to report crop loss or damage which results from pesticide application. Requires that a written report be submitted to both the alleged responsible party and the Commission of Agriculture and Horticulture.

NATURAL RESOURCES AND AGRICULTURE (Cont.)

Life preservers; watercraft; operation; juveniles (H.B. 2029) - Chapter 94

An emergency measure requiring children 12 years of age or under to wear flotation devices while on board watercraft. Prohibits persons from riding on the gunwales (sides), transom or decked overbow of a watercraft that is propelled by machinery and is in excess of wakeless speed. Prescribes conditions for the release of a juvenile arrested for boating and game and fish offenses.

State land department; CAP water (H.B. 2065) - Chapter 104

Allows the State Land Department to enter into interim sales agreements for or transfers of Central Arizona Project (CAP) water to municipal providers that serve state trust land. Providers must have executed a contract with the Bureau of Reclamation and/or the Central Arizona Water Conservation District. Establishes the CAP municipal and industrial repayment fund which will consist of revenues collected from the transfer or sale of CAP municipal and industrial water rights.

Agriculture and horticulture commission attorneys NOW: Agriculture and dairying; representation at hearings (H.B. 2092) - Chapter 279

Allows a corporation to be represented by an attorney or an authorized officer of the corporation at hearings related to pesticide application violations.

Extension for filing water rights (H.B. 2163) - Chapter 99

An emergency measure providing an opportunity for cities and towns with a population of less than 25,000 to file a statement of water rights claim. The opportunity lasts for 30 days and expires May 16, 1987.

Department of racing (H.B. 2165) - Chapter 255

Continues the Department of Racing and the Arizona Racing Commission beyond the July 1, 1987, sunset termination date for ten years and:

1. Allows stewards to require drug tests of certain persons licensed by the Department.
2. Provides the Department auditor access to information and records of a racing permittee in order to conduct audits and reviews.

NATURAL RESOURCES AND AGRICULTURE (Cont.)

H.B. 2165 (Cont.)

3. Requires the Department, at commercial racetracks, to employ two stewards and requires the track operator to employ one steward for race meetings. At county fair race meetings, the Department shall employ all three stewards.
4. Requires horse racing stewards at commercial meets that race more than 45 days to meet certain qualifications for employment.
5. Removes requirement that an out-of-state owner must obtain a permanent license before a purse can be awarded.
6. Clarifies responsibilities between Department and Commission regarding licenses and permits.
7. Expands the reasons the Department can revoke or suspend a license or impose a civil penalty.
8. Requires the Commission to allow a track to offer the same number of races each day offered in the prior year.
9. Requires dog track operators to deposit the dogmen's share of the takeout into a trust account for payment of purses.
10. Classifies sabotage of a parimutuel wagering system or a simulcast signal as a class 4 felony.

The sunset continuation provisions are effective retroactively to July 1, 1987.

Water systems; coordinating council (H.B. 2313) - Chapter 147

Establishes a Water Systems Coordinating Council in the Department of Environmental Quality to provide guidance and assistance to small water systems. Designates the Department of Environmental Quality as the lead agency to review the operations of water systems and the practices of governmental agencies which regulate them.

State land exchanges; moratorium; study (H.B. 2331) - Chapter 368

Allows State Land Commissioner to determine that certain exchanges of rural state land require only one appraisal instead of two. The applicant for an exchange may be required to pay appraisal costs. Repeals section 37-604, A.R.S. as amended by Laws 1986 due to a defective enactment.

NATURAL RESOURCES AND AGRICULTURE (Cont.)

H.B. 2331 (Cont.)

Creates a Joint Legislative Land Exchange Study Committee to investigate and recommend policy regarding: exchanges of state land, benefits of leasing or selling versus exchanging state land, appraisal requirements, current and long-term value of state land, current notice and hearing requirements, environmental concerns, application of criteria for urban land development to other state land and use of state land to meet military airport compatibility. The committee terminates from and after December 31, 1987.

The Committee shall consist of three senators, three representatives, the State Land Commissioner or his representative and a member of the selection board. The Committee must submit a report to the President of the Senate and the Speaker of the House of Representatives by December 31, 1987.

State flood control assistance funding (H.B. 2333) - Chapter 346

Establishes a Flood Control Assistance Fund within the Department of Water Resources to receive state matching funds for federal projects and to provide administrative oversight responsibility for federal and state flood control projects. Clarifies that all or part of an appropriation to an existing flood control fund may be earmarked for a particular flood control project.

Omnibus groundwater code revisions (H.B. 2334) - Chapter 101

An emergency measure revising the groundwater code which addresses: withdrawal of Type 2 groundwater rights; additional notice of certain compliance dates; annual groundwater use reports by lessees; notification for hearings for violations of the recharge code; and review of decisions on applications for grandfathered rights.

Environmental department; conformity; technical corrections (H.B. 2335) - Chapter 317

Transfers responsibility to regulate public drinking water systems, wastewater treatment systems, sewage systems, solid waste systems, dry wells and underground storage tanks from the Department of Health Services (DHS) to the Department of Environmental Quality (DEQ).

Adds a representative from the DEQ to the nuclear emergency response group and the hazardous materials emergency management program effective retroactively to April 17, 1987. Designates the DEQ as the lead agency for emergency planning and reporting required by the federal Superfund Amendments and Reauthorization Act of 1986.

Raises limit on cost to design or modify water distribution or collection systems from \$5,500 to \$12,500 if work is performed by nonregistrant.

NATURAL RESOURCES AND AGRICULTURE (Cont.)

H.B. 2335 (Cont.)

Allows the Director of the DEQ to delegate any state responsibility to local municipalities, health departments or county boards of supervisors. Requires a discharging facility to comply with local zoning requirements before the Director of the DEQ may issue a permit. Requires the DEQ to classify drinking water systems and wastewater treatment plants, and to certify operating personnel.

