

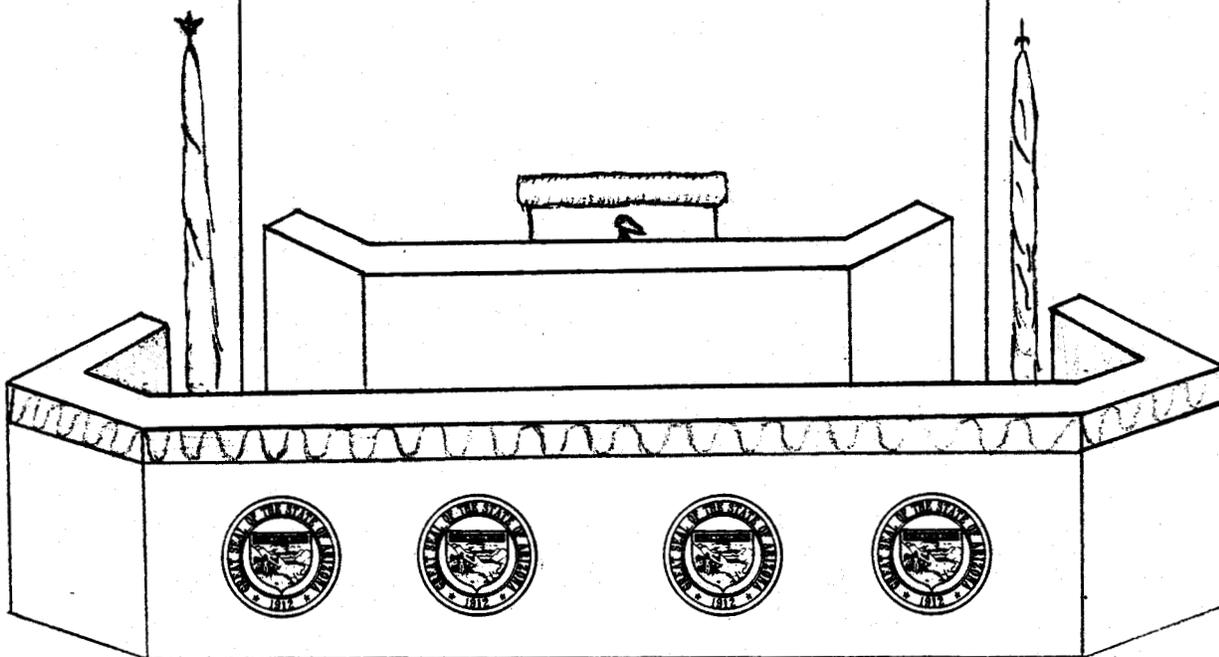
ARIZONA HOUSE OF REPRESENTATIVES

36TH LEGISLATURE FIRST REGULAR SESSION

1983



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Arizona House of Representatives
Phoenix, Arizona 85007

FRANK KELLEY

SPEAKER
OF
THE HOUSE

May 10, 1983

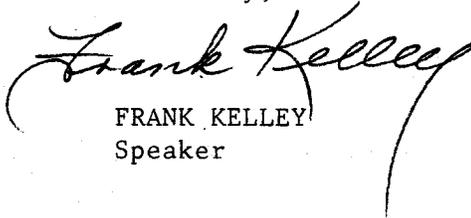
Dear Fellow Member:

I am pleased to transmit the enclosed report "Summary of Appropriations and Legislation of the Thirty-sixth Arizona Legislature First Regular Session - 1983".

This report contains a summary of all funds appropriated by the Legislature during the last session and the legislation passed and signed into law.

I hope you find the report both informative and useful.

Sincerely,


FRANK KELLEY
Speaker

FK/dg

SUMMARY OF APPROPRIATIONS AND LEGISLATION
OF THE THIRTY-SIXTH LEGISLATURE
FIRST REGULAR SESSION

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S E C T I O N I

SUMMARY ANALYSIS
OF APPROPRIATIONS FOR
FISCAL YEAR 1983-1984

SECTION I. SUMMARY ANALYSIS OF APPROPRIATIONS FOR FISCAL YEAR 1983-84

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TABLE 1

State of Arizona Summary Chart of General Fund Appropriations:
 FY 1983-84 Operating Budget

Function	Appropriation	Percent: Total Operating Budget
Administration and Revenue Collection	\$ 183,805,026	10.4%
Agriculture	7,971,900	0.4
Civil and Criminal Justice	64,999,500	3.7
Corrections	109,372,800	6.2
Education*	1,086,228,650	61.3
Environmental	12,945,100	0.7
Health	113,230,900	6.4
Human Resources Development	155,343,400	8.8
Recreation	7,040,400	0.4
Regulation and Licensing	11,725,000	0.7
Transportation	75,000	0.0
Compensation	18,861,300	1.1
TOTAL	\$1,771,598,976	100.0%

* Does not include \$19,697,200 in state aid and \$95,700,000 in teachers' retirement which were appropriated to the Department of Administration; for the purpose of this table which details where the funds were actually appropriated rather than the purpose of the appropriation, the funds are included in the function titled Administration and Revenue Collection. See Table 2 for use of appropriations for Education.

CHART 1

State of Arizona Summary Chart of General Fund Appropriations:
FY 1983-84 Operating Budget (\$1,771,598,976)

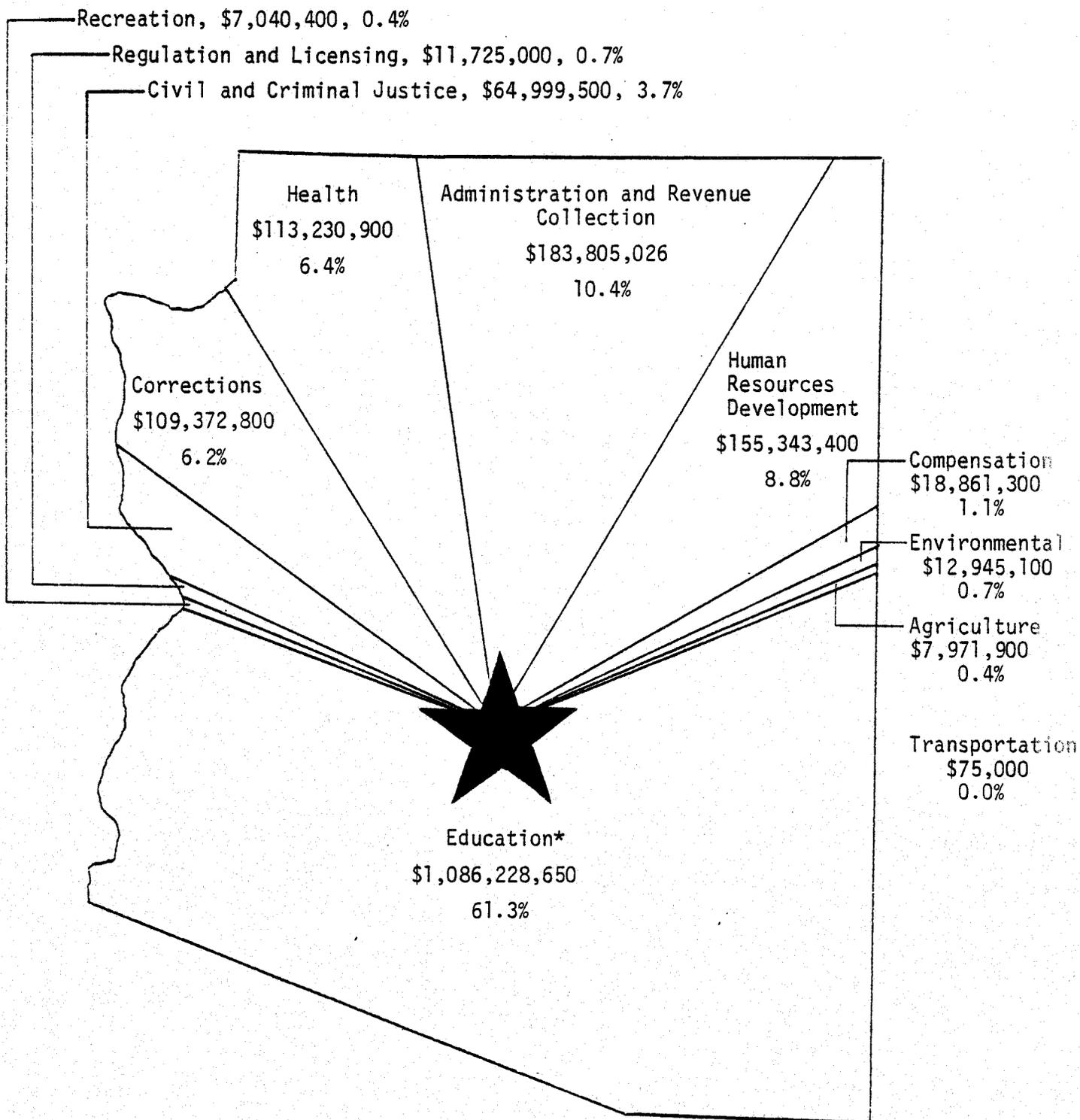


TABLE 2

State of Arizona Summary Chart of General Fund Appropriations
for Education Purposes: FY 1983-84 Operating Budget

Function	Appropriation	% Total Educ. Approp.	% Total Approp.
Arizona State University	\$ 99,334,700	8.3%	5.6%
State Aid to Public Schools	767,019,350*	63.8	43.3
Community College Board	44,610,300	3.7	2.5
Deaf and Blind School	5,893,500	0.5	0.3
Education Department	6,560,300	0.5	0.4
Northern Arizona University	36,837,400	3.1	2.1
Board of Regents	1,846,600	0.2	0.1
University of Arizona			
Main Campus	116,845,900	9.7	6.6
College of Medicine	21,428,000	1.8	1.2
University Hospital	3,496,400	0.3	0.2
WICHE	1,873,400	0.2	0.1
Board of Medical Student Loans	180,000	0.0	0.0
Teachers' Retirement	95,700,000**	8.0	5.4
TOTAL	\$1,201,625,850	100.0%	67.8%

* Includes \$19,697,200 appropriated to the Department of Administration for state aid to schools

** Appropriated to Department of Administration

CHART 2

State of Arizona Summary Chart of General Fund Appropriations
for Education Purposes: FY 1983-84 Operating Budget (\$1,201,625,850)

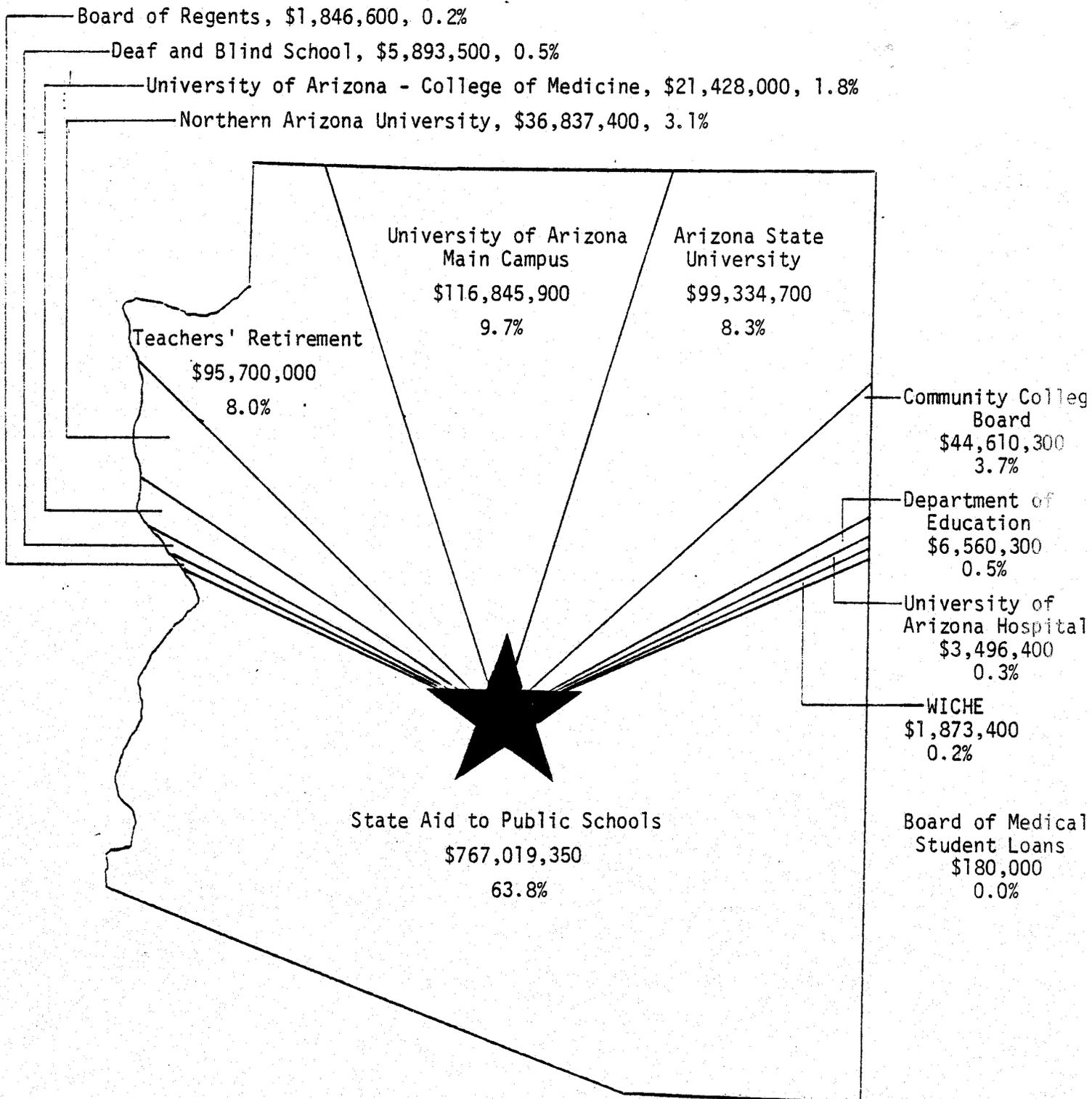


TABLE 3

STATE OF ARIZONA
STATISTICAL SUMMARY OF APPROPRIATIONS

Fiscal year 1983-84

Function	Agency	H. B. 2477		H. B. 2476		H. B. 2476		Estimated ^a Federal Funds
		General Fund Appropriation	Capital Outlay General Fund Appropriation	Other Fund Appropriation	Capital Outlay Other Fund and Federal Fund Appropriation	Other Fund Appropriation	Estimated ^a Federal Funds	
ADMINISTRATION AND REVENUE COLLECTION		\$ 133,308,900 ^b	\$	\$ 1,189,400	\$ 350,000	\$	\$	\$ 15,000
	Administration Department.							
	Governor							
	Office of the Governor	1,088,200						
	Economic Planning & Development	2,180,000						6,585,400
	Office of Affirmative Action	134,200						
	Arizona Rangers' Pensions	12,000						
	Legislature							
	Senate							
	House of Representatives	3,000,000						
	Joint Legislative Budget Committee	3,800,000						
	Library and Archives	1,114,600						
	Auditor General	2,831,400						
	Legislative Council	4,188,300						
	State Treasurer	1,090,000						6,500,000
	Secretary of State	1,823,600						
	Revenue Department	895,300						
	State Board of Tax Appeals	20,932,700						
	State Personnel Board	308,900						
	State Retirement System	219,400						
	Office of Tourism	410,000		5,670,500				
	Emergency Services & Military Affairs	1,619,600			152,000			8,998,400
	Uniform State Laws Commission	4,836,926 ^c						
		11,000						
		\$ 183,805,026	\$	\$ -0-	\$ 502,000	\$	\$ 6,859,900	\$ 22,098,800
AGRICULTURE								
	Agriculture & Horticulture Comm	\$ 4,185,900	\$	\$ 897,900	\$	\$	\$	\$ 4,500
	Agriculture Employment Relations Bd	172,900						
	Dairy Commission	434,500						
	Egg Inspection Board			142,100				41,800
	Livestock Board	3,178,600						488,000
		\$ 7,971,900	\$	\$ 1,040,000	\$ -0-	\$	\$ -0-	\$ 534,300

H.B. 2476
Capital Outlay
Other Fund and
Federal Fund

H.B. 2476
Capital Outlay
General Fund

H.A. 2477
General Fund

Function	Agency	H.A. 2477 General Fund Appropriation	H.B. 2476 Capital Outlay General Fund Appropriation	H.B. 2476 Capital Outlay Other Fund and Federal Fund Appropriation	Estimated ^a Federal Funds
----------	--------	--	--	--	---

CIVIL AND CRIMINAL JUSTICE	Attorney General - Dept. of Law	\$ 9,476,700 ^d	\$	\$	\$
	Public Safety Department	42,383,700		102,000	
	Criminal Intel. Sys. Agency	3,199,900		16,094,500	1,920,000
	Appellate & Trial Court Appts.	4,000			
	Comm. on Judicial Qualifications	25,000			
	Court of Appeals	3,332,800			
	Superior Courts	3,412,300			
	Supreme Courts	2,733,700			
	Law Enforcement Merit System	31,400			
	Grand Jury	400,000 ^e			

		\$ 64,999,500	\$ -0-	\$ 16,094,500	\$ 1,920,000
CORRECTIONS	Corrections Department	\$ 108,743,800	\$ 4,184,000	\$	\$ 475,000
	Pardons & Paroles Board	629,000			

		\$ 109,372,800	\$ 4,184,000	\$ -0-	\$ 475,000
EDUCATION	The Deaf & The Blind School	\$ 5,893,500	\$	\$	\$ 354,100
	Education Department	6,560,300		166,300	106,237,400
	State Aid to Public Schools	747,322,150			
	Community College Board	44,610,300 ^f			15,390,000
	Board of Regents				
	Comm. Postsecondary Education	302,700			
	Staff and Regents	1,543,900			1,253,600
	WICHE	1,873,400			
	Arizona State University	99,334,700	3,650,000 ^g	31,236,400 ^h	15,929,600
	Northern Arizona University	36,837,400	950,000	7,755,200 ^h	6,281,300

		\$ 116,845,900	\$ 2,100,000	\$ 34,548,100 ^h	\$ 61,716,900
	College of Medicine	21,428,000		1,029,900 ^h	19,406,500
	University Hospital	3,496,400			
	Board of Medical Student Loans	180,000			
		\$ 1,086,228,650	\$ 6,700,000	\$ 74,569,600	\$ 226,569,400

ENVIRONMENTAL	Radiation Regulatory Agency	\$ 914,100 ⁱ	\$	\$ 57,600	\$	
	Solar Energy Commission	478,800				
	Game & Fish Department	-0-		11,983,200	879,100	
	Land Department	4,123,500				
	Mineral Resources Department	349,600				
	Oil & Gas Conservation Comm	132,500				
	Department of Water Resources	6,946,600				
		\$ 12,945,100	\$ -0-	\$ 12,040,800	\$ 879,100	\$ -0-