Establishes a Small Water Systems Fund to:

1. Develop education and information systems for owners, operators and customers of small water systems.
2. Provide advice and assistance in management, accounting and engineering to owners and operators.
3. Coordinate information data bases among government agencies that regulate small water systems.

Transfers from the DHS to the DEQ authority to enter intergovernmental agreements with sanitary districts to provide technical assistance, collect fees and cooperate in enforcing laws and rules.

Requires the DEQ Director to adopt rules for existing solid waste management statutes, while retaining discretionary duty on variances and cease and desist orders.

Contains a savings clause to protect the validity of existing registration or permits issued under laws transferred by this act. The bill is generally effective retroactively to midnight, June 30, 1987.

Grandfathered groundwater rights; new filing NOW: Grandfathered groundwater rights; late application filing; procedures (H.B. 2337) - Chapter 347

An emergency measure prescribing the procedure to file a late application for a certificate of grandfathered rights to withdraw groundwater in an initial active management area (AMA) for persons who failed to file prior to the July 1, 1983, deadline. Establishes a late filing fee of \$100. An applicant may request an administrative review of the Director's decision but no administrative hearing or judicial review will be granted. A late application is not subject to the objections by persons residing in the same AMA.

If a certificate of grandfathered rights is issued under the late application procedures, the department must provide written notice of any conservation measures that must be observed. The person must be granted at least one year to comply with any conservation requirements or limits on water use.

NATURAL RESOURCES AND AGRICULTURE (Cont.)

Dam safety (H.B. 2376) - Chapter 287

Creates an Emergency Dam Repair Fund to be used by the Department of Water Resources (DWR) Director when an unsafe dam creates an emergency situation. The fund consists of legislative appropriations and lien collections. Creates a Nonemergency Dam Repair Fund to be used for loans and grants to help owners defray costs of repairing dams which are dangerous but not in an emergency condition. The nonemergency fund consists of monies appropriated by the Legislature, loan repayments and monies collected as filing or inspection fees by the DWR. Allows the Joint Legislative Budget Committee to approve transfers from the nonemergency fund to the emergency fund to pay costs of remedial measures.

Sets limits and terms for loans and requires a loan contract. Sets limits for single grants. Grants may be awarded in addition to loans.

Provides Director authority to issue cease and desist orders and sets a maximum civil penalty at \$1,000 per day of violation.

Report due to the President of the Senate and the Speaker of the House of Representatives within 15 days of close of session on expenditures and status of funds.

Agriculture promotion fund; distribution (H.B. 2379) - Chapter 351

Establishes the Livestock and Agriculture Committee to advise the Governor on expenditures from the County Fairs Livestock and Agriculture Promotion Fund. Representatives of county fairs, livestock fairs, the farming industry, the Arizona State Fair, the University of Arizona College of Agriculture, the general public and the Governor's office will be appointed by the Governor to four-year terms. Members are eligible to receive travel expenses.

Groundwater recharge; district authority (H.B. 2401) - Chapter 353

Authorizes the Central Arizona Water Conservation District (CAWCD) to construct and operate underground water storage and recovery projects on its own behalf or on behalf of the Central Arizona Project (CAP) subcontractors.

The CAWCD may:

1. Recharge and recover only surplus water on its own behalf that cannot be directly used by other CAP subcontractors. Recovered water may be sold only to other subcontractors for CAP water who will be charged for costs to acquire, construct and operate the recharge projects. The CAWCD may issue revenue bonds to construct and operate storage and recovery projects to a maximum of \$35 million at a rate of interest not to exceed 12 per cent.

NATURAL RESOURCES AND AGRICULTURE (Cont.)

H.B. 2401 (Cont.)

2. Operate recharge or storage and recovery projects on behalf of the state, counties, cities or others with certain limitations. In years when the total deliverable amount of CAP water is less than 1.5 million acre feet, water may be stored only when no other CAP subcontractors can use the water directly (operative through 1993). Beginning in 1994, water may be stored only if it cannot be directly used by other subcontractors within the same active management area (AMA).

Requires completion of the ongoing economic and engineering feasibility study before the CAWCD may begin any water storage and recovery project.

Provides that state land may be classified and leased for commercial purposes for underground storage and recovery projects or underground recharge projects.

Allows the Maricopa County Flood Control District (MCFCD) to operate storage and recovery projects that have flood control benefits. The MCFCD may also operate recharge or storage and recovery projects as an agent for others. All county flood control districts may currently operate groundwater recharge projects if they have flood control benefits.

Authorizes the CAWCD to acquire rights to withdraw groundwater outside an AMA and enter into an intergovernmental agreement to pay in-lieu taxes on the property or on any interest in the property.

Agriculture fees (H.B. 2465) - Chapter 356

Establishes a \$50 fee to register specialty fertilizers with the State Chemist. The State Chemist, after January 1, 1988, and after an opportunity for a hearing, may increase or decrease the fee. The maximum rate is \$100 per brand per grade. Defines specialty fertilizer as a commercial fertilizer which is distributed for non-farm use, including home gardens, lawns, golf courses, parks and cemeteries. Increases commercial fertilizer license fees from \$10 to \$25 for each separate place of business used to manufacture or distribute commercial fertilizers. Increases inspection and enforcement charges for citrus fruit and establishes a shipping charge for fruits and vegetables other than citrus fruit.

Mount Graham Observatory (S.C.M. 1002)

Requests that Congress and the U.S. Forest Service approve the development alternative for the Mount Graham astrophysical area to allow Steward Observatory to develop its proposed site for an astronomical observatory.

NATURAL RESOURCES AND AGRICULTURE (Cont.)