Function	Agency	H.B. 2477 General Fund Appropriation	H.B. 2476 Capital Outlay General Fund Appropriation	Other Fund Appropriation	H.B. 2476 Capital Outlay Other Fund and Federal Fund Appropriation	Estimated ^a Federal Funds
HEALTH	Department of Health Services	\$ 69,915,700 ^j	\$	\$ 7,237,600	\$ 217,500	\$ 76,241,900
	Az. Health Care Cost Containment Sys.	41,270,100				
	Pioneers' Home	2,045,100			8,000	
		\$ 113,230,900	\$ -0-	\$ 7,237,600	\$ 225,500	\$ 76,241,900
HUMAN RESOURCES DEVELOPMENT	Department of Economic Security	\$ 154,428,000	\$	\$	\$ 450,000	\$ 187,312,600
	Indian Affairs Commission	125,200				
	Council for the Deaf	86,000				
	Veterans' Service Commission	704,200		180,800 ^k		159,800
		\$ 155,343,400	\$ -0-	\$ 180,800	\$ 450,000	\$ 187,472,400
RECREATION	Commission on the Arts	\$ 419,100	\$	\$	\$	\$ 290,000
	Coliseum & Exposition Board			7,200,000 ^l		
	Outdoor Recreation Coord. Comm.			1,975,700		1,500,000
	Department of Racing	1,913,700				
	Parks Board	3,024,000			108,700	532,500
	Arizona Historical Society	1,348,600			42,900	301,600
	Prescott Historical Society	335,000			8,300	
	\$ 7,040,400	\$ -0-	\$ 9,175,700	\$ 159,900	\$ 2,624,100	

Function	Agency	H.B. 2477 General Fund Appropriation	H.B. 2476 Capital Outlay General Fund Appropriation	Other Fund Appropriation	H.B. 2476 Capital Outlay Other Fund and Federal Fund Appropriation	Estimated ^a Federal Funds
REGULATION AND LICENSING	Banking Department.	\$ 1,150,700	\$	\$	\$	\$
	Registrar of Contractors.	1,818,000				
	Corporation Commission.	3,347,100				
	Industrial Commission			3,198,240 ^m		52,300
	Occupation Safety & Health Review Bd.	4,500		5,966,500		850,000
	Insurance Department.	1,559,300				
	Liquor Licenses & Control Dept.	636,700				
	Office on Manufactured Housing.	956,800				
	Mine Inspector.	509,500				115,100
	Optometry Board	42,800				
	Real Estate Department.	1,696,600				
	Copper Tariff Board	3,000				
	Accountancy Board			280,300		
	Barber Examiners Board.			89,400		
	Boxing Commission			11,000		
	Chiropractic Board.			91,800		
	Cosmetology Board			230,000		
	Dental Board.			233,700		
	Funeral Directors & Embalmers Bd.			46,400		
	Homeopathic Board			1,000		
	Medical Examiners Board			970,800		
	Medical & Osteopathic Joint Bd.			20,000		
	Naturopathic Board.			17,700		
Nursing Board			473,900			
Nursing Care Inst. Admin. Board			24,000			
Opticians Board, Dispensing			33,500			
Osteopathic Examiners			85,000 ⁿ			
Pharmacy Board.			355,600			
Physical Therapy Board.			30,000			
Podiatry Examiners.			21,000			
Private, Technical & Business Schools.			83,200			

(continued)

Function	Agency	H.B. 2477 General Fund Appropriation	H.B. 2476 Capital Outlay General Fund Appropriation	Other Fund Appropriation	H.B.2476 Capital Outlay Other Fund and Federal Fund Appropriation	Estimated ^a Federal Funds
REGULATION AND LICENSING continued	Psychologists Examiners Board	\$	\$	\$ 41,900	\$	\$
	Structural Pest Control Board			153,900		
	Technical Registration Board.			363,200		
	Veterinary Board.			52,200		
		\$ 11,725,000	\$ -0-	\$ 12,874,240	\$ -0-	\$ 1,017,400
TRANSPORTATION	Department of Transportation.	\$ 75,000	\$	\$ 114,811,800	\$ 47,762,900	\$ 136,421,700
COMPENSATION	Administration. Division of Finance	\$ 18,861,300	\$	\$ 2,578,500	\$	\$
TOTALS		\$1,771,598,976	\$ 10,884,000	\$ 257,463,440	\$ 50,547,700	\$ 655,375,000
TOTAL GENERAL FUND			\$1,782,482,976			
GRAND TOTAL [GENERAL AND OTHER FUNDS]				\$2,745,869,116		

- (a) Estimates are contained in State of Arizona, Executive Budget 1983-1984
- (b) Includes H.B. 2184 (\$870,000) for emergency county aid for Greenlee County, and \$19,697,200 for State Aid to Schools
- (c) Includes H.B. 2177 (\$845,560) for Western Army Aviation Training Site; H.B. 2182 (\$287,075) for Nuclear Emergency Management Fund; S.B. 1131 (\$530,591) for Kingman and Sunnyslope armories
- (d) \$76,300 shall be reverted if federal funds become available for staffing requirements of hazardous waste/environmental protection activities
- (e) Funds were appropriated to Treasurer's Office
- (f) Includes \$864,100 for equalization aid in accordance with Section 15-1468, ARS, for Graham County Community College District
- (g) Includes H.B. 2308 (\$2,113,300) and \$1,000,000 allocated in Laws 1982, Chapter 115, for repair of ASU stadium
- (h) Other receipts and balance forward
- (i) Funds shall be expended from the Radiation Regulatory License and Registration Fund prior to expenditure of General Fund monies
- (j) Includes H.B. 2164 (\$415,000) for appropriation to Water Quality Assurance Revolving Fund
- (k) When \$8,000 is accumulated in the Veterans' Cemetery Fund it shall be appropriated and transferred to the General Fund
- (l) Estimated revenue, of which an amount not to exceed \$812,700 shall be from state tax revenues
- (m) Includes S.B. 1030 (\$533,040) for hiring attorneys
- (n) Includes S.B. 1275 (\$5,000) appropriated from the Arizona Board of Osteopathic Examiners in Medicine and Surgery Fund

TABLE 4

Appropriations Which Are Not Included in the Statistical

Summary of Appropriations

Chapter	Bill	Fund	1982-83	1984-85	1985-86
6	SB 1133	Other	\$ 8,000,000		
15	HB 2233	General	268,449		
19	HB 2177	General	81,220		
20	HB 2182	General	521,456		
54	HB 2422	General	125,000 a		
86	HB 2386	Other	22,500		
88	HB 2010	Other	32,700		
95	HB 2163	Other	10,700		
137	HB 2420	General	150,000		
160	HB 2341	Other	25,500		
161	HB 2362	General	20,000		
164	HB 2475	General	245,535		
242	SB 1003	General	35,000		

Allocation of highway fund monies
 Department of State; supplemental appropriation
 Western Army aviation training site
 Appropriation; Nuclear Emergency Management Fund
 Appropriation; Department of Corrections; juvenile bed cost
 Technical Registration Board; supplemental appropriation
 Medical Examiners Board; supplemental appropriation
 Outdoor Recreation Coordinating Commission; appropriation
 State Treasurer; state grand jury expenses
 Agriculture and horticulture; supplemental appropriation
 Agriculture Employment Relations Board appropriation
 Appropriation; reapportionment attorney fees
 Appropriation; birth defects in Pima County

Table 4 (continued)

280	HB 2352	Supplemental appropriation; vehicle emissions	Other	861,000	
285	HB 2474	Appropriation for certain named claimants	General	595,661	
293	SB 1385	Early retirement option	Other	9,907	
294	SB 1394	Dam on Show Low Creek	General	75,000	b
302	HB 2476	DES; Phoenix Southside Center	General	452,000	
308	SB 1030	Corporation Commission; Residential Consumer Office	Other	400,000	
324	HB 2195	DHS; ambulance regulation	General	100,000	
TOTAL					
			Other	\$ 9,414,307	-0-
			General	\$ 2,617,321	\$ 7,703,000
			TOTAL	\$12,031,628	\$ 7,703,000
					\$ 3,000,000

(a) Transfer of funds from the Superior Court Fund to the General Fund with part allocated to juvenile detention beds

(b) Is the extension of funds allocated Laws 1982, Chapter 236

(c) \$4,187,000 is the delayed appropriation of funds, Laws 1982, Chapter 235

TABLE 5
Comparison of General Fund Appropriations (Operating Budget) for FY 1980-81, FY 1981-82, FY 1982-83 (Revised) and FY 1983-84

Function	FY 80-81 ^a	FY 81-82 ^b	FY 82-83 ^c	FY 83-84
Administration and Revenue Collection	\$ 126,717,000	\$ 137,406,750	\$ 164,577,760	\$ 183,805,026
Agriculture	7,386,200	10,805,800	7,661,600	7,971,900
Corrections	77,905,900	84,887,383	95,675,500	109,372,800
Education	911,953,450	987,546,900	1,008,763,750	1,086,228,650
Environmental	14,110,300	19,576,000	12,932,200	12,945,100
Health	70,928,417	72,236,500	89,487,300	113,230,900
Human Resources Development	152,106,000	165,441,000	153,304,700	155,343,400
Civil and Criminal Justice	44,608,400	47,442,700	46,195,300	64,999,500
Recreation	4,634,400	4,804,000	6,502,000	7,040,400
Regulation and Licensing	18,573,421	21,150,400	18,740,500	11,725,000
Transportation	277,000	259,300	178,100	75,000
Compensation	55,317,000	52,584,500	[30,887,900] ^d	18,861,300
Claims for Relief	833,517	643,837	595,661	
TOTAL	\$1,485,351,005	\$1,604,785,070	\$1,604,614,371	\$1,771,598,976

^a Source: Summary of Appropriations and Significant Legislation of the Thirty-Fourth Legislature, Second Regular Session, Prepared by House Research Staff; includes supplemental and emergency appropriations made in 1981

^b Source: Summary of Appropriations and Significant Legislation of the Thirty-Fifth Legislature, First Regular Session, Prepared by House Research Staff; includes supplemental and emergency appropriations made in 1982.

^c Source: FY 1982-83 revised budget based upon legislative action taken at the beginning of the First Regular Session of the Thirty-Sixth Legislature; includes General Fund operating appropriations indicated on Table 4.

^d Compensation amount is already included within each function

SECTION II

LEGISLATIVE ACTIVITY

FIRST REGULAR SESSION

THIRTY-SIXTH ARIZONA LEGISLATURE

TABLE 6

COMPARISON BILL INTRODUCTIONS - HOUSE AND SENATE

Year	HOUSE BILLS			SENATE BILLS			TOTAL BILLS	
	HBs Intro.	HBs Member	Percent of Total	SBs Intro.	SBs Member	Percent of Total	Total Intro.	Bills/ Member
1983	477	8.0	55%	395	13.2	45%	872	9.7
1982	523	8.7	57	395	13.2	43	918	10.2
1981	496	8.3	55	410	13.7	45	906	10.1
1980	463	7.7	57	354	11.8	43	817	9.1
1979	458	7.6	57	342	11.4	43	800	8.9
1978	430	7.2	50	429	14.3	50	859	9.5
1977	369	6.2	48	395	13.2	52	764	8.5
1976	439	7.3	47	488	16.3	53	927	10.3
1975	425	7.1	52	396	13.2	48	821	9.1
1974	350	5.8	52	322	10.7	48	672	7.5
Ten- Year Average	443	7.4	53%	393	13.1	47%	836	9.3

REGULAR SESSION BILL INTRODUCTIONS AND SUCCESS PERCENTAGE: HOUSE, SENATE AND TOTAL

Year	Total Intro.	Bills Sent to Governor	Signed	Became Law W/O Signing	Vetoed	Veto Overridden	Total Became Law	Success Percentage
HOUSE								
1983	477	188	184	-0-	4	-0-	184	38.6%
1982	523	190	183	3	4	-0-	186	35.6
1981	496	184	172	2	10	-0-	174	35.1
1980	463	144	134	2	8	-0-	136	29.4
1979	458	145	129	3	13	-0-	132	28.8
1978	430	126	121	1	4	-0-	122	28.4
1977	369	101	97	-0-	4*	-0-	97	26.3
1976	439	109	108	-0-	1	1	109	24.8
1975	425	96	96	-0-	-0-	-0-	96	22.6
1974	350	113	110	1	2	-0-	111	31.7
SENATE								
1983	395	149	143	2	4	-0-	145	36.7%
1982	395	156	152	-0-	4	-0-	152	38.5
1981	410	152	147	-0-	4	-0-	147	35.9
1980	354	123	109	7	5	-0-	117	33.1
1979	342	97	86	3	8	-0-	89	26.0
1978	429	94	92	1	1	-0-	93	21.7
1977	395	78	77	-0-	1	-0-	77	19.5
1976	488	78	76	-0-	2	-0-	76	15.6
1975	396	75	74	-0-	1	-0-	74	18.7
1974	322	94	90	4	-0-	-0-	94	29.2
TOTAL								
1983	872	337	327	2	8	-0-	329	37.7%
1982	918	346	335	3	8	-0-	338	36.8
1981	906	336	319	2	15	-0-	321	35.4
1980	800	242	215	6	21	-0-	221	27.6
1979	817	267	243	9	15	1	253	31.0
1978	859	220	213	2	5	-0-	215	25.0
1977	764	179	174	-0-	5*	-0-	174	22.8
1976	927	187	184	-0-	3	1	185	20.0
1975	821	171	170	-0-	1	-0-	170	20.7
1974	672	207	200	5	2	-0-	205	30.5

*Does not include veto of HJR 2004

TABLE 7

AGRICULTURE

<u>Bill</u>	<u>Chapter</u>	<u>Short Title</u>	<u>Page</u>
2258	276	Mosquito control; pest abatement districts	20
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H.B. 2258 - Chapter 276 (Mosquito control; pest abatement districts)

H.B. 2258 provides for the formation of pest abatement districts for the purpose of checking for and preventing the spread of mosquitoes or pests. Pests are defined as any arthropods, rats and mice determined by the district as a public nuisance to persons or property, excluding arthropods which primarily attack agricultural crops.

A group of fifteen or more landowners, or any number of persons who collectively own at least 75% of the acreage of the proposed district, may petition the County Board of Supervisors for the establishment of a pest abatement district. The petition must include: the kind of pest to be eradicated; the boundaries of the proposed district; name, address and signature of each signer and a description of the acreage owned by him; and a list of the proposed district directors. The Board of Supervisors must schedule a hearing and handle it in the same manner as other public hearings. The Board must also request certification from the State Entomologist or a county health officer to verify that the described pest is a threat to the district. Testimony will be heard at the hearing and if any owner of agricultural land presents evidence of an ongoing pest control program his property shall be excluded.

After the hearing ballots are to be sent to all of the landowners in the proposed district. The Board will tally the votes and establish the district if 66 2/3% of the votes are in favor of the district and landowners voting own at least 50% of the land in the district. Five directors for the district will also be elected at that time. Monies from the district will cover the cost of the election, unless the initiative fails, then the costs incurred will be charged against the signers of the petition.

A landowner may ask a district to include his property in the district after the district has been formed. If the Board believes inclusion will benefit both the owner and the district it can order the inclusion.

Directors are elected for 2 year terms. Vacancies result if a director sells the land he owns in the district, and are filled by appointments by the Board. Directors must file an oath with the Clerk of the Board in the same manner as all county officials.

Powers and duties of the directors include: meeting annually or as often as necessary; preparing an annual report and a budget; maintaining a file of signed consent forms from landowners giving the district permission to enter property as provided for in statute; contracting for the performance of district functions; employing personnel; purchasing equipment and services; selling or leasing lands and property; annually assessing land in the district; and contracting with agencies and other departments of the state, county and nation. The directors cannot use district monies for the purchase of real property without written consent of the Board.

Powers of the district include; entering any property within, or adjacent to, the district with prior written consent to inspect insect breeding sites; conducting control measures; entering into agreements with landowners within or adjacent to the district; levying an assessment, not to exceed 25¢ on each \$100 of assessed value on all taxable property; and the power to sue and be sued.

A county tax collector will collect the assessment in the same manner and at the same time as other county taxes. Collected monies will be paid into the county treasury and can be withdrawn by warrant of the district. District property and equipment are exempt from state and county taxes. If the district intends on selling any real property it must give the first right of refusal to the person from whom the district acquired the property. The district does not have the power of eminent domain.

Districts may be dissolved by an order of the Board of Directors or by the landowners through the petition, hearing and election process. Monies remaining in the district fund after dissolution, satisfaction of obligations, and sale of property will be credited to landowners in proportion to their assessment.

An emergency clause has been enacted.

H.B. 2295 - Chapter 207 (Board of pesticide control)

H.B. 2295 provides the Board of Pesticide Control with the authority to revoke, suspend, refuse to issue or refuse to renew advisor licenses, applicator licenses and agricultural aircraft pilot licenses. The Board may also place those individuals on probation or impose civil penalties. Civil penalties are not to exceed \$100 for the first violation or \$500 for a second incident involving the same violation. All monies collected from penalties will be deposited in the General Fund.

This law also requires applicator reports to be turned in on a weekly basis. Reports are to be completed each week and postmarked by the Monday following the application.

To allow for a quorum of the 15 member board at hearings the required number of members present has been increased from 4 to 8 members.

H.B. 2341 - Chapter 160 (Agriculture and horticulture; supplemental appropriation)

H.B. 2341 authorizes an additional appropriation of \$25,500 to the Agriculture and Horticulture Commission. The money is to be transferred from the Fruit and Vegetable Revolving Fund and used to fulfill a cooperative agreement between Arizona and Mexico for watermelon inspections. The money is needed in order to pay the United States Department of Agriculture which is contracted to perform the inspections.

H.B. 2362 - Chapter 161 (Agriculture employment relations board appropriation)

H.B. 2362 authorizes an additional appropriation of \$20,000 to the Agricultural Employment Relations Board. The money is to be transferred from the State General Fund in order to appeal a legal decision against the Board. In United Farm Workers of America, AF of L-CIO, et al. v. Agricultural Employment Relations Board, et al. (9th cir; 80-5777), the 9th Circuit Court found the Board to have a built-in bias in its member composition which the court claimed as unconstitutional because it does not allow for due process of the law. Any funds not used by June 30, 1984, to appeal this decision will go back into the General Fund.

An emergency clause has been enacted.

H.B. 2387 - Chapter 103 (Citrus fruit revolving fund; charges)

H.B. 2387 establishes maximum charges on cartons of citrus fruit, a new ceiling for the Citrus Fruit Revolving Fund and a new date for Fund accountability. Charges on bulk shipments of citrus to places outside of Arizona are not to exceed \$1.50 per lot or load. This money is put into the revolving fund; the ceiling limit has been increased from \$10,000 to \$50,000. The year-end date for accounting and reporting purposes has been changed from August 1 to June 30. This change of dates was also made for the Fruit and Vegetable Revolving Fund.

S.B. 1009 - Chapter 166 (Horse trader permit)

S.B. 1009 establishes requirements for obtaining, renewal, denial, suspension and revocation of horse trader permits. An applicant can purchase a permit valid for one year by paying a fee of \$100 and filing an application containing the applicant's full name plus any aliases, business and residence addresses, date and place of birth, information concerning horse trading permits from other states, information concerning any felony convictions within seven years, including any convictions set aside or resulting in restoration of civil rights, and any other information the Board may require. The permit can be renewed for \$10.00 and by filing another application containing the above information.

The Board may deny, refuse to renew, suspend or revoke a permit for any of the following reasons: violation of this title and any of its rules, violation of any provision of consumer fraud, just revocation or suspension of a horse trader permit from Arizona or any other state within five years, or conviction of a felony for a horse trading related crime within seven years. A decision of the Board is subject to judicial review and its actions are subject to hearings for the effected party.

S.B. 1010 - Chapter 12 (Livestock service charges; waiver)

S.B. 1010 provides the Livestock Board with the authority to waive livestock service charges in cases it deems advisable. This authority is included with other powers of waiver under the general powers and duties of the Board.

S.B. 1011 - Chapter 78 (Feed lots and dairies; self-inspection fees)

S.B. 1011 provides for self-inspection agreements between the Livestock Board and operators of feedlots and dairies. Livestock being moved from feed lots and dairies because of a change in ownership can be self-inspected if done according to the Board's inspection requirements. Board appointed livestock inspectors may conduct periodic inspections to ascertain compliance.

An inspection fee of 20 cents per head is imposed on self-inspections, rather than 25 cents per head as charged by livestock inspectors. Persons conducting self-inspections do not have the same enforcement powers as livestock inspectors.

S.B. 1221 - Chapter 117 (Animals with drug residue; identification)

S.B. 1221 prescribes identification requirements and marketing procedures for animals treated with antibiotics that have a specific withdrawal period. Specific withdrawal periods result because residues remain in the tissues of a treated animal creating health hazards if the animal is slaughtered and consumed before the period is up. In order to market a treated animal the period must have expired, or the animal must be identified as treated and treatment restrictions disclosed to potential buyers. A producer under restriction by the United States Department of Agriculture for residue violations must disclose that information and identify the animals he markets. To help clear his record such a producer can certify that an animal has undergone the specific withdrawal period. In all cases, identification must accompany an animal for 30 days or until it is slaughtered.

Violation of this article is a class 2 misdemeanor.

S.B. 1236 - Chapter 200 (Aflatoxin standards)

S.B. 1236 increases the feeding levels of aflatoxin contaminated cottonseed and cottonseed meal from 100 parts per billion (ppb) to 300 ppb for non-lactating animals. Those selling cottonseed and cottonseed meal contaminated in excess of these limits are guilty of a class 2 misdemeanor and liable for penalties.

Penalties will be assessed as twice the selling price of the purchased feed, whether or not payment has actually been made, and are payable to the purchaser within 30 days. If the purchaser cannot be found the amount of the penalty will be paid into the Commercial Feed Fund. The purchaser is entitled to a refund upon return of any unused portion of a delivery and can cancel an order for undelivered feed without penalty or damages.

The state chemist can declare feed contaminated in excess of the set limits as adulterated based on the purchaser's sample if the sample was taken in accordance with the method described in statute. The decision of the state chemist is final, but may be appealed as provided in statute.

A P P R O P R I A T I O N S

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H.B. 2010 - Chapter 88 - ~~Community colleges; supplemental appropriation~~
(NOW: Medical examiners board; supplemental appropriation)

This bill provides for a supplemental appropriation in 1982-83 of \$32,700 from the State Medical Examiners Board Fund to defray unanticipated personal services expenses.

H.B. 2020 - Chapter 5 (Reversion of appropriated monies)

H.B. 2020 repeals Laws 1982, Chapter 284, the general appropriation bill.

This bill provides for the re-appropriation of certain general fund monies appropriated to state agencies. These re-appropriations were a part of the proposal to balance the 1982-1983 budget.

This bill is retroactive to July 1, 1982, and carries an emergency clause.

H.B. 2125 - Chapter 322 (Revolving fund; amount)

H.B. 2125 raises the ceiling for revolving fund amounts from \$20,000 to \$50,000. This bill is retroactive to July 1, 1983.

H.B. 2163 - Chapter 95 (Outdoor recreation coordinating commission; appropriation)

This bill provides for a supplemental appropriation in 1982-83 of \$10,700 from the Law Enforcement and Boating Safety Fund to the Arizona Outdoor Recreation Coordinating Commission for law enforcement and boating safety projects.

H.B. 2165 - Chapter 142 - ~~State funded textbooks; required courses~~
(NOW: Industrial commission; special fund loans)

H.B. 2165 allows the Director of the Industrial Commission to provide loans from the Industrial Commission Special Fund, subject to repayment, budgetary review and legislative appropriation, to the Industrial Commission Administrative Fund for the purposes and subject to the provisions of Section 23-1081, ARS (administrative fund: purposes and administration).

This bill contains an emergency clause.

H.B. 2182 - Chapter 20 (Appropriation; nuclear emergency management fund)

H.B. 2182 amends Section 26-306.01, ARS, as follows:

1. A 10% per annum interest shall be charged on the annual assessments. The interest shall be charged on any amounts appropriated pursuant to subsection C of Section 26-306.01, ARS, that have not been repaid, from the date the appropriation becomes available for expenditure, until payment is received.
2. Repayment of the assessment must be within one year from the date the assessment is made.

Section 2 of this bill appropriates \$521,456 and \$287,075 in the fiscal years 1982-1983 and 1983-1984 respectively, from the State General Fund to the Nuclear Regulatory Fund for the following agencies for the following purposes:

1. For use by the Division of Emergency Services, Department of Emergency Services, Department of Emergency and Military Affairs as provided in Section 26-306.02, ARS:
 - A) \$277,000 in FY 1982-1983
 - B) \$180,000 in FY 1983-1984
2. For use by the Radiation Regulatory Agency for programs relating to off-site nuclear emergency response plans:
 - A) \$157,880 in FY 1982-1983
 - B) \$75,120 in FY 1983-1984
3. For use by the Division of Emergency Services, Department of Emergency and Military Affairs to departments and agencies of Maricopa County assigned responsibilities under off-site nuclear emergency response plans:
 - A) \$86,576 in FY 1982-1983
 - B) \$31,955 in FY 1983-1984

This bill provides for the assessment of \$708,531 against each consortium constructing a commercial nuclear generating station in this state plus interest at 10% per annum as described in subsection D of Section 26-306.01, ARS.

An emergency clause is contained in this bill and the appropriation is exempted from Section 35-190, ARS, relating to lapsing of appropriations.

H.B. 2184 - Chapter 13 (Appropriation; county financial emergency)

H.B. 2184 appropriates \$870,000 from the state general fund for the fiscal year 1983-1984 to the Department of Administration for disbursement to Greenlee County for the purpose of providing temporary financial assistance to alleviate emergency financial conditions.

The monies shall be repaid beginning March 1, 1984. The state treasurer shall withhold from the monies to be distributed to Greenlee County pursuant to Section 42-1342, Arizona Revised Statutes, any amount of monies in excess of \$120,000, but not to exceed a payment of \$25,000 in any one month for repayment of loan.

There is a 10% per annum interest on the loan. All payments by the county shall be applied first to any interest due at the time of each payment and the balance applied to the principal.

Accelerated payment is allowed and will be applied against the remaining balance.

This measure carries an emergency clause.

H.B. 2233 - Chapter 15 (Department of state; supplemental appropriation)

H.B. 2233 is a supplemental appropriation of \$268,449 from the state general fund to the Department of State for the purchase of Arizona Revised Statutes and pocket parts and for additional election-related expenses.

H.B. 2308 - Chapter 307 - ~~Tourism office fees; expenditure authority~~
(NOW: Appropriation; engineering center of excellence)

H.B. 2308 appropriates \$2,113,300 from the state general fund for fiscal year 1983-84 to Arizona State University for personal services and other operating expenses for no more than 29 positions in the Engineering Center of Excellence. This appropriation will not be included as part of the University's operating budget base.

This bill requires Arizona State University to submit quarterly to the Joint Legislative Budget Committee a detailed expenditure of the monies appropriated by this act and the progress made in developing the Engineering Center of Excellence.

The appropriation made in H.B. 2308 is exempt from Section 35-190, ARS, relating to lapsing of appropriations.

H.B. 2474 - Chapter 285 - (Appropriation for certain named claimants)

H.B. 2474 appropriates \$595,661.22 from the state general fund and \$9,907.33 from funds other than the state general fund for payment of claims against the state. This is an annual measure arising from: 1) failure of persons to submit claims or warrants against the state within the allotted time period; or 2) court judgments against the state requiring payment.

This bill contains an emergency clause.

H.B. 2475 - Chapter 164 (Appropriation; reapportionment attorney fees)

H.B. 2475 appropriates \$245,534.69 from the State General Fund to the Secretary of State for payment of certain attorney fees, supplemental fees and costs awarded in the action Samuel P. Goddard, Art Hamilton, and Jones Osborn, Plaintiffs vs. Bruce Babbitt, Governor of Arizona and Rose Mofford, Secretary of State of Arizona, Defendants (CIV 81-1497).

This bill contains an emergency clause.

H.B. 2476 - Chapter 302 (State capital outlay appropriations)

H.B. 2476 makes appropriations for land, buildings and improvements for different departments and institutions of the state. The total appropriation is \$58,770,400 with \$1,905,700 from the capital outlay stabilization account, \$7,770,700 from the state general fund and \$48,642,000 from other funds.

Appropriated in this bill is \$452,000 in federal fund monies to the Department of Economic Security in fiscal year 1982-83. These funds are for administering its employment security programs at the Phoenix Southside Multi-service Center.

This bill carries an emergency clause and the appropriations are exempted from lapsing of appropriations, unless, the purpose for the appropriation is accomplished or abandoned, or no expenditure or encumbrance has been made by July 1, 1985.

H.B. 2477 - Chapter 303 (General appropriations)

H.B. 2477 is the general appropriations bill which funds the various agencies, departments and institutions of the State of Arizona. Appropriated from the state general fund was \$1,771,413,350 and \$254,371,900 was appropriated from other funds.

Included in the appropriations from H.B. 2477 was a 5% cost of living adjustment for state employees effective January 1, 1984, and expenditure adjustments for increased group insurance benefits.

S.B. 1074 - Chapter 193 (Legislative appropriation; federal fund monies)

S.B. 1074 requires budgetary units receiving block grants to supply estimates of amounts, pattern of expenditure and additional information, if requested, related to block grants in their annual budget report.

This bill requires the legislature to annually appropriate all block grants to be received. Such amounts shall be appropriated to specific programs within a budget unit. If the amounts anticipated to be received pursuant to a block grant vary from the level reflected in the appropriation the head of a budget unit may adjust the appropriated amounts to reflect the variance, if approved by the Joint Legislative Budget Committee.

The Division of Finance is required by the provisions of this act to account for block grants in separate accounts or funds to meet accounting, budgetary and auditing requirements. The bill defines for usage in this act the terms: block grant, budget unit and program.

S.B. 1074 carries a conditional enactment and shall not become effective unless the Constitution of Arizona is amended by vote of the people at the next general election, or at the next special election, that authorizes the legislature to approve expenditures of and appropriate federal fund monies in a manner provided by law.

S.B. 1085 - Chapter 11 (Monies separate from general fund)

S.B. 1085 authorizes the use of idle monies in funds separate from the state general fund and the interest from these monies which accrues to the general fund, to be used to facilitate cash management and to effectuate prompt payment of claims. The amounts attributable to each separate fund will still be accounted for separately and properly allocated to each fund. Claims against each of the funds will be charged against monies in the fund for accounting purposes.

This bill contains an emergency clause.

S.B. 1131 - Chapter 7 (Reversion of funds; appropriations)

S.B. 1131 provides for the reversion of \$10,841,856.83 general fund monies appropriated as continuing appropriations prior to and including 1982-1983; for the reversion of \$1,915,000 in Capital Outlay Stabilization Fund monies appropriated as continuing appropriations to the Department of Administration prior to and including 1982-1983; and for the reversion of \$1,615,000 from the Department of Transportation to the state highway fund. These monies were appropriated primarily for land, building, and improvement projects.

The bill also provides for the reversion of \$5,000,000 of the monies remaining unexpended and unencumbered in the Department of Transportation equipment fund to the state highway fund.

Another provision re-appropriates on July 1, 1983, monies reverted by this act from the Department of Emergency and Military Affairs for additions to the Kingman and Sunnyslope Armories. This appropriation is exempt from Section 35-190, ARS, relating to lapsing of appropriations.

This bill carries an emergency clause.

S.B. 1133 - Chapter 6 (Allocation of highway fund monies)

S.B. 1133 allocates \$8,000,000, in fiscal year 1982-1983, to the Arizona highway patrol fund from the state highway fund. This bill carries an emergency clause.

S.B. 1394 - Chapter 294 (Dam on Show Low Creek)

S.B. 1394 amends Laws 1982, Chapter 235, Section 1, relating to appropriation for dam on Show Low Creek by delaying the fiscal year 1983-84 appropriation of \$4,187,000 until fiscal year 1984-85. The bill also delays the beginning date of repayment of monies to the state general fund from July 1, 1984 until July 1, 1985.

This bill also makes the following appropriations from the state general fund:

1. \$1,550,000 in fiscal years 1984-85 and 1985-86 to the Department of Water Resources for the state's contribution to the cost of planning and constructing a flood control project for the Canada del Oro wash in the vicinity of the town of Oro Valley. Before this appropriation can be disbursed to the Pima County flood control district, the Department of Water Resources must have approved the project

plans and have entered into an intergovernmental agreement with the Pima County flood control district for construction of the project.

2. \$750,000 in fiscal year 1984-85 and \$1,450,000 in fiscal year 1985-86 to the Department of Water Resources for paying or reimbursing the Navajo County flood control district for the state's contribution to the cost of construction of the Little Colorado River flood control project at Winslow.
3. \$600,000 in fiscal year 1984-85 to the Department of Water Resources for the purpose of paying or reimbursing the flood control district of Maricopa County for the state's contribution to the cost of diking around Holly Acres between 113th Avenue and 123rd Avenue.
4. \$616,000 in fiscal year 1984-85 to the flood control loan fund to be expended pursuant to Title 45, Chapter 14, article 3, Arizona Revised Statutes.

S.B. 1394 contains an emergency clause and the appropriations are exempt from Section 35-190, ARS, relating to lapsing of appropriations, except that any monies remaining unexpended or unencumbered on June 30, 1986 revert to the state general fund.

BANKING & INSURANCE

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H.B. 2065 - Chapter 40 (Health care services; annual report)

Currently, health care service organizations (HCSO's) are required to file an annual report with the Director of the Department of Insurance. This bill changes the filing date from March 1 to March 31, which is the date for authorized domestic insurers to file their annual reports.

H.B. 2076 - Chapter 215 (Mortgage guaranty insurance company)

This bill allows a mortgage guaranty insurance company to underwrite insurance for mortgages originated by an affiliate company as long as the insurance is underwritten on the same basis and subject to the same requirements for insurance provided to nonaffiliated lenders. This provides a standard of equal treatment for doing business.

H.B. 2078 - Chapter 321 - ~~Retirement accounts; powers~~ (Now: Depository institutions; powers granted)

This bill expands the general corporate and banking powers of state chartered banks to permit them to engage in any business activity authorized for federally chartered financial institutions, except as prohibited by law. In addition, the state chartered banks may invest in real estate in the state, including corporations, partnerships, and joint ventures which acquire, develop, improve, hold, lease, operate and sell real estate. These investments must comply with other statutes and regulations established by the Superintendent of Banks.

Also, this bill expands the investment power of state chartered savings and loan associations. The powers, which are subject to percentage of assets limitations, include: offering accounts for fixed, minimum or indefinite periods; making, investing or acquiring loans which are secured or unsecured; securing loans of any residential or nonresidential property interest; issuing debt securities for cash and investing in real or personal property.

The powers of state chartered financial institutions dealing with real property loans are subject to regulations and the prohibition of enforcement of due on sale clauses. This section states that the interest rate on certain real property loans transferred or assumed between July 8, 1971 and October 15, 1982, and prior to October 15, 1987, shall not be increased by more than one-half of one percent. Until October 15, 1987, the enforceability of a due on sale clause in those real property loans is subject to existing statutory and judicial restrictions.

A bank, savings and loan association or credit union not exercising trust powers may act as a trustee for individual retirement accounts if the duties of the institution are essentially custodial or ministerial in nature, and if the funds are invested only in its own time and savings deposits or shares.

H.B. 2087 - Chapter 222 (Insurance department; health care jurisdiction)

This bill provides that any person or entity that provides insurance coverage for certain health care services is presumed to be subject to the jurisdiction of the Department of Insurance unless the entity can show that it is subject to the jurisdiction of another agency of this state, any political subdivision of this state, another state or the federal government. The means of showing that an entity is under the jurisdiction of another agency are provided for in the bill.

Any person or entity that is unable to show it is subject to the jurisdiction of another agency of this state, any political subdivision of this state, another state or the federal government shall submit to an examination by the Director and is subject to all applicable provisions regarding the conduct of the business of insurance.

A production agency or administrator who advertises, sells or administers coverage for a person or entity that is unable to show it is subject to the jurisdiction of another governmental body shall advise any prospective customer or covered person if the coverage provided is not fully insured by an admitted life or disability insurer.

H.B. 2119 - Chapter 272 (Mandatory motor vehicle insurance)

H.B. 2119 makes changes in the current mandatory motor vehicle insurance law. This article requires a motor vehicle, while operated on any highway in this state, to be covered by a motor vehicle liability policy or other proof of financial responsibility. Motor vehicles which are exempt from financial responsibility requirements of this article are farm tractors, trailers and semitrailers not used for commercial vehicles, mopeds, golf carts, motor carriers, motor vehicles rented without drivers, special thirty-day nonresident registrations and United States motor vehicles.

Every person operating a motor vehicle on any highway in this state is required to possess evidence of current and valid financial responsibility within the motor vehicle, and present the evidence to a law enforcement officer upon request. Failure to produce the evidence is a class 2 misdemeanor and a citation will be issued. However, the citation will be dismissed upon proof of financial responsibility to the court. The crime for failure to possess evidence of financial responsibility will become a civil traffic violation beginning January 1, 1984. Surrender of operators' licenses when cited for involvement in automobile accidents is no longer required.

A person applying for registration of a motor vehicle must certify that the motor vehicle is in compliance with financial responsibility requirements, and identify on the application the insurance policy or the alternate method of coverage applicable to the motor vehicle. The signed statements do not have to be notarized.

The Motor Vehicle Division shall annually sample at least ten percent of the vehicle registrations whose operators have been convicted of any moving traffic violation to determine compliance, and shall inquire of any insurer or other person identified on the registration application if the information is correct. If the response indicates that the vehicle is not in compliance, the Motor Vehicle Division shall suspend the registration and number plate of the vehicle. Any registered owner failing to respond to the Motor Vehicle Division's demand for evidence of financial responsibility may be prosecuted.

Criminal violations under this legislation include: failure to possess evidence of financial responsibility in the motor vehicle, false certification and failure to provide correct information to the Motor Vehicle Division within 10 days of a change. The violations are all class 2 misdemeanors. The penalties for these violations are: the first violation is a minimum fine of \$250 and a 3-month suspension of license, registration and number plate; the second violation is a minimum fine of \$500 and a 6-month suspension of license, registration and number plate; the third or subsequent violation is a minimum fine of \$750, a 1-year suspension of license, registration and number plate and a minimum one-day jail sentence.

The Auditor General shall conduct a performance audit of the program and present the report to the Speaker of the House and the President of the Senate no later than October 1, 1987. This article is repealed from and after December 31, 1988.

This bill contains an emergency clause.

H.B. 2248 - Chapter 217 (Premium finance company; notice)

Under this bill, an insurance agent or broker must list any managing general agent to whom the insurance agent or broker has to pay insurance premiums for all policies listed on a premium finance agreement.