Mohave pipeline project (S.C.M. 1003)

Requests that the Federal Energy Regulatory Commission approve the Mohave Pipeline Project. The pipeline would deliver natural gas from the southwest to California where the gas will be used to improve recovery of oil from existing oil wells. The project will construct new pipelines and utilize existing natural gas pipelines.

Petrified wood as state fossil (S.B. 1444) - VETOED

Would have adopted *Araucarioxylon Arizonicum* (petrified wood) as the state fossil.

In his veto message, the Governor stated that petrified wood has already achieved worldwide recognition and therefore does not need public promotion. The Governor also stated that the state could not protect the fossil due to the fact that 90 per cent of the petrified wood is located on federal land and is beyond the state's jurisdiction.

COMMITTEES AND BOARDS
CREATED DURING THE 1987 SESSION

NATURAL RESOURCES

Water systems coordinating council

H.B. 2313

PURPOSE: To address problems facing water systems and their customers to improve regulatory and permitting processes of state and local agencies and improve the operation of small water systems.

MEMBERSHIP: Other: Representatives from the Departments of Environmental Quality, Real Estate, Water Resources, Health Services, the Corporation Commission, and State Fire Marshal.

Representatives from two county health departments, county planning and zoning, and a city with a population of less than 10,000 - Appointed by respective organizations and agencies.

REPORTS: None

TERMINATION DATE: None

STATUTORY CITE/AUTHORITY, IF ANY: A.R.S. 49-108, Laws 1987, Chapter 147

Livestock and agriculture committee

H.B. 2379

PURPOSE: To advise the Governor on disbursement of monies from the County Fair Livestock and Agriculture Promotion Fund.

MEMBERSHIP: Other: All appointed by the Governor:

- 3 - Representatives of county fairs.
- 1 - Representative of Arizona livestock fairs.
- 1 - Representative of the University of Arizona College of Agriculture.
- 1 - Representative of the livestock industry.
- 1 - Representative of the farming industry.
- 1 - Representative of the Arizona State Fair.
- 1 - Representative of the Governor's office.
- 1 - Representative of the general public.

Natural Resources and Agriculture Committee
Committees and Boards

REPORTS: None

TERMINATION DATE: None

STATUTORY CITE/AUTHORITY, IF ANY: A.R.S. 5-113, Laws 1987, Chapter 351

Joint legislative land exchange study committee
H.B. 2331

PURPOSE: To study current state land policy regarding sale and exchange of land managed by the State Land Department.

MEMBERSHIP: Senate: 3 - Appointed by President of Senate.

House: 3 - Appointed by Speaker of the House of Representatives.

Other: 1 - State Land Commissioner or designee.
1 - Member of Land Selection Board.

REPORTS: December 31, 1987

TERMINATION DATE: December 31, 1987

STATUTORY CITE/AUTHORITY: Laws 1987, Chapter 368, Section 3

TRANSPORTATION

LEGISLATION ENACTED
THIRTY-EIGHTH LEGISLATURE
FIRST REGULAR SESSION

TRANSPORTATION

Handicapped placards and number plates (S.B. 1047) - Chapter 7

Provides that handicapped placards must be renewed every year and handicapped number plates must be renewed every three years.

All placards and number plates issued before the effective date of this act are valid only through calendar year 1988.

Fuel usage reports; administrative penalty (S.B. 1056) - Chapter 12

Provides for the payment of an additional administrative penalty of \$25 to motor vehicle fuel distributors who fail to file required monthly reports when due. Increases general administrative penalties for failure to report from \$10 to \$25. Requires that restricted vendors having both highway and off-highway consumption report only highway consumption.

~~Vehicle taxes; collection agents~~ NOW: Delinquent taxes; contingent fee contract (S.B. 1057) - Chapter 8

Allows the Arizona Department of Transportation to enter into contingent fee contracts for the collection of delinquent taxes, penalties and interest. No contract may be entered into for the collection of delinquent taxes which exceeds \$500.

~~Driver's license; medical reports; immunity~~ NOW: Transportation; telecommunications corporation; exemption (S.B. 1058) - Chapter 290

Exempts telecommunications corporations and their employees from certain Motor Vehicle Division (MVD) rules relating to the qualifications and hours of service of drivers whose work may involve the operation of a motor vehicle weighing more than 10,000 pounds unladen weight or over 20,000 pounds gross vehicle weight (GVW) which is incidental to their principle non-driving duties if MVD adopts certain portions of Title 49 of the CFR, parts 391 and 395.

Vehicle registration adjoining state agreement (S.B. 1059) - Chapter 13

Allows the Director of the Arizona Department of Transportation to issue partial or total exemptions for gross weight and use fees in addition to lieu taxes and motor vehicle registration fees for vehicles that are licensed and registered in an adjoining state. Clarifies that the nonresident daily commuter language applies to those states which have enacted laws providing reciprocal privileges to a resident of Arizona who is employed in an adjoining state.

TRANSPORTATION (Cont.)

Motor vehicle fuel; unlicensed distributor (S.B. 1060) - Chapter 43

Requires an unlicensed distributor to pay a license tax before importing motor vehicle fuel, accompanied by an administrative fee of \$25. Limits the amount of motor vehicle fuel that an unlicensed distributor can import to no more than 16,000 gallons per calendar year.

Child passenger restraints; violation; enforcement (S.B. 1064) - Chapter 5

Allows a peace officer to stop a vehicle other than a recreational vehicle, for the sole purpose of enforcing the child restraint system requirement. If the vehicle is stopped, the officer shall determine if anyone in the vehicle is a parent, custodian or guardian of the unrestrained child and whether the unrestrained child is four years or less in age or weighs less than 40 pounds. Mandates that stopping a vehicle for a violation of this law shall not constitute probable cause for search and seizure of that vehicle.

Amends administration of the Child Passenger Restraint Fund. Provides that the Department of Economic Security shall purchase restraint systems with monies from the fund and shall distribute the systems to licensed hospitals, at the request of the hospital. Mandates restraint systems shall be loaned, at no charge, to indigent applicants.

Reverts any balance in the Child Passenger Restraint Fund exceeding \$4,000 to the Highway User Revenue Fund.

Aviation fuel tax (S.B. 1082) - Chapter 294

Eliminates the requirement that purchasers of aviation gas file for a refund and imposes an aviation fuel tax rate of 5 cents for each gallon of aviation fuel possessed, refined, manufactured, produced, blended or compounded in this state.

Defines "aviation fuel" for purposes of distinguishing between aviation fuel and motor vehicle fuel.

Allows for a refund of the tax paid on aviation fuel for use in aircraft for applying seeds, fertilizer or pesticides.

Requires any distributor of aviation fuel to be licensed by the Arizona Department of Transportation (ADOT). Those who operate without a license are guilty of a class 1 misdemeanor.

Requires reports to be filed with the Director of ADOT and that records be maintained.

TRANSPORTATION (Cont.)

S.B. 1082 (Cont.)

Imposes penalties for failure to pay taxes and file reports and requires the posting of a bond to ensure prompt filing of reports and payment of taxes, penalties and interest.

Requires a report to the ADOT Director reflecting the amount of aviation fuel imported by a motor carrier, railroad common carrier or an aircraft into this state and requires payment of taxes on the fuel.

Provides that all aviation fuel taxes or motor vehicle fuel taxes used for aviation be credited to the aviation fund.

Police ordered tows; post-storage hearing (S.B. 1126) - Chapter 198

Allows a police officer to remove illegally stopped or abandoned vehicles. Provides that if a police officer removes a vehicle, the public agency employing the officer shall provide the registered owner of the vehicle or his agent with the opportunity for a post-storage hearing to determine the validity of the removal. Requires the hearing to be conducted within 48 hours of the request for a hearing, excluding holidays and weekends. Allows the public agency employing the officer to conduct the hearing. Makes the public agency employing the officer, who ordered the removal of the vehicle, responsible for towing and storage costs if it is determined in the hearing that there was no probable cause for removal.

Civil traffic violation; service (S.B. 1192) - Chapter 199

Provides that a civil traffic violation case shall be commenced within 30 days of the alleged violation, except that if the alleged violation is under investigation in conjunction with a traffic accident, the case shall be commenced within 90 days.

Allows a traffic complaint for a violation under investigation to be sent by certified mail, return receipt requested, to the address of the person charged with the violation. Service of the complaint is complete on filing of receipt in court.

Alternative fuels committee (S.B. 1218) - Chapter 14

An emergency measure establishing a ten-member Joint Legislative Study Committee on Alternative Fuels to investigate and present proposals on alternative fuels best suited for use in this state. Allows the Committee to serve legislative subpoenas. The Committee shall consist of the following members:

1. Senate and House Transportation Committee Chairmen.
2. Senate and House Health and Welfare Committee Chairmen.

TRANSPORTATION (Cont.)

S.B. 1218 (Cont.)

3. Three Senate members, appointed by the President of the Senate.
4. Three House members, appointed by the Speaker of the House of Representatives.

Provides that the Committee shall submit a report of their findings and recommendations to the President of the Senate and the Speaker of the House of Representatives by December 31, 1987. The Committee terminates December 31, 1987.

Motor carriers; financial responsibility requirements (S.B. 1258) - Chapter 300

An emergency measure prescribing financial responsibility requirements for combined single limit loads. Establishes limits as follows:

1. For the transportation of nonhazardous property:
 - a. For vehicles with a gross vehicle weight (GVW) over 26,000 pounds, minimum coverage in the amount of \$750,000.
 - b. For vehicles with a GVW of 20,100 to 26,000 pounds, minimum coverage in the amount of \$300,000.
2. For the transportation of passengers:
 - a. In a motor vehicle with seating capacity of 16 or more passengers, in addition to the existing coverage limit of \$5 million, uninsured motorist coverage in the amount of \$300,000.
 - b. In a motor vehicle with seating capacity of less than 16, minimum coverage of \$750,000 and uninsured motorist coverage in the amount of \$300,000.
 - c. In a motor vehicle which provides taxicab service, with seating capacity of less than seven, minimum coverage of \$300,000 and uninsured motorist coverage in an amount of \$300,000.

Delays the effective date of the uninsured motorist coverage provision until June 1, 1987. Allows the uninsured coverage to be provided by a self-insurance program.

Provides that persons who are under contract with the state, a political subdivision or a municipality and who are included in its self-insurance program are exempt from the uninsured motorist coverage requirements.

TRANSPORTATION (Cont.)

Omnibus air quality (S.B. 1360) - Chapter 365

S.B. 1360 makes the following provisions to improve air quality:

1. Requires adjusted work hours for 85 per cent of county, city and state employees in a nonattainment area. Prior to October 1 of each year major employers shall submit their adjusted work hour schedules to the Air Quality Compliance Committee which shall develop an adjusted work hour plan for private employers. Businesses with 100 or more employees are encouraged to implement their own adjusted work schedules.
2. Requires state and political subdivisions in a nonattainment area and private fleets (25 or more vehicles) to report quarterly to the Arizona Department of Transportation (ADOT) on the use of clean burning fuels. Beginning October 1, 1989, state and political subdivisions must use clean burning fuels in all nondiesel vehicles 1980 and older from October through March. Clean burning fuels will be available for sale after October of 1988, provided the Thirty-eighth Legislature, Second Regular Session, enacts legislation specifying requirements for the sale of clean burning fuels.
3. Requires the state and the cities of Phoenix and Tucson to conduct a study of 10 per cent of their fleet in nonattainment areas on the driveability of those vehicles using clean burning fuels. Each study shall be conducted for a one-year period beginning October 1, 1987.
4. Mandates cities with a population over 50,000 to include bicycle routes in the circulation and recreational elements of the general plan. Regulations governing subdivisions of counties must include bicycle facilities when providing for arrangement of streets and highways. Cities under 50,000 population and counties may include bicycle facilities in their plans.
5. Allows counties to adopt ordinances which are more restrictive than the state requirements to reduce carbon monoxide and ozone.
6. Mandates cities and counties to include air quality measures in their general plans. They may also adopt trip reduction ordinances.
7. Mandates cities, counties and the state to synchronize traffic control signals on roads in a nonattainment area which exceed 15,000 vehicles per day.