If a managing general agent is listed on such an agreement, a premium finance company must notify the agent that the company has entered into an agreement within thirty days. In addition, any third party must be given notice within five days of receiving a notice of cancellation of an agreement from a premium finance company.

H.B. 2291 - Chapter 152 (Financial responsibility; technical corrections)

This bill provides for corrections and conforming changes related to proof of financial responsibility. It changes the reference of the Superintendent to the Assistant Director for the Motor Vehicle Division. Certificates of deposit or cash replace the deposit of money or securities language. The proof of financial responsibility, evidenced by a certificate of deposit, must be issued by a financial institution and deposited with the State Treasurer. Before, the proof of financial responsibility was deposited with the State Treasurer, but the actual certificate of deposit was left in a financial institution. Other changes are to simplify and condense phrases contained in the sections.

H.B. 2300 - Chapter 226 (Unauthorized use of checks)

The time in which a customer is allowed to report an unauthorized signature or alteration of an item is lessened from one year to one hundred and eighty days under the provisions of this bill. The time limitations for a customer to report an unauthorized endorsement is also shortened from three years to one year. The notice periods do not require a customer to declare his intention to take legal action against the bank within those same time periods.

In addition, the bank shall send to the customer on or with each bank statement a prescribed notice informing the customer of these time limitations.

H.B. 2304 - Chapter 156 (Standard fire policy; repeal)

This bill allows the Director of the Department of Insurance to exempt certain insurance documents or forms from the requirement of needing approval if that approval is not desirable or necessary for public protection.

In addition, the Director may approve any policy which is substantially equivalent to or more favorable than the standard provisions. Language stating that this section does not apply to the Arizona standard fire policy is removed.

The time limitations for specific categories of insurance policies with respect to an event causing a loss shall be one year. However, the time period may be extended as a provision in the policy.

H.B. 2305 - Chapter 278 (Consumer loans; insurance)

This bill, relating to the insuring of property securing a consumer loan, allows for the lives of both borrowers to be insured if they are spouses. In the event of the death of either insured spouse, the insured balance due on the insured loan shall be paid off by the insurer.

H.B. 2306 - Chapter 227 (Prepaid legal services)

H.B. 2306 establishes a new article to deal with prepaid legal services. The bill provides definitions for "prepaid legal insurance contracts" and "prepaid legal insurance corporation" or "corporation."

Some exceptions to this article include lawyer referral services authorized by the state bar, retainer contracts; legal assistance by employee organizations to its members, and the furnishing of legal assistance to members or dependents of organizations which contract directly with a lawyer or law firm for legal services.

Before a person can provide prepaid legal service insurance, the person must have a certificate of authority from the Director of Insurance. The application for a certificate of authority must provide specific information, and must meet certain requirements. Issuance of these certificates is prescribed. In addition, a bond or deposit shall be maintained with the State Treasurer. The amounts of the deposits depend on the face value of the legal insurance contracts in force. The handling and the form of the deposit or securities are prescribed. The amount of the required deposit may be increased by the Director if there has been a substantial change in the facts.

Legal insurance contract provisions include the requirement that a copy of the form is filed and approved by the Department; also, a certificate of the contract's coverage must be issued to each person under the policy. In addition, the rates shall be established in accordance with the requirements of the open competition rates and rating organizations statutes.

Regulations for underwriting contracts, payment of the prescribed fees and taxes required of an insurer, advertising and solicitation of legal services, and registration of sales agents are provided in the bill. In addition, there are capital, surplus, and reserve requirements, and the valuation of assets is established.

An annual statement is required, and there is a civil penalty for failure to comply. A late fee will also be assessed. Furthermore, the bill provides for the suspension or revocation of certificates of authority, hearings, civil penalties, and other rules and regulations set by the Director.

H.B. 2307 - Chapter 157 (Banks and financial institutions)

Under this legislation, the Superintendent of the Banking Department has the authority to administer and enforce regulations limiting insider transactions in financial institutions and enterprises. These insider transactions consist of those transactions between an institution and a director, officer, or employee of that institution. Added under the powers of the Banking Department is the requirement that enterprises must employ appraisers to appraise any property owned or held as security, and these enterprises must incur the expenses of such appraisals.

Records of the Banking Department relating to financial institutions shall not be public documents. However, a new section requires all documents of an enterprise to be open to public inspection unless the Superintendent determines it is necessary to withhold any information for the welfare of the public or that enterprise.

Another provision is for the recovery of expenses for investigations, litigations, attorney fees, and other expenses in the event the Superintendent prevails in any enforcement action. Currently, if a financial institution or an enterprise prevails, they can recover all of their attorney fees.

The provisions in article five were under the chapter pertaining to bank organization and regulation. This bill puts them under the Banking Department (Chapter 1 of Title 6) where they apply to all financial institutions and enterprises. Included are procedures for the suspension and removal of officers of a financial institution or enterprise, and for enforcement of orders pursuant to this article. The old laws on proceedings for cease and desist, and for officer removal are repealed.

This bill raises the bond a person, firm, association, or corporation licensed as a mortgage broker must deposit with the Superintendent from \$5,000.00 to \$25,000.00.

H.B. 2338 - Chapter 159 (Issuance of bonds; form)

This bill allows entities, who are authorized by statute, to issue bonds if those bonds are in a form registrable as to the principal, or as to both principal and interest. The bonds issued must be registered by an authorized registrar or in book entry forms of the registrar. In addition, the bill contains procedures for the registration, execution, and issuance of bonds.

Provisions of payment of principal or principal and interest on a bond, and for establishing a record date have been included. A definition of "registrar" has been added for the purposes of this article. Costs incurred by employment of registrars are the liabilities of the entity obligated to repay the bonds and the costs may be paid from bond proceeds. Contracts employing registrars are considered to be long-term obligations.

In order to prescribe a form of bond which will comply with the Tax Equity and Fiscal Responsibility Act of 1982 (P.L. 92-248), the provisions of this article control in the event the provisions are inconsistent with other statutes.

This bill carries an emergency clause.

S.B. 1050 - Chapter 2 (Mandatory vehicle insurance; exceptions)

S.B. 1050 exempts noncommercial trailers, semitrailers, pedal bicycles with helper motors (mopeds), and golf carts which are not required to be registered from the mandatory motor vehicle insurance requirements that became effective January 1, 1983. In addition, this bill removes the provision that affirmation of financial responsibility be a sworn notarized statement. Certificates of deposit in a financial institution, along with automobile insurance, are accepted forms of financial responsibility.

This bill is an emergency measure and it is effective retroactively to January 1, 1983.

S.B. 1118 - Chapter 26 (Insurers; investments; type; percentage)

This bill prescribes the valuation of bonds and other securities for purposes of insurer investments, and delineates the categories of investments in which an insurer can invest. Percentage of limitations for investments in each category are established and the Insurance Department may conduct hearings to determine investment grade ratings. In addition, limits on investments and deposits in savings and loan associations were lifted.

S.B. 1128 - Chapter 22 (Savings and loan associations; investments)

This bill expands the investment authority of state chartered savings and loans, removes the provision that interest may be declared and paid only from current earnings and undivided profits at a determined rate and classification. Also removed is the restriction that funds may be invested in any state or federal association account only to the extent to which the account is insured. An association would be able to invest funds as loans or securities which meet standards of sound lending practices. This bill expands the discretionary investment of savings and loans from 3% to 10%, expands investment in real estate related activities from 3% to 10%, and the service corporation investment from 3% to 6%.

S.B. 1138 - Chapter 329 - ~~insurees; chiropractors benefit denial prohibited~~ (Now: Insurance; psychologists and chiropractors; benefit denial prohibited)

This bill allows a subscriber, under a contract with a hospital and medical service corporation that provides insurance coverage within the lawful scope of psychologist or chiropractor, to select either a licensed or certified doctor of medicine, psychologist, or chiropractor to provide the care and treatment for which the subscriber is eligible.

If any disability insurance contract or group or blanket disability insurance contract provides coverage within the lawful scope of psychological or chiropractic services, a subscriber may choose either a physician, psychologist, or chiropractor to provide the care or treatment for which the subscriber is eligible.

The bill contains a delayed enactment so that the provisions become effective September 30, 1983. Furthermore, the bill contains a repeal date from and after September 30, 1985.

S.B. 1201 - Chapter 116 (Vehicle insurance rates; older persons)

This bill would allow insurers to provide additional reductions of motor vehicle liability insurance rates for personal injury and property damage to any individual over 55 years old who has successfully completed an approved driver improvement course. Qualifying requirements of the course are outlined, and a certificate issued by the agency sponsoring the course would be the basis for the premium reduction.

S.B. 1318 - Chapter 87 - ~~Regents; workmen's compensation; self-insure~~
(NOW: Self-insurance; state; workmen's compensation and
employees' liability insurance)

Under this legislation, the state will be required to self-insure its workmen's compensation and employees' liability through the Department of Administration, and the bill establishes a permanent workmen's compensation liability loss revolving fund for self-insured losses. Provisions are made for the continued payment and processing by the State Compensation Fund of claims against the state and for the purchase of excess loss insurance from the State Compensation Fund.

In addition, the bill prescribes certain requirements contained in an interagency contract, which includes provisions for the return of certain reserves held by the State Compensation Fund. The distribution of the returned reserves is also prescribed.

This bill carries an emergency clause.

S.B. 1319 - Chapter 235 (Life care facilities)

The major revisions provided in this bill include definitions for "administrator," "assets of a life care facility," and for "promoter." References to "applicants" are changed to "providers," "manager" to "administrator," and "disclosure statement" to "permit application."

The bill requires that certified financial statements of promoters, providers, and administrators must be included in the application for a permit to enter into life care contracts with respect to a particular facility. The financial statements must include a balance sheet and related statements of income, retained earnings or equity, and changes in financial position for the three most recent years the provider, promoter or administrator have been in existence. The financial statements must be reported by a CPA.

In addition, a feasibility study shall be conducted, which will include a financial forecast of the facility. This forecast is an estimate of the most likely financial position for the next thirteen years. An actuarial study will be prepared by an independent consultant to determine if the funds and reserves are sufficient for the life care facility to remain solvent. The bill also provides that the Director of Insurance does not determine the actual financial condition of a facility. The approval of a permit is based solely on the information provided to the Director.

The facility must provide an annual report, the contents of which are specified, and the valuation of assets is provided. There is an annual fee, and a civil penalty for failure to file the annual report.

The bill establishes a ratio of assets to liabilities. If funds and revenues are inadequate or projected to be inadequate, the Director of the Department of Insurance may hire an independent management consultant at the expense of the life care provider. If a provider fails to implement the recommendations of the consultant, the Director shall apply to the Superior Court in order to assume management and rehabilitation of the facility.

Furthermore, the bill provides that prior to the execution of a life care contract and transfer of money or other property, the provider must deliver to the person with whom the contract is entered into a disclosure statement containing a copy of the certified financial statements and the feasibility study.

S.B. 1320 - Chapter 122 (Controlling interest in bank)

This bill adds holding companies to the definition of a financial institution, and will place holding companies of state chartered financial institutions under the jurisdiction of the State Banking Department. Holding companies will be subject to examinations, investigations and supervision by the Banking Department.

COMMERCE

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H.B. 2049 - Chapter 269 (Anti-trust action; fees; cost; penalties)

H.B. 2049 allows the Attorney General to collect taxable costs, fees and expenses reasonably incurred and reasonable attorney fees for the state in anti-trust actions. The costs recovered will be determined by the court.

The bill also increased the civil penalty for each anti-trust violation from fifty thousand dollars to one hundred fifty thousand dollars.

H.B. 2102 - Chapter 92 (Workmen's compensation; real estate personnel)

H.B. 2102 exempts real estate licensees from employee status for the purposes of workmen's compensation under certain conditions.

This exclusion applies if the real estate licensee is paid based solely upon the services, sales or other output he provides for the client rather than on the number of hours he works.

A licensee is also exempt if the services he provides for the client are pursuant to a written contract that states the licensee is not being treated as an employee with respect to such services for federal tax purposes and for the purposes of this chapter.

H.B. 2118 - Chapter 140 (Workmen's compensation; public agency employee)

H.B. 2118 makes an employee of a public agency who works under the authority or jurisdiction of another public agency to be considered an employee of both agencies for matters relating to workmen's compensation. The primary employer remains solely responsible for the payment of workmen's compensation benefits.

Both public agencies must first agree to this accordance through a contract or agreement. Each agency which enters into this type of contract must post a notice informing the employees of this accordance.

H.B. 2171 - Chapter 143 (Mechanics' and materialmen's liens)

This bill expands the information needed in a preliminary 20 day notice and notice of completion for mechanics' and materialmen's liens.

The notice must include a legal description using the subdivision plat, street address or location of the job site in reference to landmarks or commonly known roads in order to make a sufficient identification of the property.

Anyone working for the owner or the original contractor must give notice to the owner, contractor and the construction lender if the price for labor, materials, machinery, fixtures or tools that have been furnished or that will be furnished exceeds 20% of the total price in any original agreement or subsequent preliminary notice.

A notice will not be considered defective if it includes a general description of all the work done up until the date the notice was sent as long as the additional expense has not exceeded 20% of the estimated total price.

Finally, after the owner has recorded the completion of the project, a notice of completion must be sent by either certified or registered mail to the general contractor and all other people who have received a preliminary 20 day notice. If the owner does not mail a copy of the notice of completion to anyone who received a preliminary 20 day notice, then the general contractor has 90 days and all other people notified have 60 days, to impress and secure the lien provided for in this article.

H.B. 2201 - Chapter 21 (Basis for sale of gasoline)

H.B. 2201 repeals ARS 41-2082 which contained the formula used in the determination of how many gallons of gasoline or diesel fuel would be represented at 60° F. at the time it is loaded for sale. This formula was inaccurate.

H.B. 2201 will continue to require the 60° F. calculations but does not specify the actual formula. Instead, it refers to the use of the American Society for Testing and Materials, D1250-80, Table 6B for the calculations.

Gasoline and diesel fuel vary in volume at different temperatures above or below 60° F. This calculation gives a standard in quantities of 5,000 gallons or more of gasoline or diesel fuel to ensure the proper quantity is paid for and loaded.

H.B. 2232 - Chapter 16 (Shared work unemployment compensation; continuation)

H.B. 2232 allows individuals who work in a shared work job situation to be eligible to receive unemployment compensation for more than 26 weeks. This applies only if the rate of insured unemployment in Arizona is equal to or greater than 4% in that week and the preceeding 12 weeks. There is no seasonal adjustment considered in the calculation of the rate of insured unemployment.

This bill also removes the date shared work benefits would have been repealed and makes conforming changes.

H.B. 2232 has an emergency clause.

H.B. 2235 - Chapter 203 - ~~Unemployment benefits; national guard pay~~ (NOW: Unemployment benefits; national guard and reserve pay)

H.B. 2235 makes National Guard and Reservists weekend pay exempt from the category of wages for the purpose of unemployment compensation. This allows a guardsman or reservist to collect unemployment in an amount that would equal, when added to their Guard or Reservist pay, their unemployment compensation.

This bill contains an emergency clause.

H.B. 2245 - Chapter 275 (State compensation fund)

This act will allow the State Compensation Fund to be on a more complete regulatory parity with other private carriers. The Fund will be able to expand coverage of employers who are already insured under the Fund, and cover employees working outside the state on a temporary basis. The assets of the State Compensation Fund shall consist of all premiums, property, securities, income and interest earned.

The manager of the Fund, in addition to acquiring property, may also lease property. The manager may also lease or rent space that is not needed. All property owned by the Fund will be subject to ad valorem taxes. The budget must be submitted to JLBC before October 1 and must be on a calendar year basis. The Board members, in addition to the \$50 per day compensation, will be reimbursed for mileage and other expenses as allowed by law. Payments of dividends may be made to policyholders from the surplus of the State Compensation Fund if the Board so decides by resolution.

Presently, the investment committee now invests surplus or reserve funds under investment statutes of Public Officers and Employees. The committee will now follow investment procedures under the Insurance statutes. In addition, the State Compensation Fund will come under Title 20 relating to insurance and the Department of Insurance, unless otherwise provided by law. The marketing representative must obtain a license for soliciting workmen's compensation insurance.

If the Director of the Insurance Department finds that the State Compensation Fund is not possessed of assets equal to liabilities and required reserves, or that continuation of its business is hazardous to the public or policyholders, then the Director shall notify the manager and the chairman of the Board and furnish the Fund with his written recommendations. The State Compensation Fund has 60 days to comply with the recommendations and if they fail to do so, notice is given to the Governor, President of the Senate, and Speaker of the House.

The State Compensation Fund is exempt from the following statutory provisions:

1. Public Finance
2. Requirements for materials used in regard to Public Records
3. Department of Administration and State Personnel Board relating to the Finance Division, Public Building Maintenance and Surplus Property
4. Library and Archives

The Fund must determine the amount of federal tax they would pay if they were a private carrier.

Issuance of liability insurance by the Fund shall be as full as any private workmen's compensation insurer.

This act would be effective after December 31, 1983.

H.B. 2257 - Chapter 237 (Homestead and personal property exemptions)

H.B. 2257 makes revisions in the exemptions for homesteads and personal property.

The changes include allowing a mobile home, the land it is located on, and an apartment in a condominium to be eligible for the homestead exemptions. The total exemption allowed for one homestead shall not exceed \$50,000.

If a person does not claim a homestead exemption as stipulated, he is still considered exempt from all process prepaid rent, including security deposits, not exceeding \$1000 or 1½ month's rent.

If a homestead claim has been recorded before the date of a voluntary or involuntary sale of the homestead, the claimant's interest will be attached to identifiable cash proceeds from the sale. The homestead exemption will continue for 18 months after the sale. At the end of 18 months the homestead exemption monies must have been reinvested or the exemption is considered void. Only one homestead exemption at a time may be held by a person.

A homestead exemption will be protected except in a case where the claimant signed a consensual lien, including a mortgage, deed of trust, contract or conveyance or a lien for labor or materials.

A homestead is also no longer exempt to the extent that a judgment or other lien, regardless of when the exemption is filed, may be satisfied from the equity of the debtor exceeding the homestead exemption.

Abandonment:

A claimant may be removed from the homestead for up to two years without the homestead being considered abandoned or having a waiver of exemption. A declaration of abandonment must be executed by the claimant and acknowledged. The waiver or grant of the declaration of abandonment is effective only from the time of its recording in the county recorder's office. This article is not to be interpreted as a repealing of the provisions of ARS 25-214 subsection C dealing with the acquisition, conveyance and encumbrance of community property.

Sale:

The sale of a homestead will be made by a judgment creditor other than a mortgagee or beneficiary. Under a trust deed he may elect to sell by judicial sale the property in which the debtor claims the homestead exemption. Bids will not be accepted that are lower than the debtor's homestead exemptions, plus the amount of any consensual liens on the property having a priority to the judgment, plus the costs of the sale.

After receiving a sufficient bid, the property will be sold and the first payment of money will be paid to the debtor in the amount of the exemption plus any amount of any consensual liens on the property having priority. If there is no sale due to insufficient bids or in the case of voluntary abandonment, the judgment creditor may not charge the costs of the sale to the judgment debtor.

Availability of Exemptions:

If married, each spouse is entitled to the exemptions allowed. They can be combined in the same property or taken in different exempt property.

Exemptions for Personal Items:

- Radio or stereo
- Radio alarm clock
- Clothes dryer
- Vacuum cleaner
- Watch (maximum value \$100)
- Motor vehicle (\$1500 maximum value. If the debtor is crippled or maimed it is a \$4000 maximum value)
- Professionally prescribed prothesis or a wheelchair

Equipment, instruments and books of the debtor or the spouse that are necessary for the continuation of their trade, activity, business or profession are also exempt.

Money Benefits of Proceeds:

All monies received or payable to a legal guardian shall be exempt. The maximum amount for this section is raised from \$10,000 to \$20,000. However, the benefits or proceeds are not exempt from normal service charges assessed to the account at the financial institution carrying the account.

H.B. 2315 - Chapter 264 (Racing; charity days)

On charity racing days for either dog or horse racing, it is required that the amount of money collected for the charity must not be less than the amount which would otherwise have gone to the state as the state's share on a noncharity racing day.

H.B. 2315 changes the date for the submission of the Racing Commission's annual report to the Governor and Legislature. The report will now be due on the same date as the budget estimates, which are submitted not later than September 1.

This bill establishes the County Fair Racing Fund. The State Treasurer will deposit 3% of all the monies the state receives as the state's share from racing into this Fund. The Fund monies will be used for the administration of county fair racing. The management of this money is subject to legislative appropriation. Any monies in excess of \$75,000 which remain unused at the end of the fiscal year will be placed in the State's General Fund.

The amount of money a dog race permittee may deduct from the total amount handled in the pari-mutuel pool may be increased from 18% under certain terms. Presently 21% of the total may be deducted in dog races using two animals and 25% in races involving three or more dogs. However, H.B. 2315 will require that if that extra amount over 18% is deducted, one-half of that excess shall be used to supplement the purses.

Finally, this bill requires that a copy of annual financial audits and criminal investigation reports must be made public record and be open for inspection.

H.B. 2414 - Chapter 208 (Limited partnerships)

H.B. 2414 prescribes the effect of the revised Uniform Limited Partnership Act, which was passed during the 1982 regular session, upon existing limited partnerships. This bill is retroactive to July 24, 1982.

In domestic limited partnerships a general partner cannot limit his liability under the partnership agreement. Also, if one partner withdraws from the partnership, the change must be executed and filed with the Secretary of State. Certain filing requirements must also be made in the office of the Secretary of State.

Foreign limited partnerships formed in jurisdictions outside the United States must comply with the filing requirements set forth in this Act. Also set forth in this legislation is a section on what constitutes doing business in Arizona by a foreign limited partnership and under certain circumstances a foreign limited partnership is allowed to proceed with civil action if they have filed in Arizona.

Limited partnerships can restate their certificates of limited partnership to include their original certificate and all the amendments. Fictitious name certificates will not have to be recorded for limited partnerships which are in compliance with this Act.

Finally, this bill includes the filing fees charged by the Secretary of State's office and clarifies certain existing language.

This bill is an emergency measure.

H.B. 2416 - Chapter 311 (Racing; satellite facility)

H.B. 2416 would allow pari-mutuel wagering for authorized races to take place at one additional facility other than the race track itself. The additional facility must be authorized for racing before it will be allowed to handle wagering. The permittee must receive the approval of the governing body of the city or town where the additional facility is located or, if the facility is within an unincorporated area of a county, the authorization must be given by the Board of Supervisors.

The race may be televised at the additional facility at the time the race is held. Any person within the authorized additional facility may wager on the results of the televised race at the facility by contributing to the pari-mutuel pool.

Any race upon which wagering is permitted under this legislation, is also considered to take place at the additional facility in the county in which the additional facility is located and therefore will be limited in the same manner as actual racing in that county.

This bill also strikes language that allowed the Department of Racing to revoke the license of any officer, director or employee of a permittee who enters his own dog or horse in a race held at a meeting at the permittee's facility or at any facility in which the officer, director or employee has a financial interest.

A study will be conducted by the Arizona Department of Racing prior to October 1, 1983. The study will include the security requirements, financial and audit controls, hours of operation and conditions necessary for the operation for off-track facilities. It will also promulgate rules and regulations for pari-mutuel wagering.

This act has a delayed effective date from and after September 30, 1983.

H.B. 2470 - Chapter 209 (Juvenile alcohol offense)

H.B. 2470 allows the court the choice of requiring a juvenile who has been convicted of unlawfully purchasing, possessing or consuming liquor, to pay a fine or perform an equivalent amount of community service work.

This bill also allows a contested or uncontested citation for a juvenile alcohol offense to be heard in the same manner as a traffic citation.

S.B. 1043 - Chapter 24 (Shareholders of record; determination date)

The fixing date for the determination of shareholders of record has been increased from 60 days to not more than 70 days. The fixing date is important in determining the shareholders who are entitled to receive a notice for any vote or meeting of shareholders or the adjournment of such a meeting, payment of dividends, distribution or allotment of any rights or the change, conversion or exchange of shares.

S.B. 1174 - Chapter 27 (Certificate of good standing; fee)

S.B. 1174 allows a state agency to obtain only a confirmation of good standing from the Corporation Commission in order to renew a license or registration of an association or corporation. The actual certificate of good standing will not be required by the agency.

S.B. 1185 - Chapter 181 (Health spas; regulation)

S.B. 1185 provides for the formation and regulation of health spa service contracts. The front page of the contract must conspicuously display the customer's total payment price. An existing spa may not charge more than 20% of the total price as a down payment or a maximum of 5% if the spa has not opened for business. A customer may make a special written request of the spa that allows them to pay the total price. This is applicable only if the spa has been in operation in Arizona for two years or more. The customer must receive a copy of his written request.

The maximum life of a health spa contract is limited to a three year period. A contract for any new or increased spa services offered during this period may be cancelled by the customer by midnight of the third operating day. The customer must notify the spa of the cancellation in writing. Any monies paid pursuant to the contract must be fully refunded within 30 days of receipt of the notice of cancellation.

A contract may also be voided by the customer if the spa has given misleading or false information, notice or advertisement about its facilities. S.B. 1185 also includes a section concerning a customer's right of action or defense against a spa.

Finally, this bill defines health spa, health spa services, operating day and excludes certain spas from these regulations.

Contracts executed prior to the effective date of this act are not affected by these regulations.

S.B. 1202 - Chapter 29 (Beverage containers; pull tabs prohibited)

S.B. 1202 sets forth definitions for "beverage," "consumer" and "container." It is now a petty offense for anyone to sell or offer to sell to a consumer a beverage in a container which has a metal opening device that detaches when opening the beverage container.

S.B. 1258 - Chapter 233 (Spirituous liquor franchises)

It is no longer necessary for the agreement between a wholesaler and supplier of spirituous liquor to be in the form of a written agreement.

This bill also excludes a "wholesaler" from the definition of a "supplier."

S.B. 1324 - Chapter 236 (Mobile home park; landlord-tenant)

S.B. 1324 provides for the appointment of special hearing officers to hear only mobile home park landlord-tenant controversies arising under Title 33, Chapter 11 which is the Mobile Home Park Residential Landlord-Tenant Act or under the rental agreement between the landlord and the tenant.

The state has the power to control the rent on mobile home parks unless the spaces are owned, financed, insured or subsidized by a state agency, or by a charter city, city or town.

If a tenant has repeatedly violated any provisions in Chapter 11, and the landlord can provide clear and convincing evidence to this fact, the landlord may terminate or refuse to renew a rental agreement.

If the landlord purchases utility services from a public service corporation he must provide the tenant with a statement of the average charge per month for a mobile home space in the previous year for the inspection, maintenance and the repair of the distribution system.

Finally, if the landlord redistributes the utilities from the public service corporation to the tenants, the aggregate amount of the separately stated charges shall not be in excess of what the landlord paid to the public utility corporation. The only additional charge may be the cost of the bill preparation and submeter reading. This charge will not exceed one dollar per month for each mobile home space.

S.B. 1355 - Chapter 240 (Uniform unclaimed property act)

S.B. 1355 repealed the Uniform Disposition of Unclaimed Property Act and inserted the Uniform Unclaimed Property Act.

This bill increases the ability for the enforcement and the voluntary compliance of unclaimed property due to the expansion of specific coverage areas for unclaimed property.

A holder of unclaimed property must attempt to notify the owner in writing before reporting the property as being unclaimed. There are also more specific guidelines as to what costs may be recovered for the administration of unclaimed property.

More specific time periods are included for the dormancy period of unclaimed property for the property to be considered abandoned. These time periods were chosen in order to reflect the properties' useful life.

Service charges on dormant accounts must be in the form of a written notice which will provide for "lawful service charging."

There is an imposition of a 24-month moratorium on locator firms. During the 24-month period the Unclaimed Property Unit can attempt to locate the owners of the property or the owners may ascertain the status of their accounts.

The penalties for the noncompliance with this Act are based upon a specific percentage of the properties' value and there is a penalty of \$100 a day for each day a report on unclaimed property is withheld up to a maximum fine of \$5,000.

The administrator will have the authority to destroy property which has no substantial value and is able to receive property before the presumptive period of abandonment.

S.B. 1355 also provides the procedure for the claiming by another state of property in the custody of Arizona. Arizona may turn over the property to another state if that state is the last known address of the owner.

Finally, this bill contains a severability clause and an effective date of January 1, 1984.

S.B. 1381 - Chapter 305 (State lottery technical changes)

S.B. 1381 makes several changes regulating the state lottery.

The advertising and promotional budget has been increased from 2% to not more than 4% of the total gross revenues from the lottery.

The director of the lottery may determine that certain bids received under ARS 5-509 are confidential if the nature of the bid may impact on the security and integrity of the lottery. S.B. 1381 also clarifies the procedure for the awarding of a prize of \$1,000 or more to a person under the age of 18.

Current language was removed which stated that prizes paid out in a particular game may not exceed the total revenues from the sale of that game. An instant game drawing will not be allowed to be held more often than weekly and drawings or selections in a numbers or other on-line computer game may be held no more than once a week. No numbers or other on-line computer game shall overlap another numbers or on-line computer game.

Finally, there is a technical change referencing an additional federal tax code section which is used in the withholding on gambling winnings. Lottery winnings prior to March 22, 1983, are not subject to state tax.

C O U N T I E S & M U N I C I P A L I T I E S

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H.B. 2091 - Chapter 36 (Hospital property; sale or lease)

H.B. 2091 allows the Board of Supervisors of a county with a population of less than 250,000 persons to lease, sublease or sell a hospital facility or hospital real property to a hospital district within the county without a public auction and on terms approved by the Board of Supervisors.

H.B. 2107 - Chapter 57 (Towns, real property exchange)

This bill allows incorporated towns with a population of less than 5,000 to exchange a parcel of real property for another parcel of real property within the incorporated town limits as long as the parcels are of substantially equal value. This bill requires that a notice of intent to exchange be published in a newspaper of general circulation.

H.B. 2111 - Chapter 37 (Obsolete county statutes)

H.B. 2111 states that a county officer shall not leave the state for more than 30 days without the consent of the Board of Supervisors. This bill also repeals several outdated county statutes.

It is an emergency measure.

H.B. 2112 - Chapter 44 (County employee merit awards)

H.B. 2112 allows a County Board of Supervisors to provide merit awards for county employees. The award can be given for any of the following:

1. An adopted procedure or idea which resulted in eliminating or reducing county expenditures or improving operations in the public interest which is not a part of an employees required employment duties.
2. The performance of a special act or service in the public interest which is not a part of an employees regular employment duties.

The award shall be administered by a Merit Award System Board appointed by the Board of Supervisors. The Merit Award System Board shall review all suggestions and recommend for approval all merit awards with the concurrence of the head of the department in which the cost saving occurred. The size of the Merit System Board shall be equal to the number of supervisors for that county and each supervisor shall name one member to serve on the Board.

No merit award may exceed the amount of \$1000 and only county employees are eligible for awards. The award is not to be considered extra compensation.

H.B. 2172 - Chapter 273 (Improvement districts; enhanced municipal services)

H.B. 2172 allows an improvement district to be formed in a designated area, an area of the municipality designated as a slum; blighted area, a pocket of poverty, or a neighborhood strategy area as defined by the United States Department of Housing and Urban Development, for the purpose of providing certain services at a higher level or greater degree than those provided in the remainder of the city. These services are:

- public safety
- fire protection
- refuse collection
- street or sidewalk cleaning
- landscape maintenance in public areas

H.B. 2178 - Chapter 60 (Cities; towns; optional election procedure)

H.B. 2178 provides that a town with a population of 5,000 or less, may, by a majority vote of the qualified electors, elect to office those candidates receiving the highest number of votes in a primary election. No further election shall be held if at least 3/5 of the seats are filled by persons receiving a majority of the votes cast and there is no mention on the ballot of the candidate's political party affiliation or support.

H.B. 2179 - Chapter 212 (Municipalities; emergency assistance; limited liability)

H.B. 2179 prescribes that a city, town, special district or an employee of a political subdivision, if requested by a public body to assist at a traffic accident on a public right-of-way, or to render emergency aid for an emergency which occurred outside the corporate limits of the city or town, is not liable for any civil or other damages as the result of any act or failure to act. If the actions of a political subdivision or employee involved gross negligence, the political subdivision or employee is liable.

H.B. 2188 - Chapter 77 (Alternative method for incorporation)

H.B. 2188 provides an alternative method of incorporation for a community of 2,500 or more which includes four special road districts and a sanitary district. This bill also provides a method of dissolving the special districts once the city is organized.

The bill requires at least 20% of the community to petition the Board of Supervisors, requesting that an election be called on whether to incorporate the community. If a majority of the community votes for incorporation, separate elections shall be held on the issue of dissolving the special districts. If the electors fail to approve the incorporation issue, or dissolution of the special districts, incorporation will not occur. If approval in each of the elections is granted, the Board of Supervisors shall name the city and the community will be incorporated.

H.B. 2188 is an emergency measure.

H.B. 2194 - Chapter 145 (County purchases; competitive bidding)

H.B. 2194 provides an alternative competitive bidding procedure for counties. This bill specifies that all purchases of goods and supplies, except professional services, made by the county having an estimated cost of over \$5,000 shall be based on sealed, competitive bids. Bids shall be opened publicly and the county purchasing agent shall make awards with reasonable promptness by written notice. The Board of Supervisors may reject all bids if the county purchasing agent determines that rejection is in the public interest. If the county Board of Supervisors adopts a resolution to make purchases using this method, these procedures must be used by all budget units.

H.B. 2196 - Chapter 50 (Political subdivisions; purchasing agreements)

H.B. 2196 allows the governing body of any city, county, town, school district or other political subdivision to enter into purchasing agreements with the purchasing section of the Department of Administration Division of Finance for the purpose of joint bidding and purchase agreements. Agreements entered into pursuant to this bill are exempt from certain requirements of intergovernmental agreements. The Attorney General must approve the form of an agreement prior to the agreement's consumation.

H.B. 2200 - Chapter 274 (Auditor general; access to records)

H.B. 2200 gives the Auditor General the authority to examine the State Banking Department's records or any records of any political subdivision of this state for the purpose of performing audits as required by law.

All working records and files of the Auditor General are not public records and are exempt from Title 39, chapter 1 prescribing the availability of public records.

The Auditor General may also obtain minutes of discussions held in executive session. Certain procedures are outlined which provide for a complaint to be made to the County Attorney or Attorney General regarding a violation of the confidentiality of minutes from an executive session.

H.B. 2218 - Chapter 51 (Fire district; fire protection charges)

H.B. 2218 allows a fire district to extinguish a fire which is located outside the fire district if the fire presents a hazard to any property within the fire district. The owner of land whose fire is extinguished must pay the cost of extinguishing the fire.

H.B. 2219 - Chapter 96 (Recorded maps; specifications)

H.B. 2219 requires all maps presented for recording to have a title that at least indicates the name of the subdivision or area and describes the location of the area by section, township and range. The original map must also be drawn on polyester or linen, or a copy reproduced on polyester by a photographic silver imagery process, or other method that assures archival quality.

H.B. 2231 - Chapter 52 (County fair associations; leases)

This bill makes a technical correction in language prescribing those qualified to lease or sublease county owned land from the county without public auction.

H.B. 2292 - Chapter 97 (Illegal payment of public monies)

H.B. 2292 allows the Attorney General, at his discretion, to enjoin the illegal payment of public monies, or if the monies have been paid, to recover the monies plus 20% of such amount together with interest and costs including attorney fees. The monies recovered will be paid to the State Treasurer or other appropriate official to the credit of the fund from which the payment was made.

H.B. 2329 - Chapter 213 (Towns; construction of streets)

H.B. 2329 allows the common councils of cities and towns to require owners of property to construct streets within and adjacent to the property.

If the council determines that streets are necessary before development of the property, the costs of construction may be paid by the town and assessed against the property at the time of development provided that:

1. The assessment of property does not exceed the cost of improving 1/2 of the width or more than 1320 lineal feet of adjacent arterial streets. If a parcel of land is presently being used for single family residential use and the width of such does not exceed 200 lineal feet, such property shall not be assessed greater than 1/2 the cost of the average residential street within such city or town.
2. The assessment of property does not exceed the actual expense of construction paid by the town.

S.B. 1004 - Chapter 84 (County park law enforcement officers)

S.B. 1004 allows the county parks and recreation commission to appoint any of its officers or employees as park ranger law enforcement officers. An appointee must meet the minimum qualifications for law enforcement officers. Park ranger law enforcement officers have the authority of peace officers whose duties shall be to protect the parks and recreation areas under the commission's supervision and control against damage, as well as preserve the peace, public health and safety. Park ranger law enforcement officers are not eligible for participation in the Public Safety Personnel Retirement System.

S.B. 1015 - Chapter 63 (Conciliation court; fees)

This bill increases the dissolution and annulment filing fees for conciliation courts. The increase is from \$50 to \$70 for the petitioner and from \$40 to \$50 for the respondent.

S.B. 1022 - Chapter 168 (Annexation; notice to property owners)

S.B. 1022 requires the governing body of a city or town to send by first class mail written notice of an annexation proposal to each owner of real property in the area to be annexed as shown on the list of property owners furnished by the County Assessor and the Department of Property Valuation.

S.B. 1026 - Chapter 243 (Recreation center districts)

S.B. 1026 authorizes the creation of a recreation center district after November 1, 1983, after approval of 25% of the registered voters in the district. A district must lie within the National Park System and must contain at least 95% of National Park System lands. The district would be created to maintain and operate existing recreation and library facilities within the district.

On or after January 1, 1984, the board of the district may levy and collect a transaction privilege tax on retail sales within the district not to exceed 1% in the first year and 0.5% for the remaining life of the district.

All districts formed under this act must be dissolved no later than December 31, 1986.

S.B. 1027 - Chapter 312 - ~~Teachers; contracts; acceptance~~ (NOW: Taxation; taxable status of municipal lease-purchase agreements with railroads)

This bill provides that in the case of a lease-purchase agreement entered into between a municipality and a railroad company, the railroad property contained in the agreement is exempt from property taxation. In order for the exemption to be valid, the agreement must be entered into prior to September 30, 1983.

The purpose of this legislation is to preclude the destruction of the railroad line between the city of Williams and the Grand Canyon National Park while allowing for the eventual private development and operation of the line.