TRANSPORTATION (Cont.)

S.B. 1360 (Cont.)

8. Expands the inspection/maintenance program to include those persons who commute into a nonattainment area for work purposes but live outside these areas. From and after December 31, 1988, universities and community colleges located inside a nonattainment area shall require all students who drive to have their vehicle inspected, regardless of where that vehicle is registered. Violators will be subject to a \$50 fine on the first offense and a \$300 fine for the second offense within a year. The fine is reduced to \$25 if the vehicle is inspected.
9. Provides that the inspection/maintenance requirements will be enforced through a program implemented by the Motor Vehicle Division (MVD) which will provide that from and after December 31, 1987, all vehicles required to be tested be issued a modified validating tab or an air quality compliance decal. The cost of the decal is 25 cents.
10. Establishes an air quality fund. All vehicles inside a nonattainment area will be assessed \$1 and vehicles outside a nonattainment area will pay \$2. This money will be deposited in the air quality fund and shall be used for research and experiments to improve air quality statewide. The Department of Environmental Quality may also use this fund for grants to cities or counties in a nonattainment area to improve air quality.
11. Increases the limit for emissions repair costs for vehicle model years 1975 through 1979 from \$100 to \$200.
12. Mandates that state employees must be given preferential parking if they carpool or vanpool.
13. Requires all buses, purchased after January 1, 1990, to use clean burning fuels. Cities will report their efforts to convert buses to clean burning fuels.
14. Increases the emissions waiver fee from \$1 to \$5.
15. Allows a tax deduction for employers who pay for public transit for their employees to and from work. Authorizes the Director of the Department of Administration to promulgate rules to reimburse state employees if they use public transit to and from work. Counties may adopt ordinances to reimburse their employees for using public transit.
16. Expands the duties of the Joint Legislative Study Committee on Alternative Fuels to include investigating the feasibility of converting public and private vehicles to propane or compressed natural gas (CNG).

TRANSPORTATION (Cont.)

S.B. 1360 (Cont.)

17. Establishes a Light Rail Study Commission to evaluate the feasibility of a statewide light rail system.
18. Establishes a Committee on Air Quality Compliance to monitor the compliance of state, cities and counties on air pollution control, and to develop an adjusted work hour plan for private employers. The Committee is established for five years and must submit a report to the Senate President and Speaker of the House of Representatives by November 1 each year.
19. Appropriates \$150,000 in fiscal year 1987-1988 from the air quality fund to the Department of Health Services to conduct a daylight savings time study. Findings shall be submitted to the President of the Senate and Speaker of the House of Representatives by April 1, 1988.
20. Appropriates \$400,000 in fiscal year 1987-1988 from the air quality fund to ADOT for purposes of converting state vehicles to use CNG.
21. Appropriates \$250,000 in fiscal year 1987-1988 from the state general fund to ADOT for public transit assistance.

~~Service stations; producer operation prohibited~~ NOW: Legislative study committee; petroleum (S.B. 1419) - Chapter 159

Establishes a ten-member Joint Legislative Committee on Petroleum Pricing and Marketing Practices and Producer Retail Divorcement consisting of:

1. Chairmen of the Senate and House Transportation Committees.
2. Four members of the Senate, appointed by the President of the Senate.
3. Four members of the House, appointed by the Speaker of the House of Representatives.

Provides that the Committee investigate petroleum pricing and marketing issues and producer retail divorcement, with special emphasis on the applicability of retail divorcement in Arizona and state petroleum prices in relation to the national market. Allows the Committee to enter into agreements with persons supplying information regarding confidentiality of such information and materials.

The Committee shall complete its work and submit a report of its findings and recommendations by December 31, 1988.

The Committee expires from and after December 31, 1988.

TRANSPORTATION (Cont.)

Handicapped plates; physician; issuance (S.B. 1450) - Chapter 177

Allows any licensed physician or physician authorized to practice medicine by the United States government, practicing in this state or in any state within 50 miles of the border of this state, to issue the certificate verifying physical disability for the purpose of obtaining a handicapped placard or number plate.

Motorized wheelchairs; rights and duties (H.B. 2002) - Chapter 90

Defines motorized wheelchair as any self-propelled vehicle that is designed for, and used by, a handicapped person and is operated at a speed not in excess of eight miles per hour. Clarifies that the definition of motor vehicle does not include a motorized wheelchair and classifies a person in a motorized wheelchair as a pedestrian. Grants a person operating a wheelchair or motorized wheelchair all of the rights and duties given to a pedestrian except those provisions which, by nature, have no application.

~~55 mph speed limit; repeal~~ NOW: Length of vehicle on highways (H.B. 2042) - Chapter 247

Provides that a truck or a truck trailer may draw a trailer or semitrailer not exceeding a length of 57 feet only on interstate highways or on a highway which is within ten miles of an interstate highway if the trailer or semitrailer is manufactured in this state and is traveling without a load from its place of manufacture to be delivered for use outside this state.