S.B. 1115 - Chapter 197 (Counties; hazard abatement authority)

S.B. 1115 allows the Board of Supervisors to, by ordinance, compel the owner, lessee or occupant of buildings, grounds or lots located in the unincorporated areas of the county to remove rubbish, trash, weeds, filth or debris which constitutes a hazard to public health and safety from buildings, grounds, lots, contiguous sidewalks, streets and alleys. Any ordinance requires proper written notice as outlined in statute and must provide for appeal to the Board of Supervisors. If the rubbish is not removed the Board may prescribe by ordinance the procedure for removing the rubbish and then charge the owner for the cost of removing the rubbish, plus 5% for inspection and incidental cost. Counties may provide that unpaid assessments constitute a lien on the property.

S.B. 1135 - Chapter 231 (Counties; aid to arts organization)

S.B. 1135 allows the boards of supervisors of counties having a population less than 1,300,000 to appropriate each year from the general fund \$70,000 to support an arts support fund for arts organizations operated within the boundaries of the county for the benefit of the public. It may also be used for arts organizations operated by any incorporated city or town.

S.B. 1169 - Chapter 69 (Counties; exemption for recording fees)

S.B. 1169 exempts an office, agency or department of the county which records a document from paying a fee to the county recorder.

S.B. 1198 - Chapter 183 (Update county treasurer statutes)

S.B. 1198 makes conforming and substantive changes to legislation pertaining to the duties of county treasurer.

The substantive changes include prescribing that the treasurer shall issue a receipt for all monies he receives as treasurer or as tax collector, except tax payments made by check. Failure to issue a receipt in the manner described is a class 2 misdemeanor.

If a balance remains in the School Bond Building Fund after acquisition or completion of construction of facilities for which the bonds were issued, the balance of the fund may be transferred to the debt service fund of the district if the school district has outstanding bond indebtedness. If the school district has no outstanding bonded indebtedness, the balance remaining in the fund shall be transferred to the general fund of the district.

Interest on delinquent personal property taxes will be 16% per year simple, prorated monthly as of the first day of the month until paid.

S.B. 1238 - Chapter 326 (Industrial development authorities)

S.B. 1238 prescribes that industrial development facilities may also include research and development facilities as well as commercial enterprises, office, recreational, hotel, motel and service used if the facilities authorized are located in a designated blighted area.

S.B. 1238 also specifies that any amount not allocated to a corporation by September 30 of each year shall revert to the Housing Finance Review Board. If any portion of the amount allocated to the Board is not used, the amount may be transferred by the Board to any corporation that is eligible to receive the funds under this section.

The Housing Finance Review Board may also exercise those powers granted to corporations with respect to projects located anywhere in this state, consisting of residential real property for single family dwelling units. The Board shall provide bonds on an equitable statewide basis. It shall not permit the use of such monies within a city, town or county unless the governing body of such city, town or county has approved such use. The governing body must disapprove by formal action within 21 days following written notice of the Board's intent to issue the bonds.

S.B. 1244 - Chapter 119 (Sales tax license; building permit)

S.B. 1244 specifies that if a contractor is employed for any construction exceeding the cost of \$10,000, a building permit may not be issued unless the contractor holds a valid privilege tax license for engaging in the business of contracting.

S.B. 1267 - Chapter 291 (Counties; legal descriptions)

S.B. 1267 prescribes legal descriptions of Yuma and La Paz Counties and makes conforming changes to other county legal descriptions and statutes.

The bill creates a Joint Committee on Fiscal and Related Impacts of County Boundary Changes to study the fiscal and other impacts of county boundary changes and the process of forming new counties by initiative petition. The committee will consist of one member appointed by the Governor, six legislators and six public members knowledgeable about fiscal and other problems existing in counties due to county boundary changes. The committee will prepare a report by December 31, 1983 containing its legislative recommendations.

S.B. 1267 also places a moratorium on the formation of new counties beginning May 16, 1983 through April 1, 1985.

This is an emergency measure.

S.B. 1272 - Chapter 234 - ~~Fire districts; funds; reporting~~ (Now: Property;
forcible detainer)

This bill amends statutes relating to forcible detainer and renting agreements. A forcible detainer exists if a tenant has had his tenancy terminated and remains in possession of the premises after the landlord has made a written demand for possession of the premises.

If the forcible detainer action is decided by the court, the prevailing party in the action will be awarded attorney fees regardless of whether this was provided for in the rental agreement.

S.B. 1272 also requires that a landlord who purchases utility services from a public service corporation and distributes the utilities through a system owned or operated by him, cannot charge the tenants more than his actual costs. The tenants are not required to pay any other separately stated charges for the utility services.

Finally, if there is a breach in the rental agreement that is both material and irreparable, such as the discharge of a weapon on the premises, or if there is an infliction of bodily harm upon the landlord, his agent or another tenant, the landlord may deliver a notice for the immediate termination of the rental agreement and may proceed with a forcible entry and detainer action. Any remedy provided for in the recovery of damages, the injunctive relief or recovery of possession of the premises pursuant to a favorable detainer action is in addition to any rights arising under subsection A of ARS 33-1368. (noncompliance with rental agreement by tenant; failure to pay rent.)

S.B. 1371 - Chapter 128 (County building code advisory board)

S.B. 1371 allows a person engaged in the electrical, mechanical or plumbing trade to be a member of the County Building Code Advisory Board. If the Advisory Board consists of more than five members the additional members may be engaged in the construction and design industry. The county official charged with the enforcement of the code shall serve, without vote, as an ex officio member of the Board and shall act as secretary. Members will be appointed for a term of four years staggered so that at least one, but no more than two terms expire each year. This bill also allows counties, cities or towns to provide for enforcing codes by intergovernmental agreements.

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H.B. 2012 - Chapter 39 (Schools; capital levy plan; notice)

This bill, as recommended by the State Board of Education, requires the notice of a public hearing on the amendment to or adoption of a capital levy plan to be published by the governing board in a newspaper of general circulation within the school district no later than fifteen days prior to the hearing.

This bill carries an emergency clause.

H.B. 2018 - Chapter 267 - ~~Schools; utility and energy costs~~ (NOW: Schools excess utility costs)

The following is an outline of the provisions included in H.B. 2018:

I. Excess Utility Costs

This bill allows school districts to budget for excess utility costs outside the revenue control limit (RCL).

- A. The Arizona Department of Education and the Auditor General's office shall specify expenditure items allowable as excess utility costs. These expenditure items are limited to direct operational costs of heating, cooling, water, electricity, telephone communications and sanitational fees.
- B. School districts are permitted to expend monies from two sources for excess utility costs only after they have spent to the full amount budgeted in their utility expenditure line of the budget. The two sources are:
 1. Interest earned on Maintenance and Operation (M&O) monies during the fiscal year.
 2. Monies saved through pupil transportation efficiency measures.
- C. The base for excess utility costs will be determined by multiplying the actual utility costs for FY 1981-82 by the percent of increase or decrease in the M&O budget from FY 1981-82 to FY 1982-83. The sum of the resulting product and the actual utility costs for FY 1981-82 will be the new base for excess utility costs for FY 1983-84.

II. Disposition of proceeds from the Sale, Lease or Rental of School Property

- A. Individually, the proceeds from the sale of school property, long-term lease and a maintenance and operation (M&O) budget override cannot exceed 10% of the RCL. Proceeds from the sale or long-term lease of school property may not exceed 5% of the revenue control limit (RCL) in any year in which a budget increase above the RCL is authorized by the voters in the district. Thus, a combination of the proceeds from the sale of school property, long-term lease and a M&O budget override cannot exceed 15% of the RCL.
- B. Proceeds from the rental of school property may be used in the M&O budget and are specifically exempt from the RCL indefinitely.

III. Compliance with Court Ordered Desegregation for FY 1983-84 and FY 1984-85

This provision will exempt for fiscal years 1983-84 and 1984-85 the expenses incurred by a school district for complying with a desegregation order from the RCL.

- A. Limits to the amounts which may be exempted from the RCL:
 - 1. High school and common school districts are limited to an amount not to exceed 10¢ on each \$100 of limited property value.
 - 2. Unified school districts and common school districts not within a high school district and common school districts offering instruction in high school subjects are limited to an amount not to exceed 20¢ on each \$100 of limited property value.
- B. To budget monies outside the RCL the governing board shall transfer monies from the Capital Levy Fund to the Maintenance and Operation Fund in an amount equal to the excess desegregation expenses which exceed the RCL. This must be done by June 30 of the current year.

This bill was an emergency measure.

H.B. 2022 - Chapter 9 (Schools; community colleges; growth rate)

The major issue this bill addresses is the annual growth rate in the school finance formula for FY 1983-84 and subsequent years. Beginning with FY 1974-75 school district budget limits have been governed by a 7% annual growth rate. From the 1974-75 school year through the 1981-82 school year the 7% annual growth rate has led to an average annual increase of 10.8% in total maintenance and operation (M&O) expenditures (a 10.3% average annual increase in M&O expenditures per ADM). The GNP Price Deflator, the measure of inflation used by the state in establishing various expenditure limits, increased at an annual rate of 7.6% over the same period. Due to the state's bleak financial outlook for FY 83-84, spending cuts in most areas were inevitable; however, this bill provided public schools and community college districts with a 4% growth rate for FY 1983-84 and for subsequent years thereafter would tie the growth rate to the GNP implicit price deflator. While the state will provide state aid up to the 4% growth rate level, school districts may budget based upon a 6% growth rate by using capital levy funds (accumulated or to be collected) and/or PL 81-874 monies. The 4% growth rate also applies to the growth in school district capital outlay monies and state aid for community colleges. The FY 1983-84 appropriations bill provides \$735.9 M for state basic/additional aid to schools, a \$43.6 M increase of the prior year's amount. State aid for community colleges increased \$3.5 M to a level of \$43.5 M in FY 1983-84.

In addition to the growth rate issue, H.B. 2022 also makes modifications in the provisions governing long-term leases. The following provisions were added:

1. School districts may:
 - long-term lease for a period of 1 to 5 years
 - long-term lease for a period of 5 to 99 years
with voter approval
2. Proceeds from the sale of school property are exempt from the revenue control limit (RCL) and the capital outlay revenue limit (CORL) for a period of 3 to 10 years.
3. Proceeds from long-term leases and rentals are exempt from the RCL and the CORL indefinitely.
4. Individually or in any combination, the proceeds from the sale of school property, long-term lease and rental of school property and a maintenance and operation (M&O) budget override cannot exceed 10% of the RCL. [This final provision was changed to 15% -- see H.B. 2018.]

Finally, the bill also provides that the completion date of the block grant cost study be delayed from January 1, 1985 to January 1, 1986 due to the possible availability of federal funds to help pay for the study.

This bill is an emergency measure.

H.B. 2023 - Chapter 220 (Schools; revenue limit; state aid)

This bill requires that no school have a base revenue control limit lower than 8% below the base support level. Last session the law was amended to require that schools not have a base revenue control limit lower than 10% below the base support level.

The adjustment from 10% to 8% was made to ensure that the state would obtain at least an 85% statewide expenditure equalization level as defined in federal rules and regulations. Obtaining the 85% equalization level to qualify Arizona to supplant a portion of state education funds going to school districts which receive P.L. 81-874 monies* with P.L. 81-874 monies. This will save the state approximately \$5.5 million in the current year. The bill directly affects 8 school districts and provides an additional \$89,750 in budget capacity and state aid.

*P.L. 81-874 monies are provided to many school districts, with the largest single amounts provided to school districts located on Indian reservations and to accommodation schools located on military bases. These federal monies are provided for federal land and are known as in-lieu property tax payments. Federal lands are exempt from property taxation.

H.B. 2025 - Chapter 89 (Schools; budgets; constitutional expenditure limitation)

This bill outlines the process by which the aggregate expenditures of all the school districts in the state shall be checked in order to insure that they are within the aggregate expenditure limit set forth in the Arizona Constitution. The expenditure limit includes most maintenance and operation and capital outlay expenditures. The constitutional limit establishes a maximum amount which school districts in total may spend. The limit is adjusted on a yearly basis based upon changes in the student population and inflation. The constitutional provisions provide that if the expenditure limit is exceeded then the Legislature, by a two-thirds vote of each house, may authorize the excess expenditures. However, no provisions existed which established what would happen if the Legislature did not authorize the excess expenditures. This bill establishes the mechanism.

1. The Legislature shall transmit the aggregate expenditure limitation for the following fiscal year to the State Board of Education on or before June 1.
2. The State Board of Education shall report to the Legislature the aggregate expenditures of local revenues for all of the school districts in the state on or before November 1.
3. If the aggregate expenditures of the school districts exceed the expenditure limit, the Legislature may, on or before March 1 with a two-thirds approval from each house, authorize the expenditures of local revenues in excess of the limit.

4. Should the Legislature fail to authorize the excess in expenditures of local revenues above the limitation, the State Board of Education shall inform each school district on or before March 5 of the amount by which each district is to reduce its expenditures of local revenues. The bill prescribes a formula which would establish a uniform percentage rate by which school districts would have to reduce their expenditures of local revenues.
5. Finally, the governing board of each school district on or before April 1 shall adopt a revised budget for the current year not to exceed the new budget limit established by the reduction in expenditures of local revenues.

H.B. 2036 - Chapter 214 (Schools; county and state assistance)

This bill clarifies reporting requirements relating to school finance. The following provisions are designed to improve the reporting system involved in the school finance structure:

1. The county school superintendent shall certify in writing to the board of supervisors the equalization assistance from the primary property tax rate needed for each school district. This must be done no later than the third day prior to the day the board of supervisors is required to levy school district taxes.
2. By September 1, the governing board shall file with the county school superintendent an estimate of the amount of PL81-874 monies it is eligible to receive. By June 1, the governing board must report to the county school superintendent the exact amount of PL81-874 monies it received during the current year.
3. By September 15, the county school superintendent shall prepare and transmit to the superintendent of public instruction an estimate of the revenues from sources other than property taxes each school district will receive for the current year.
4. By September 15, the county treasurer will provide to the superintendent of public instruction an estimate of the proceeds from the levy for county equalization that will go for equalization assistance for education and the amount of equalization assistance for each school district. The actual amounts of equalization assistance for education and for each district must be reported by May 20 from the county treasurer to the superintendent of public instruction.
5. The county assessor shall determine the limited property value for the current year and transmit these values to the county school superintendent no later than the tenth day prior to the day the board of supervisors is required to levy school district taxes.

H.B. 2037 - Chapter 1 (Deaf and blind school; superintendent)

This bill makes a person ineligible to be superintendent of the Arizona School for the Deaf and Blind if he has not had actual teaching experience with the deaf or the blind. Old law required a person to have at least five years of actual teaching experience with the deaf or the blind.

This bill carries an emergency clause.

H.B. 2140 - Chapter 141 - ~~Community college district; formation~~
(NOW: Community college district; formation; tax levy)

This bill makes several changes in the laws pertaining to the formation of community college districts and to counties which are not part of established community college districts.

This bill makes two changes related to requirements for forming a community college district. The assessed valuation requirement is raised from a total assessed valuation of \$120 million to a primary assessed valuation of \$250 million. The assessed valuation amount would be increased by 7% a year. The population requirements are changed from a potential of the equivalent of 320 high school graduates to a minimum population of 40,000 persons 15 or more years of age.

Modifications relating to the method of determining the amount of reimbursement to a community college district by a county which is not part of an organized community college district and the method of determining how the county may pay the reimbursement amounts are made in this bill. The change separates the reimbursement amount into two categories based on where the student takes community college courses. One category is a reimbursement amount for students taking courses within the community college district and the other category is a reimbursement amount for students taking extension courses in the county of residence.

Reimbursement for students taking courses within the community college district would be based on the number of full-time equivalent students from that county for the previous year. The amount paid per student would be the district's operating expenses per student minus state aid per student. In calculating operating expenses, both direct and indirect costs of noncredit courses would be excluded. The State Board of Directors for Community Colleges would determine the amount to be paid to each district by each county, and would notify the district Governing Board and the county Board of Supervisors of the reimbursement amount by May 1.

Reimbursement for students taking extension courses within the county of residence would be determined by an intergovernmental agreement between the county Board of Supervisors and the community college district. This agreement could neither require nor permit the county to reimburse the district for noncredit classes. The intergovernmental agreement must be approved by the State Board of Directors for Community Colleges.

The county which is not part of an established community college district may only pay the reimbursement for extension courses from the county's general fund. The reimbursement for students taking courses within the community college district may be paid from the county's general fund or from a budget override to levy a secondary property tax specifically for the community college reimbursement. The county may authorize a budget override election for a period of from two to seven years if at least two-thirds of the Board of Supervisors approve the levy and call an election. If the voters approve the override election, monies collected from the secondary levy could only be used for reimbursement of students taking courses within the community college district. Any unexpended monies remaining at the end of the fiscal year would be used to reduce the secondary property tax levy in the following year. In addition the primary property tax levy would be reduced by an amount based on the relationship of the maximum primary property tax levy to the amount of local revenues budgeted by the county as a percent of community college reimbursement.

This bill contains an emergency clause.

H.B. 2141 - Chapter 323 - ~~Adjusted school year operation~~ (NOW: Four day school week pilot program)

This bill establishes a four day school week pilot program for fiscal years 1983-84, 1984-85, and 1985-86. This program permits the governing board of a school district to petition the State Board of Education to offer an educational program on the basis of a four day school week. The State Board of Education can approve or disapprove of the petition.

The instructional time in an educational program offered on the basis of a four day school week must be equal to the instructional time offered in a regular education program.

This bill is an emergency measure.

H.B. 2152 - Chapter 62 - ~~Private businesses; public competition~~
(Now: Private enterprise review board)
(Now: Tax rate; educational purposes)

This bill continues the property tax limitation program implemented as a result of the FY 1979-80 Special Session on Tax Reform and School Finance. Similar to S.B. 1009 (Chapter 291) passed in the 1981 regular session and S.B. 1072 (Chapter 164) passed in the 1982 regular session, H.B. 2152 continues the limitation of 2% average yearly growth in primary property taxes.

The following adjustments were made in the property tax program:

1. Reducing the school district qualifying tax rate for:
 - a. Basic aid from \$1.73 to \$1.63 per \$100 of assessed valuation for elementary and high school districts and from \$3.46 to \$3.26 per \$100 of assessed valuation for unified school districts.
 - b. Capital Outlay aid from \$0.45 to \$0.43 per \$100 of assessed valuation for elementary and high school districts and from \$0.90 to \$0.86 per \$100 of assessed valuation for unified school districts.
 - c. Total qualifying rate from \$2.18/\$4.36 to \$2.06/\$4.12.
2. Increasing the class 5 (homeowners) reduction from 53% to 56% of school primary property taxes.
3. Session law limits the state property tax rate for educational purposes to \$0.75 per \$100 of assessed valuation (same as the current rate) and maintains the state general purpose property tax rate at zero.

To fund the property tax reduction program, \$19,697,200 was appropriated in the general appropriations bill to the Department of Administration to allocate to school districts in the form of basic and additional state aid.

H.B. 2220 - Chapter 146 (Pupil disciplinary proceedings)

This bill makes three modifications in the law pertaining to pupil disciplinary proceedings.

1. The governing board of a school district shall prescribe rules for the discipline, suspension and expulsion of pupils.
2. In those actions involving the expulsion or suspension of a pupil for more than 10 days the governing board must be notified and an executive session held to determine whether a hearing is necessary to decide the final outcome of the proposed action.
3. The principal of each school must provide a copy of all the rules pertaining to discipline, suspension and expulsion of pupils to the parents of each pupil at the time each pupil is enrolled. The principal must also communicate these rules to students at the beginning of each year and to transfer students at the time of their enrollment in the school.

H.B. 2279 - Chapter 151 (Schools; election precincts; boundaries)

Prior to this legislation union high school district governing boards were required to establish precinct boundaries for special elections along county precinct boundaries. This bill allows union high school district governing boards to determine election precincts for special elections along the lines of the common school districts within the union high school district. This measure enables voters residing in a county election precinct comprised of a common school district and a union high school district to vote at one polling place on issues affecting the common school district and the union high school district.

H.B. 2302 - Chapter 154 (Vocational and technical education)

This bill requires the State Board of Education and the State Board of Directors for Community Colleges to use a statistically valid sampling technique in surveying students and their employers regarding vocational and technical education programs offered in the schools.

The bill also authorizes the State Board of Directors for Community Colleges to enter into intergovernmental agreements in administering vocational and technical education programs relating to the Federal Vocational Education Act.

H.B. 2354 - Chapter 281 (Teachers; criminal charges; salary)

This bill makes numerous changes in the law relating to teacher contracts, the evaluation of teachers and administrators, the teacher dismissal process, and the discipline procedures for teachers and administrators.

Those major changes relating to teacher contracts include:

1. The modification of existing teacher contract provisions so they only apply to probationary teachers.
2. Two year rollover contracts for continuing teachers. A teacher will receive a new two year contract at the end of the first year of the existing two year contract and the new contract would replace the existing two year contract.
3. The acceptance of a teaching contract for both probationary and continuing teachers must be indicated within 30 days from the date of the written contract. If the teacher's acceptance of the contract is a written instrument which includes terms in addition to the terms of the contract, the teacher fails to accept the contract.

The bill requires the governing board to establish an evaluation system for school administrators and modifies the existing evaluation system for teachers. The modifications to the existing teacher evaluation system include: 1) the requirement that all continuing teachers be evaluated at least once a year (instead of the current once every other year), 2) a reliable evaluation instrument to be developed by the governing board, 3) actual classroom observation of the teacher, 4) after an opportunity for improvement; a follow-up with the teacher to ascertain that the teacher is demonstrating adequate classroom performance and 5) a yearly report on the evaluation system of the district filed with the Department of Education.

Changes relating to the dismissal of teachers are:

1. The timeframe for dismissing a continuing teacher on the basis of inadequate classroom performance is changed to conform with the two year rollover contract. The new timeframe requires the preliminary notice of inadequate classroom performance to be issued by May 15 and the teacher has until the following February 1 to improve or the dismissal proceedings continue.
2. The dismissal hearing procedure is changed by shortening the hearing timeframe and replacing the commission hearing with a hearing before the governing board.
3. The law is clarified to entitle a probationary teacher to the right to a hearing if the teacher is dismissed during a contract year, but the probationary teacher has no right to a hearing if the teacher is not offered a new contract.

Finally, the bill establishes new provisions authorizing the governing board to prescribe and enforce rules for disciplinary action, which may include suspension without pay for a period not to exceed 10 days, against a teacher or an administrator. If the violation is cause for suspension without pay for a period not to exceed 10 days, the teacher or administrator is entitled to the same statutory due process provisions (notice, hearing and appeal) that apply to the dismissal of a continuing teacher. For violations which are cause for disciplinary action except suspension without pay, the board establishes appropriate due process procedures it deems necessary.

H.B. 2368 - Chapter 282 (Community colleges; board members; terms)

This bill extends the terms for community college district governing board members from four to six years.

This bill is an emergency measure.

H.B. 2369 - Chapter 241 (School funds; county treasurer; duties)

This bill prescribes a uniform accounting system for the pooling, investing and allocation of interest on school district monies. The bill places fiscal responsibility on the County Treasurer and prescribes guidelines for the County Treasurer's handling of school district monies.

H.B. 2413 - Chapter 284 (Board of regents development projects)

This bill allows the Board of Regents to establish research parks at the state universities for the research and development of new technologies and products. To finance the parks the Board of Regents is authorized to approve the formation of a nonprofit corporation to be known as the "Arizona Research Park Authority." The Authority will be authorized to issue bonds to finance:

1. Enterprises for research and development;
2. Enterprises for manufacturing, processing, assembling, storing and transferring items developed through or connected with research and development;
3. Classrooms, lecture halls or conference centers located in a research park.

A research park is defined as land so designated by the Board of Regents for a university.

The bonds issued by the authority are not a debt of the state and will not be secured with student fees, charges or tuition. Instead, the bonds will be secured with fees derived from the lease and sale of space in the research park.

For the implementation of offsite improvements the Board of Regents is authorized to enter into intergovernmental agreements with cities, counties or improvement districts. Assessments can be levied against the university property to secure repayment of the cost of the improvements; however, no liens can be enforced by sale or foreclosure. Upon lease or sale of any land subject to an assessment, the Board of Regents must require the lessee or purchaser to reimburse the Board for previous assessment expenditures.

In order to stimulate the flow of capital into the research and development of specific products with potential marketability the Board of Regents may form corporations. Such corporations can enter into product development agreements with persons doing business in the state of Arizona. Such agreements would stimulate the flow of capital into the development of new technologies and products. These agreements may allow the Board of Regents to hold product patents, copyrights, and trademarks. Furthermore, the Board of Regents is authorized to receive aid or contributions of monies in order to stimulate the infusion of capital into product development agreements.

This bill is an emergency measure.

S.B. 1049 - Chapter 325 (Pupils; promotion; graduation; requirements)

S.B. 1049 prescribes additional requirements for the State Board of Education to follow with regard to the promotion and graduation of pupils. The bill adds the following provisions:

1. By the 1984-85 school year, the State Board of Education shall:
 - A) Develop guidelines for school districts to follow in prescribing criteria for the grade to grade promotion of pupils in the common schools.
 - B) Prescribe minimum course of study and competency requirements for high school graduation.
2. By the 1986-87 school year, the school district governing boards shall:
 - A) Prescribe minimum criteria for grade to grade promotion of pupils in the common schools. These criteria may include such areas as academic achievement and attendance.
 - B) Prescribe course of study and competency requirements for high school graduation. These requirements may be in addition to or higher than those prescribed by the State Board.
3. The bill strictly prohibits state or local control over private schools. It also removes the requirement that private schools provide instruction in the subjects taught in the public schools and that the subjects taught in home instruction must include "at least those subjects as reading, grammer, mathematics, social studies, and science."
4. Two additions are made to the provisions regarding the nationally standardized achievement test required of children instructed at home:
 - A) The Department of Education shall provide, upon request, the test to the teachers and parents of children who are taught at home.
 - B) The Department shall also provide to teachers and parents of children taught at home the same information on Nationally Standardized Testing as is provided to the teachers and parents of public school children. The printing costs involved will be charged to the person having custody of the child.

S.B. 1068 - Chapter 14 (Schools; teacherages)

This bill allows the governing board of a rural school district to provide housing facilities for teachers and other school employees necessary for the operation of a school.

S.B. 1079 - Chapter 171 (School board members; nomination petitions)

This bill removes the conflict which existed between ARS 15-422 and ARS 16-322. These sections prescribed slightly different methods of calculating the number of signatures required on nomination petitions for school district governing board members.

The old language in ARS 15-422 prescribed that the number of signatures be not less than 1% of the total votes cast at the last election of governing board members. This bill removes the language from ARS 15-422 and replaces it with a reference to ARS 16-322. ARS 16-322 prescribes that the number of signatures be at least 1% of the highest vote cast for a candidate.

The bill also specifies that the election used to calculate the number of required signatures be the last general election in which a governing board member was elected instead of just the last election.

S.B. 1084 - Chapter 229 (Schools; sudden growth adjustments)

This bill changes the time for determining the student count of a school district from the first 120 days of session to the first 100 days of session. This will assist the Arizona Department of Education and school districts in expediting the budgeting process.

A provision relating to the formation of a new school district by subdividing an existing district is also included in the bill. This provision states that the combined student count of the new district and the old district may not exceed the student count which would have existed had the subdivision of the old district not occurred.

In addition, the bill also changes the date by which school districts may recompute their revenue control limit to adjust for sudden growth in the student count from April 15 to May 15. This allows school districts to make use of the final average daily membership figures, which are not available until April 15, in their budget planning process for the following year.

This bill is an emergency measure.

S.B. 1090 - Chapter 133 (Schools; transportation revenue control limit)

This bill allows a school district to increase its operating revenues for pupil transportation by not more than \$55,000 if the district contracted for bus services in FY 1979-80 and reduced the contract amount by the purchase price of the school buses.

This bill was passed in response to a problem that developed in the Catalina Foothills School District. In FY 1979-80, the district decided to sell its buses to a company and then contract back with the same company for transportation services. The contract amount for transportation services was determined and was then reduced by the \$55,000 the company owed for the buses.

The next year the statewide school budget formula went into effect. Because of the \$55,000 deduction for the buses, Catalina Foothills' transportation budget was set at a level \$55,000 less than their actual cost for providing pupil transportation. This bill allows the district to recompute its transportation revenue control limit by increasing its FY 1979-80 operating revenues by an amount not to exceed \$55,000.

This bill carries an emergency clause.

S. B. 1104 - Chapter 174 (Intermediate schools)

This bill makes the following changes in law by which school districts may offer instruction in high school subjects:

1. The bill repeals the section of law which required a school district to obtain the consent of the county school superintendent to organize intermediate schools.
2. The bill also changes the circumstances under which a common school district may offer instruction in high school subjects. If the voters have turned down a request for the formation of a high school district within the last five years, then the state board cannot grant a school district permission to offer high school instruction. In addition, if the voters reject the formation of a high school district within one year after the state board had granted permission to offer high school subjects, then the board's permission is rescinded.

The statute used to provide that the state board could not permit a common school district to offer instruction in high school subjects if there had ever been a vote in that district against the formation of a high school district. This bill changes the restrictive effect of such a vote to five years. The language of this statute was silent on the effect of voter rejection of the formation of a high school district after the state board had granted permission to offer high school subjects. This bill stipulates that such rejection, if occurring within one year after permission has been granted, rescinds the permission.

S.B. 1122 - Chapter 114 (School employees; annuity plan)

This bill changes the date by which a school district employee must determine the amount to be invested into an annuity plan. The employee must determine the amount not less than 15 days prior to the first day in the school year.

Old law required that annuity investments be determined prior to the first payday in September. Because some school districts have a payday in August, this law did not conform to their need for 15 days notice before the first pay check is prepared.

This bill carries an emergency clause.

S.B. 1187 - Chapter 182 (Schools; instructional computer software)

This bill establishes a clearinghouse of information on instructional computer software within the Department of Education. The clearinghouse shall maintain current information on the availability of instructional computer software. The clearinghouse shall also assist ADE and school districts in obtaining bulk discounts on highly rated software.

The bill also permits school district governing boards to approve the use of instructional computer software in courses and expend funds for such usage. Capital outlay revenues will be used for the purchasing of computer software.

S.B. 1191 - Chapter 289 (Universities; faculty; merit increases)

This bill requires the Board of Regents to submit to the legislature by December 31, 1983 a comprehensive merit pay plan covering all faculty members, administrators, professionals and classified employees. This plan may or may not include cost-of-living increases. If the legislature takes no action on the plan, the Board of Regents shall implement it on July 1, 1984.

S.B. 1207 - Chapter 232 (Universities; eminent scholars; matching monies)

This bill provides Arizona universities with the financial means necessary to attract and retain eminent faculty in the disciplines of engineering, mathematics and science. The concept, proposed by the Governor's office, involves a three-fold approach:

1. The universities' land fund will be capped at the FY 1982-83 level. The excess funds accumulated above this level in subsequent years will be placed into a new fund known as the matching grant fund.
2. Beginning on June 30, 1984, universities will be able to solicit the private sector for endowment monies for the purpose of attracting and retaining eminent faculty in the disciplines of engineering, mathematics and science. The endowment monies received for this purpose will then be invested.
3. The interest earned on these investments will be matched, dollar-for-dollar, with monies from the matching grant fund.

S.B. 1212 - Chapter 184 (School for deaf and blind; employees)

This bill adds the employees of the Arizona School for the Deaf and Blind (ASDB), except the superintendent and medical officer, to the list of officers and employees of the state who are exempt from the Department of Administration's salary plan. The bill also prescribes that salaries and classifications of ASDB employees be determined by the ASDB Board of Directors.

S.B. 1237 - Chapter 118 (Transporting school districts; merger)

This bill provides a new method for merging adjacent school districts in adjacent counties.

Old law provided for the formation of a "joint" district across county lines, but required an election in both counties and a complete change in the governing board. This bill provides for a more specific merger between districts when one district provides only transportation and financing for pupils. This merger allows the governing board of each school district to serve until the expiration of their current term of office, and requires only the transporting district to incur the cost of an election.

The merger can only take place if both of the following conditions are met:

1. The governing boards of both school districts approve the merger.
2. A majority of the qualified electors of the transporting and financing school district approve the question in an election called by the county school superintendent.

The bill also makes the following provisions for the operation of the newly merged district:

1. The county of jurisdiction would be the county with all of the existing school buildings within it.
2. All buildings and indebtedness of the two original districts would become the property and responsibility of the newly merged school district.
3. The Board of Supervisors of the jurisdictional county would perform all Board of Supervisor duties for the newly merged district, except that the Board of Supervisors of the other county would levy the school district taxes upon that county and would, upon receipt of such school district taxes, transfer them to the county of jurisdiction.
4. The county school superintendent of the jurisdictional county would perform all county school superintendent duties for the newly merged district.
5. All members of each governing board of the two original districts would continue serving as board members of the newly merged district until the expiration of their terms.

S.B. 1298 - Chapter 252 (Special education; family insurance coverage)

This bill requires that the charges for the placement of a person into a special education program be paid by the insurance coverage held by that person. If such insurance is not held by that person, the expenses will be paid by either the Department of Health Services or the Department of Economic Security, whichever is appropriate. In addition, the benefit insurer of any contract, except for accidental death and dismemberment, must provide reimbursement for childhood and adolescent psychiatric services in accordance with the terms of the contract regardless of where the services are received as long as the facility meets or exceeds the established standards.

S.B. 1299 - Chapter 188 (Regents; WICHE; collections revolving fund)

This bill establishes a collections revolving fund to be used for the payment of expenses incurred in enforcing contracts entered into with students under the provisions of the Western Interstate Commission for Higher Education (WICHE).

The fund will be composed of monies repaid to the Board of Regents by students who fulfilled their obligations to the state and would include any monies appropriated by the legislature. The bill, however, does not include a legislative appropriation to the fund.

Limitations imposed upon the monies in the fund are as follows:

1. Monies can only be used to pay for filing fees, court costs, travel, depositions, transcripts, reproduction costs, expert witness fees, investigations and similar costs and expenses incurred in enforcing contracts entered into with students.
2. Monies cannot be used for attorney fees for in-state collections, but legal council can be employed in actions taken outside of the state.
3. The monies in the fund cannot exceed \$10,000. All monies received by the Board of Regents in excess of \$10,000 will be deposited into the state general fund.

GOVERNMENT OPERATIONS

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H.B. 2090 - Chapter 270 (Fire districts; election procedures)

H.B. 2090 specifies that a person eligible to vote in a fire district election must have registered to vote at least 50 days prior to the election at a residence within the boundaries of the proposed district. A person seeking to vote in the fire district without a register, who has not registered, must sign an affidavit stating his address and the fire district in which he resides prior to voting.

The bill requires that petitions for fire district board members be signed by at least 1% of the electors in the district and not less than 5 nor more than 250 electors.

The bill also provides a deadline of 30 days for the County Board of Supervisors to replace any vacancy on the fire district board. If the Board of Supervisors fails to make the replacement within the deadline, a special election shall be held to make the replacement.

Additionally, this bill requires the fire district to publish a financial report distributed to the State Fire Marshall and the Auditor General at least once by October 1 of each year.

The Board of Trustees of a fire district may assume the responsibility for investing fire district funds. The Board may elect to have those duties performed by a member of the Board if he is bonded for an amount not less than the maximum amount of funds in the account at any one time during the previous year.

H.B. 2090 also requires each fire district to provide an estimate of the money required to operate the fire district for the following year by July 10 each year. If the estimate is not received by this date, the fire district will not receive the county contribution until the estimate is received.

This is an emergency measure.

H.B. 2105 - Chapter 223 (Board of supervisors; ordinance authority)

H.B. 2105 allows a county board of supervisors to adopt, amend and repeal all ordinances necessary to carry into effect the powers of the board as delineated in ARS Section 11-251. This bill also allows counties to prescribe punishment by fine or imprisonment. A fine or imprisonment shall not exceed the maximum limitations for a class 2 misdemeanor.

Prior to adoption, amendment or repeal of an ordinance the board of supervisors shall hold a public hearing after a notice has been published in a newspaper of general circulation in the county seat for at least 15 days. After adopting an ordinance it shall be published at least once in a newspaper of general circulation.

Ordinances adopted under this statute shall apply only to the unincorporated areas of the county.

H.B. 2198 - Chapter 224 (Auditor general; audit responsibilities)

H.B. 2198 prescribes and modifies the duties and responsibilities of the auditor general by removing the requirement of performing audits once each fiscal year on certain state agency revolving funds and financial records.

H.B. 2199 - Chapter 317 (Audit services revolving fund)

H.B. 2199 established an audit services revolving fund. The fund consists of any monies received by the Auditor General from state budget units, counties, community college districts and school districts for which the Auditor General performs special audits as required under federal law.

The fund monies will be used by the Auditor General for conducting special audits, financial statement audits or accounting services. These fund monies are exempt from provisions relating to the lapsing of appropriations.

H.B. 2216 - Chapter 261 (County television improvement districts)

H.B. 2216 provides a method for the establishment within a county of a Television Improvement District in order to provide television translator and relay facilities to service the communities of the county.

A district may be established if the county:

1. Between January 1, 1975, and January 1, 1983, received payments by the United States or its agencies in lieu of taxes from the proceeds of hydroelectric power developments from an act of Congress.
2. Utilized such monies during that period for the purpose of acquiring, operating, and maintaining television translator facilities in the county.

A Television Improvement District would be considered a political subdivision and a municipal corporation and have the powers and privileges of such, including immunity of its property from taxation.

This bill also provides for the division of a district and its liabilities in the case of a new county division, as well as a method of dissolving a district in the event that the County Board of Supervisors determines it is no longer necessary.

This is an emergency measure.

H.B. 2223 - Chapter 61 (Corporation commission; obsolete statutes; removal)

H.B. 2223 makes conforming changes to statute needed as the result of the deregulation of transportation.

H.B. 2246 - Chapter 262 (Auditor general; audits; fees)

H.B. 2246 allows the Auditor General to charge a fee for the cost of performing audits or providing accounting services which are approved by the Joint Legislative Budget Committee.