~~Clean burning fuels; use; sale~~ NOW: Clean burning fuels; blends; pilot project (H.B. 2115) - Chapter 139

An emergency measure allowing a retailer to sell to the state, political subdivisions or to any owner or lessee of a fleet registered in a nonattainment area, gasoline blends which do not meet American Society for Testing and Material (ASTM) standards, if requested to do so and provided the base gasoline used in the blend did meet such standards. Prohibits the use of the gasoline blend in any motor vehicle except those owned or leased by the state or a political subdivision or those comprising a fleet.

Establishes a pilot project on clean burning fuels within the Arizona Department of Transportation (ADOT). The ADOT shall conduct the project to determine the cost effectiveness of using clean burning fuels. Certain departmental vehicles shall be operated with clean burning fuels and monitored to determine the following:

1. Maintenance cost of the vehicles.
2. Effect on miles per gallon of the vehicles.

TRANSPORTATION (Cont.)

H.B. 2115 (Cont.)

3. Availability of clean burning fuels.
4. Impact of clean burning fuels on vehicular emissions.

The Department shall submit a report and recommendation on the feasibility of using clean burning fuels on a local or statewide basis to the President of the Senate and the Speaker of the House of Representatives on or before October 1, 1988. The pilot project terminates from and after September 31, 1988.

Creates a conversion rate for compressed natural gas for the purposes of imposing a use fuel tax (one gallon equals 1.25 therms).

Light rail system; study commission NOW: Joint special road districts (H.B. 2117) - Chapter 280

Allows two or more road districts operating jointly as a Joint Special Road District pursuant to an agreement entered into before January 1, 1987, to continue to act as a Joint Special Road District.

Requires the Joint Special Road District Board of Trustees to be composed of three trustees elected from each special road district comprising the Joint Special Road District. The Board of Trustees may take action by a majority of trustees voting at a meeting and a district may withdraw from the Joint Special Road District if certain procedures and conditions are met. Requires a two-thirds favorable vote in each district for approval of issuance of Joint Special Road District bonds. A tax shall be levied on all real property and mobile homes. Proceeds of bonds and other monies of the special road district shall be used for the Joint Special Road Districts as if it were a single district. Issuance of bonds exceeding \$5,000,000 is prohibited without a new election. If a district withdraws from the joint district, it will be allocated its pro-rata share of authorized remaining unissued bonds. Bonds shall be examined by the Attorney General.

Provides a retroactive effective date for actions taken from and after January 1, 1970.

Motor vehicles; records; titles (H.B. 2134) - Chapter 141

An emergency measure providing access to Arizona motor vehicle records for any state or its Departments, agencies or political subdivisions. Provides that a person involved in an accident or the owner of a vehicle involved in an accident must submit proof of involvement in the accident in order to obtain any of the following:

1. The driving record of a person operating a motor vehicle involved in the accident.

TRANSPORTATION (Cont.)

H.B. 2134 (Cont.)

2. The vehicle title or registration record of a vehicle involved in the accident.

Allows for notification to the Arizona Department of Transportation of a vehicle's transfer of title by means of the registration card submitted with proper information written on the back and endorsed by the owner or other submitted written notification containing sufficient information for transfer of title.

Provides a section on the title application and vehicle registration application for recording liens or encumbrances on the vehicle. The applicant's signature on either of the applications shall be deemed consent for the lien or encumbrances to be recorded by the Motor Vehicle Division (MVD). Lien applications may now be filed at any of the MVD branch offices for the lien record to become effective.

Tail lamps; location NOW: Motor vehicles; fleet inspection certificates (H.B. 2136) - Chapter 187

An emergency measure which allows for the transfer of the certificate of inspection from a fleet vehicle to an auctioneer who intends to sell the vehicle and is licensed as a used motor vehicle dealer. The certificate of inspection is valid for 180 days after the transfer unless the vehicle is re-registered with a new owner in which case the vehicle must be inspected before registration.

Requires a written statement accompany a disabled motor vehicle offered for sale at a wholesale public auction that states the vehicle's "AS IS" status and need for repair to meet emissions standards. Defines disabled vehicle as a motor vehicle which cannot operate on its own motive power.

Driver's license duplicate suspension (H.B. 2137) - Chapter 142

Provides that a person may obtain a duplicate driver's license or permit without providing proof that the license was lost, destroyed or if the license is made illegible, or the name or address of the applicant changes. Requires the Arizona Department of Transportation (ADOT) to suspend any driver's and identification license, the privilege to obtain such documents and the privilege to operate a motor vehicle for improper use of the license by a person under the legal drinking age. Requires the ADOT to provide further service of notice of any suspension, revocation or cancellation of the license or privilege to operate a motor vehicle or of required attendance at training and education sessions only when the Department is notified of a change of address.

TRANSPORTATION (Cont.)

Motor carrier; cab cards (H.B. 2138) - Chapter 108

Prescribes liability for the licensee of a motor carrier cab card for any use fuel tax which accrues to each issued cab card. The licensee's liability for a lost, stolen or destroyed cab card is relieved 24 hours after written notification is received by the Director of the Arizona Department of Transportation.

Vehicle height (H.B. 2147) - Chapter 253

Authorizes the Arizona Department of Transportation to designate a system of highways that a vehicle, unladen or with a load, not exceeding 14 feet above the level surface, may operate without a permit.

Allows issuance of a permit authorizing transportation of a load by trucks as well as truck tractors.

Transportation tax monies; use (H.B. 2180) - Chapter 65

An emergency measure clarifying that all transportation excise monies collected in a county with a population of less than 400,000 shall be returned to the county from which the funds were collected. Further provides that if these counties establish a county regional planning agency, the transportation excise revenues may only be used for projects included in the county regional transportation plan as prepared by that planning agency.

Counties; special census; highways monies (H.B. 2205) - Chapter 284

Allows any county to request that the United States Census Bureau take a special census of its population for purposes of distribution of highway monies. The county special census shall include only those persons residing in unincorporated areas of the county. A county may request that the 1985 special census of the unincorporated areas of the county be utilized for purposes of apportionment of funds.

Serious physical injury; definition NOW: Transportation; maximum speed limit; sixty-five mph (H.B. 2206) - Chapter 68

An emergency measure increasing the maximum speed limit on certain highways in the state up to 65 mph.

Repeals and then reenacts the existing 55 mph speed limit law to ensure that it remains in effect after passage of the federal reauthorization bill. Retains the 55-65 mph "energy fine" for highways subject to the 55 mph speed limit.

TRANSPORTATION (Cont.)

H.B. 2206 (Cont.)

Sets a maximum 65 mph speed limit on interstate system highways outside urbanized areas with a population of 50,000 or more. Provides that the 55 mph speed limit does not apply to such highways. States that a person who violates the 65 mph speed limit law is guilty of a class 3 misdemeanor.

Testing for alcohol or drugs (H.B. 2208) - Chapter 259

Specifies that the qualifications of an individual withdrawing blood or taking a urine specimen and the methods used shall not be foundational prerequisites for the admissibility of any blood alcohol content determination in a DWI court case.

Driver's license; optometrist report (H.B. 2305) - Chapter 224

An emergency measure removing the requirement that an ophthalmologist or optometrist notify the Director of the Motor Vehicle Division (MVD) when a person does not meet the medical standards for obtaining or maintaining a driver's license.

A licensed health care provider is immune from personal liability when, in good faith and upon the written request of an applicant or licensee, information is provided to the Director of MVD concerning the medical condition of the applicant or licensee with respect to ability to operate a motor vehicle.

Classified driver's licensing system (H.B. 2339) - Chapter 148

Creates a classified driver's licensing system consisting of five classifications:

Class A: Valid for operating any vehicle or vehicle combination, including a class B, C or D license, but not valid for class E (motorcycles). A recreational vehicle does not require a class A license.

Class B: Valid for operating any single motor vehicle with a gross weight exceeding 26,000 pounds, including any bus or school bus and vehicles requiring a class C or D license, but excludes vehicle combinations in excess of 26,000 pounds or class E. A recreational vehicle does not require a class B license.

Class C: Valid for operating any single motor vehicle with a gross weight not exceeding 26,000 pounds, any vehicle requiring a class D license and electric powered three-wheeled vehicles, but not including class E.

TRANSPORTATION (Cont.)

H.B. 2339 (Cont.)

Class D: Valid for operating any single motor vehicle with a manufacturer's weight rating not exceeding 3/4 ton or if a weight rating is not determinable, a vehicle not exceeding 6,000 pounds unladen weight. Class E is not included. No endorsement shall be issued for this class.

Class E: Valid for operating all motorcycles. This classification may be endorsed on all other classes except class D.

Requires a person operating certain classes of vehicles to submit to an appropriate examination in order to obtain the necessary endorsement to their existing license. Endorsements are required for the following:

1. To qualify for a class E license if a person already has or is qualifying for a class A, B, C or D license.
2. To transport enough hazardous materials as to require a placard when a person already has a class A, B or C license.
3. To operate a recreational vehicle without a class A or B license, driver must possess a class C license.

Establishes motor vehicle fees as follows:

Class A license and any endorsement	-	\$25
Class B license and any endorsement	-	25
Class C license and any endorsement	-	7
Class D license and any endorsement	-	7
Class E license and any endorsement	-	7

Requires persons applying for an original driver's license to pass an eyesight test, a test on the ability to read and understand traffic control devices and safe driving practices, and a demonstration of the ability to exercise ordinary and reasonable control of a vehicle or combination of vehicles covered by the class of license being applied for. An applicant will be considered an original applicant if any of the following apply: the applicant has never had a license or has a license which has been expired for more than one year, the applicant is applying for a higher class license than currently held, the applicant holds a license from another state and is applying for a class A or B license, or the applicant holds a license from any country or jurisdiction other than another state of this country or any Canadian province.

Allows the actual driving test to be waived if the applicant can prove that they have held a driver's license from another state or Canadian province and is applying for a class C license.

TRANSPORTATION (Cont.)

H.B. 2339 (Cont.)

Applicants for a class A or B license will also be subject to the following requirements along with those stated above: possess evidence of compliance with medical standards; be at least 21 years old; have held a driver's license for at least one year; passage of any additional knowledge examinations; and, pass a driving test, unless an employer certification is provided.

The Department shall treat the renewal of a class A or B license as an original applicant and require the same tests be administered. The renewal of a class C, D or E license may be done with waiving the tests or by mail.

Allows employers to obtain licensing so they can certify an applicant's driving experience or the driver's actual demonstrated ability to exercise ordinary and reasonable control in the operation of a class A or B vehicle, providing they meet the following qualifications:

1. The employer must employ at least five full-time drivers and have a fleet of at least five class A or B vehicles.
2. The employer must have an established place of business and maintain records as prescribed by the Department.
3. The employer shall have a driver training program which meets the minimum standards established by the Department.
4. The classroom instruction and road testing must be supervised by a qualified safety officer.
5. The employer shall maintain current and accurate driver's files.

In order to use the employer's certification, the applicant must have gone through the program within one year of the date on the application.

Professional driving schools may also be licensed by the Department for recertification providing they meet the following requirements:

1. Possess a current license as a professional driving school issued by ADOT; and,
2. Have approved a curriculum which includes classroom training and behind the wheel driving in the class of vehicle for which the applicant is being certified.

Requires companies which provide escort vehicles or escort services for overdimensional loads or vehicles, be licensed to operate a driver's certification program as defined above.

TRANSPORTATION (Cont.)

H.B. 2339 (Cont.)

Prescribes validation period for licenses of up to four years, six months, if the applicant applies within six months of their next birthday.

Provides new definitions for gross vehicle weight rating, license class and recreational vehicle.

Changes the chapter heading from "Uniform Motor Vehicle Operator's and Chauffeur's License Act" to "Motor Vehicle Driver's License Act."

These provisions become effective on December 31, 1988.

Provides that a license issued before the effective date of this act is valid until expiration of the license, unless revoked or suspended.

Reduced motor carrier tax (H.B. 2341) - Chapter 149

Clarifies that a motor vehicle or fleet of motor vehicles designed to transport a specific product or products be eligible for a reduced motor carrier tax for the one-way haul of the specific product. The Motor Vehicle Division will pre-qualify the vehicles eligible for the reduced motor carrier tax.

DWI reports; repeal (H.B. 2377) - Chapter 117

Repeals the requirement that quarterly reports concerning driving while under the influence of intoxicating liquor or drugs be submitted by the chief administrative officer of each law enforcement agency to the Legislative Council.

Driving while license suspended (H.B. 2451) - Chapter 267

An emergency measure adding mandatory fines to the current class 1 misdemeanor for persons convicted of driving with a suspended driver's license. Establishes the following fines for such conviction:

First conviction: Not less than \$300, except if the original civil sanction is paid, then the fine shall be not less than \$50.

Second conviction or any subsequent conviction within one year: A fine not less than \$500.

Allows the mailing of a revocation notice by regular mail to the last known address of the driver to serve as sufficient notice. The state is not required to prove receipt of notice before the revocation is enacted.

TRANSPORTATION (Cont.)

H.B. 2451 (Cont.)

Provides that a person whose license suspension has been extended for more than one year as a result of a single conviction shall be entitled to apply for reinstatement of their license after the effective date of this act and upon payment of the required reinstatement fee, provided the person's license had not been suspended or revoked pursuant to any other section.

COMMITTEES AND BOARDS
CREATED DURING THE 1987 SESSION

TRANSPORTATION

Joint legislative study committee on petroleum pricing and marketing
practices and producer retail divorcement

S.B. 1419

PURPOSE: To study petroleum pricing and marketing practices and producer retail divorcement with special emphasis on the applicability of retail divorcement in Arizona and state petroleum prices in relation to the national market. The committee may enter into agreements with persons supplying information regarding confidentiality of such information and materials.

MEMBERSHIP: Senate: 1 - Transportation Committee Chairman.
4 - Members - Appointed by the President of the Senate.
House: 1 - Transportation Committee Chairman.
4 - Members - Appointed by the Speaker of the House of Representatives.

REPORTS: December 31, 1988

TERMINATION DATE: December 31, 1988

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 159

Joint legislative study committee on alternative fuels
S.B. 1218

PURPOSE: An emergency measure to study alternative fuels and design proposals for transportation uses in Arizona.

MEMBERSHIP: Senate: 2 - Transportation and Health and Welfare Committee Chairmen.
3 - Members - Appointed by the President of the Senate.
House: 2 - Transportation and Health and Welfare Committee Chairmen.
3 - Members - Appointed by the Speaker of the House of Representatives.

Transportation Committee
Committees and Boards

REPORTS: On or before December 31, 1987

TERMINATION DATE: December 31, 1987

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 14 (*Amended by Laws
1987, Chapter 365, Sec. 30)

Omnibus air quality
(S.B. 1360)

Created the following two committees/commissions:

1. Light rail study commission

PURPOSE: To evaluate the feasibility of establishing a light rail authority and light rail systems in this state. The Commission shall also evaluate the feasibility of a statewide light rail system. The Commission may utilize personnel employed by the Legislature, including the Legislative Council, and may hire consultants as necessary.

MEMBERSHIP: Senate: 3 - Members - Appointed by the President of the Senate, including at least one who is knowledgeable in the area of light rail transit.

House: 3 - Members - Appointed by the Speaker of the House of Representatives, including at least one who is knowledgeable in the area of light rail transit.

Other: 3 - Members - Appointed by the Governor, including at least one who is knowledgeable in the area of light rail transit.

Not more than six from the same political party.

REPORTS: December 31, 1987

TERMINATION DATE: December 31, 1987

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 365, Section 26

Transportation Committee
Committees and Boards

2. Committee on air quality compliance

PURPOSE: To monitor the compliance of this state and the cities, towns and counties of this state with the requirements of Title 49, Chapter 3, A.R.S., dealing with air pollution control. To develop a plan for business to adjust the work schedules of employees in order to reduce the level of carbon monoxide concentrations caused by vehicular travel. To develop a written report containing findings and recommendations for dealing with local compliance with state air quality standards and changes in vehicle emissions testing procedures.

MEMBERSHIP: Senate: 2 - Members of the Senate, who are not members of the same political party - Appointed by the President.

House: 2 - Members of the House of Representatives, who are not members of the same political party - Appointed by the Speaker of the House of Representatives.

Other: 1 - Member - Appointed by Maricopa County Board of Supervisors from its membership.
1 - Member - Appointed by Pima County Board of Supervisors from its membership.
1 - Member - Appointed by Phoenix City Council from its membership.
1 - Member - Appointed by Tucson City Council from its membership.
1 - Member - Appointed by Phoenix Chamber of Commerce from its membership.
1 - Member - Appointed by Tucson Chamber of Commerce from its membership.
3 - Public Member - Appointed by Governor, one of whom shall reside outside a nonattainment area as defined in A.R.S. 49-541.
1 - Director of the Department of Environmental Quality or his designee.

REPORTS: November 1 of each year

TERMINATION DATE: May 31, 1992

STATUTORY CITE/AUTHORITY, IF ANY: Laws 1987, Chapter 365, Section 27

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