H.B. 2261 - Chapter 150 (Open meeting law; exception)

H.B. 2261 specifies that conference call meetings of the fund manager of the Public Safety Personnel Retirement System which are held for investment purposes are exempt from open-meeting law requirements, except that minutes of these meetings shall be available for public inspection within 24 hours after the meeting. The fund manager shall review the minutes of each conference call meeting and shall ratify all legal actions taken during each conference call meeting at the next scheduled meeting of the fund manager.

This is an emergency measure.

H.B. 2292 - Chapter 97 (Illegal payment of public monies)

H.B. 2292 allows the Attorney General to, at his discretion, enjoin the illegal payment of public monies, or if the monies have been paid, to recover the monies plus 20% of such amount together with interest and costs, including attorney fees. The monies recovered will be paid to the State Treasurer or other appropriate official to the credit of the fund from which the payment was made.

H.B. 2293 - Chapter 153 (Attorney general report date)

H.B. 2293 changes the date the Attorney General must report to the Governor the activities of the Department of Law from June 30 to October 15.

This is an emergency measure.

H.B. 2303 - Chapter 155 (Corporation commission; pipeline safety)

H.B. 2303 allows the Corporation Commission to control safety standards and practices applicable to the transportation of hazardous liquids and hazardous liquid pipeline facilities within the state to the extent permitted by the Federal Hazardous Liquid Pipeline Safety Act of 1979, as amended. This bill also creates a pipeline safety revolving fund from civil penalties and fines collected due to violation of hazardous liquid laws. Subject to appropriation, these monies shall be used to provide public education concerning hazardous liquids and gas, inspect leaks and hazards, and review activities concerning pipeline safety.

H.B. 2314 - Chapter 98 (Department of administration)

H.B. 2314 implements changes caused by reorganization in the Department of Administration. The bill contains numerous changes which would transfer powers and responsibility for actions from the head of a division in the Department of Administration to the Director of the Department of Administration. The bill requires the Director of the Department to promulgate rules and regulations on personnel administration and personnel matters.

The bill also creates additional exemptions from the state personnel system, including top level positions in a department or agency in which the employee advocates major program policy, part-time employees, persons with a direct relationship with an exempt official and persons who provide legal counsel.

H.B. 2314 modifies the power of the Personnel Board by limiting its jurisdiction to hearing and reviewing appeals on dismissals, suspensions for more than 80 hours, or demotions due to disciplinary action. The bill also makes other changes in procedures for appeals made to the Personnel Board.

H.B. 2321 - Chapter 100 (Arizona rangers' pensions)

H.B. 2321 raises the amount of the pension for the Arizona Rangers from \$450 per month to \$500 per month.

H.B. 2348 - Chapter 101 (1983 statutory corrections)

This bill makes multiple statutory corrections and conforming changes in legislation passed in 1982. These changes are needed because of conflicts contained in legislation dealing with the same section.

H.B. 2353 - Chapter 218 (Cable television ownership)

H.B. 2353 prohibits a city or town from acquiring an ownership interest in any commercial cable television system unless the ownership interest is acquired at not less than fair market value. This bill also prohibits a licensing authority from controlling the content of any of the programming on a cable television system except on those channels dedicated to government access. H.B. 2353 prohibits county ownership of a commercial cable or pay television system, except in the capacity of an intermediary.

H.B. 2356 - Chapter 300 (Public safety personnel retirement system)

H.B. 2356 revises certain aspects of the public safety personnel retirement system. H.B. 2356 states that a member of the system becomes vested after filing an application for benefits, or on the last day of employment in the system. This bill changes the definition of average monthly benefit compensation, which is the basis for computing retirement benefits, by reducing the years of service from 5 years to 3. Any month which falls within a period of nonpaid or partially paid industrial leave shall be ignored and the 3 consecutive years may be entirely preceding a period of industrial leave, both before and after a period of industrial leave, or entirely after a period of industrial leave.

H.B. 2356 also changes the definition of compensation used for computing retirement benefits by clarifying that it includes base salary, overtime pay, shift differential, holiday and longevity pay for which contributions are made to the system. Compensation does not include payment for unused sick leave, payment in lieu of vacation, compensatory time or any other payment for fringe benefits.

The bill repeals the current disability board. Eligibility for disability pay will be determined by the local board based on medical evidence from a doctor appointed by the board.

This bill also provides that upon termination of employment for any reason other than death or retirement, a member shall within 20 days after filing an application with the fund manager, receive a lump-sum payment equal to his accumulated contributions as of the date of termination. A member who withdraws his accumulated contributions from the system forfeits all rights to benefits under the system.

The bill provides that a member who meets requirements for a normal pension must have 20 years of credited service. The bill increases the maximum pension which a retiree under the system may receive from 60 to 70% of his average monthly benefit compensation.

H.B. 2356 also prescribes the procedures for rehearing actions of the local board. The bill permits the fund manager to seek review on rehearing of local board actions.

H.B. 2420 - Chapter 137 - ~~Department of law library fund~~ (NOW: State treasurer; state grand jury expenses)

H.B. 2420 appropriates \$150,000 to the State Treasurer for state grand jury expenses.

S.B. 1003 - Chapter 242 - ~~State emergency council; report~~ (NOW: Appropriation; birth defects in Pima County)

S.B. 1003 appropriates the sum of \$35,000 for fiscal year 1982-83 to the Department of Health Services to conduct an evaluation of the incidence of birth defects in Pima County.

S.B. 1025 - Chapter 86 (County improvement districts; contracts; assessments)

This bill provides that a contractor must make a timely repair of any defects in work on an improvement district project determined within a one year period.

This bill prescribes certain procedures for hearings on construction contracts not completed in a reasonable time and also prescribes procedures for collecting money from a contractor to complete an improvement project in the event that the contractor is unable to do so.

This bill also prescribes the time in which improvement districts may estimate, levy, return, record and certify assessments as well as the manner in which the assessments may be collected.

This bill contains an emergency clause.

S.B. 1030 - Chapter 308 Public utilities commissioner (Now: Corporation
commission; residential utility consumer office)

S.B. 1030 modifies the existing 2 mill annual assessment on public service corporations, which is applied to the corporation's gross operating revenue derived from intrastate operations. The bill provides for payment of this assessment by all public service corporations with annual gross operating revenue over \$250,000. The Corporation Commission will set the level of the assessment annually. These monies, which will be deposited in a utility regulation revolving fund, are earmarked to provide for professional staff and all expenses of the Utilities Division of the Corporation Commission. Any monies remaining in the fund at the end of each fiscal year shall be used to calculate the annual utility assessment for the following year.

The bill also provides for a residential utility consumer assessment, which the Corporation Commission will set annually. The total amount of the utility and residential utility consumer assessments may not exceed the existing 2 mill cap on the utility assessment. This assessment will be paid by all public service corporations with annual gross operating revenue over \$250,000. Monies from this assessment will be deposited in the residential utility consumer office revolving fund and will be used to fund the Residential Utility Consumer Office. Funds which are not expended within one fiscal year shall be used to calculate this assessment for the following year. The Residential Utility Consumer Office will be funded by an appropriation of \$400,000 for fiscal year 1983-1984. The residential utility consumer assessment will be the funding source for the consumer office in subsequent years.

S.B. 1030 establishes a Residential Utility Consumer Office to represent residential utility consumers of public service corporations in rate hearings and proceedings of the Corporation Commission. The Office will be administered by a Director, appointed by the Governor and confirmed by the Senate. The Director may research and analyze residential utility consumer interests, intervene in rate proceedings as a party in interest on behalf of consumers before the Corporation Commission, and appeal decisions of the Commission. The Director may hire attorneys to represent residential utility consumers and may establish rules to operate the office.

The bill also creates a five-member Residential Utility Consumer Board, appointed by the Governor and confirmed by the Senate. The Board will serve in an advisory capacity to the Office on matters concerning rate design and rate making which involve public service corporations. The Board has authority to require withdrawal of any court action filed by the Director within five working days after filing, on approval of the board.

This bill establishes a Joint Legislative Committee on the Corporation Commission, which shall review the structure and operation of the Corporation Commission and similar commissions, and prepare a report to the Legislature by January 1, 1984.

S.B. 1030 is an emergency measure.

S.B. 1066 - Chapter 132 (Private enterprise review board)

This bill places into session law provisions for a private enterprise review board to receive written complaints of violations of Laws 1981, Chapter 321, Sections 10, 11 and 12, regarding state competition with private enterprise.

The review board will consist of one member of the House appointed by the Speaker, one member of the Senate appointed by the President, the chief officer of a state agency appointed by the Governor, one member appointed by the State Board of Directors of Community Colleges, one member appointed by the Board of Regents, and six members engaged in private enterprise, with two appointed by the Speaker of the House, President of the Senate, and the Governor, respectively. The terms of members of the board shall be one calendar year.

The review board will terminate on December 31, 1985.

S.B. 1134 - Chapter 328 - Retirement system; employer contributions; exceptions (NOW: Public officers; disclosure; conduct)

S.B. 1134 prescribes financial disclosure requirements for public officers. This bill repeals the current conflicts of interest laws on February 8, 1984, at which time they will be replaced by conflict of interest requirements adopted by the respective houses. An ethics committee is established in both houses and is responsible for the implementation of the code of ethics and conflict of interest requirements adopted in the rules of each house. The committee will draft a code of ethics and conflict of interest requirements, issue advisory opinions interpreting and investigate complaints concerning violations of the code of ethics, conflict of interest and financial disclosure requirements, and request punishment by the respective house, including censure and expulsion.

While the current financial disclosure statute is devoid of disclosure requirements for the public officer's business, this bill requires information pertaining to a business in which the public officer and spouse controls more than half interest, or a business in which the public officer and spouse has a significant interest and the business has a very major client. This disclosure requires a description of the nature of the goods or services provided by the business, and the business activities of the major clients.

The bill adds the requirement of the disclosure of amounts or values within categories for stocks, bonds and property. The categories are:
(1) \$1,000 - \$25,000, (2) \$25,000 - \$100,000, (3) over \$100,000.

S.B. 1139 - Chapter 177 (Governor's council on developmental disabilities)

This bill establishes a statutory Governor's Council on Developmental Disabilities appointed by the Governor to provide coordination and planning in the field of developmental disabilities. Developmental disability is a severe, chronic disability which is attributable to a mental or physical impairment, is manifested before the person attains age 18, is likely to continue indefinitely, and results in substantial functional limitations in major life activities. The council consists of 17 members appointed by the Governor, 10 of whom would be developmentally disabled persons or their parents or guardians. The council will serve as a forum on issues and programs for the developmentally disabled, and make recommendations on these programs.

S.B. 1140 - Chapter 178 (Arizona historical society; contracts)

This bill allows the Board of Directors of the Arizona Historical Society to contract with historical societies for services to be performed for the benefit of the state. The contracts will be prepared by the Arizona Historical Society and renewed annually to insure fulfillment of their provisions. The contracts are subject to legislative appropriation.

S.B. 1232 - Chapter 239 - ~~Public entities; tort liability; transportation~~
(NOW: Crimes; spousal communications)

S.B. 1232 specifies that a husband or wife may not testify in court as to events occurring during the marriage, for or against the other spouse without his or her consent. This does not apply in a criminal action brought against the husband by the wife or against the wife brought by the husband.

This is an emergency measure.

S.B. 1334 - Chapter 192 (Cities; improvement districts; assessment
limitation)

A city or town shall not assess the costs of an improvement for general public benefit against an assessment district. The municipality may only assess a district for the portion of an improvement which benefits property within the district.

S.B. 1359 - Chapter 292 (Expenditure limitation; new county)

This bill provides two methods whereby the Economic Estimates Commission can determine the expenditure limitation for a new county resulting from the division of two or more existing counties. They are as follows:

1. Determine which existing county has a population closest to the population of the new county and determine what the per capita expenditure limit for the existing county is. The commission would then multiply that amount by the population to determine the base limit for the new county.
2. Determine the per capita expenditure limit of the old county for the last full fiscal year prior to the establishment of the new county. Multiply the per capita amount by the population of the new county to determine the base limit for the new county.

S.B. 1385 - Chapter 293 (Early retirement option)

S.B. 1385 provides a temporary early retirement option for participants of the Arizona State Retirement System who are currently employed. Eligible participants are required to be 55 years of age or older, with at least 5 years of credited service, or 50 years of age or older, with at least 25 years of credited service. Under this option, retirement benefits will be computed based on the number of years of credited past service (service prior to July 1, 1967), plus the number of years of credited future service (service after July 1, 1967) X 2% X average monthly compensation during three contiguous or consecutive years, plus any prior service benefits. Persons who take early retirement under this bill will receive a reduced pension with the same reductions (3% per year from age 60 to 65 and 5% per year from age 50 to 60) as those which apply to other employees who elect early retirement. This special early retirement option becomes effective on July 27 through December 31, 1983.

The bill also modifies the definition of compensation used to compute retirement benefits. Compensation is the total amount paid by an employer as salary or wages. Compensation does not include sick leave, compensatory time or termination pay. Changes in the definition of compensation will be effective on January 1, 1984.

The bill provides that retirement benefits will be paid on the day following the date of termination of employment, or a later date if the participant elects.

S.B. 1385 permits transfer of credited service for an employee of a charter city, which was not participating in the State Retirement System on January 1, 1983, who becomes employed by a political subdivision, which was a member of the State Retirement System on this date. This provision is effective if an employee applies for transfer of credited service within one year of the bill's effective date.

The bill continues the Legislative Council Study Commission on the State Retirement System to analyze retirement system benefits. It requires the Commission to prepare a report on its findings by January 1, 1984.

HEALTH & AGING

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H.B. 2144 - Chapter 327 (Fetal experimentation; physician-patient
privilege inapplicable)

H.B. 2144 prohibits a person from knowingly using any fetus or embryo or any parts, organs or fluids of any fetus or embryo resulting from an induced abortion, for medical experimentation. The section does not apply to: 1) medical investigations strictly necessary to diagnose a disease in the mother of the fetus or embryo when the abortion was performed because of such disease; and 2) routine pathological examinations conducted by a medical examiner or hospital laboratory as long as the examination is not related in any way to a medical experimentation.

The physician-patient privilege is not to prevent the production of records or documents relevant to an investigation arising under the section. All records and documents produced in an action are to be inspected by the court in camera. The court is to remove the names of patients and any other identifying information, and substitute pseudonyms, before releasing records.

H.B. 2160 - Chapter 59 (Home health agencies; licensing)

H.B. 2160 exempts home health agency licenses from the current one year validity requirement and, instead, requires the Director of the Department of Health Services to determine the length of validity, except that no license would be valid for more than two years.

H.B. 2164 - Chapter 297 - ~~Water regulations; penalties; fees; fund~~
(Now: Water regulations; fees; fund)

H.B. 2164 provides that regulations for public water supplies and systems and wastewater systems may include: 1) requirements for a program or installation of devices to control contamination from backflow, back-siphonage and cross connections; 2) submission of plans showing adequate design and capacity to meet future needs for drinking water and sewage treatment; 3) specifications for minimum quantities of drinking water that a water system must provide. Regulations are also to be developed which require the certification of operating personnel for water treatment plants.

The bill establishes fees to reimburse the Department of Health Services for the cost of providing the service for which the fee is charged. State agencies are exempt from all fees imposed pursuant to this article. Monies collected from the fees shall be deposited in the general fund.

Application fees for permits, where required for the discharge of wastes into the waters of the state, and for the installation, modification or operation of disposal systems, shall be directly related only to the costs of processing the permit application and shall not exceed \$1,500 for any one permit application.

The bill includes an appropriation of \$415,000 from the state general fund to and for the purposes of the water quality assurance revolving fund.

H.B. 2185 - Chapter 49 (Drug records; confidentiality)

H.B. 2185 amends Section 36-2523, ARS, by the addition of Subsection B, pertaining to persons registered to manufacture, distribute or dispense controlled substances. Subsection B requires that records and inventories be open to inspection by peace officers in the performance of their duties. The officer is not to divulge information obtained, except in connection with a proceeding in which the person to whom the information relates is a party.

H.B. 2195 - Chapter 324 (Ambulance regulation; DHS authority; subjects)

This bill was developed in response to voter approval of Proposition 100, in November 1982, which called for the regulation of ambulances and ambulance services. The bill provides for the regulation of ambulances and ambulance services in terms of routes served, response times and charges.

Key provisions of the bill are as follows:

1. Out-of-state ambulances are to be exempt from licensure and regulation under certain circumstances.
2. The Director of the Department of Health Services (DHS) is to promulgate rules and regulations which provide that DHS is to determine rates, fares and charges of ambulances and ambulance services, including rates, fares and charges for ambulance service contracts. Rules and regulations are also to address the regulation of operating and response times, bases of operation, and certificates-of-necessity.
3. Any person wishing to operate an ambulance service is to apply to DHS for a certificate-of-necessity. If the director of DHS finds that the public necessity requires the service, or any part of it, then a certificate-of-necessity is to be issued accordingly. The first certificate-of-necessity issued will be for a period of one year. Certificates-of-necessity may be renewed for three year terms unless good cause for refusal is shown. The director of DHS is given the authority to issue, amend, transfer, suspend and revoke certificates-of-necessity with certain conditions.
4. Provision is made for a hearing process on any proposed action relating to rates, fares and charges, operating and response times, bases of operation and certificates-of-necessity.
5. An ambulance service is prohibited from discontinuing service under a certificate-of-necessity without an order from the department.

6. Fees are established for certificate-of-necessity application, transfer, amendment and renewal. An annual regulatory fee is also established.
7. The department is given the ability to confer temporary authority for ambulance services to service areas lacking adequate service.
8. Violations may be addressed through mandatory injunction or other appropriate remedy.
9. Existing ambulance services have 120 days to apply for a certificate-of-necessity and may continue providing service until the certificate-of-necessity application is granted or denied. Existing ambulance services are also to continue charging the rates, fares and charges which were in effect on February 1, 1983 until DHS determines the rates, fares and charges.
10. An appropriation of \$100,000 is made.
11. An emergency clause is provided.

H.B. 2209 - Chapter 296 (Children; nutritional or medical deprivation)

H.B. 2209 provides that a person shall not deny or deprive a newborn child of food, nutrients, water or oxygen with the intent to cause or allow the death of the child, including a child whose quality of life may be considered deficient by a physician or another person. Any person who has responsibility for the care of a child and who suspects that the child is being denied or deprived of care necessary to sustain the child's life, shall immediately report such information to a peace officer or to the protective services of the State Department of Economic Security.

Any health care institution with a perinatal, obstetrical or pediatric unit shall inform all responsible persons of their duty to report, the right of freedom from disciplinary action, and the process of how to report. Also, institutions with a perinatal, obstetrical or pediatric unit shall make available to each parent of any newborn child born with an identifiable handicap, information it receives from public or private agencies regarding agencies available to provide the parent with assistance, information or support pertaining to the care of the child and the manner in which the agencies may be contacted.

This act is effective from and after July 1, 1984.

H.B. 2221 - Chapter 147 (Onsite wastewater treatment facilities; regulation)

H.B. 2221 provides the Department of Health Services with the authority to establish and enforce regulations concerning the design, construction, operation and maintenance of all existing and proposed onsite wastewater treatment facilities in this state. Plans shall be approved prior to construction with mandatory inspections during construction, prior to operation and annually thereafter. Fees are established to reimburse the Department for all costs of performing inspections except that state agencies shall be exempt from paying such fees. Also, included in the bill is a process for handling violations in this area.

The bill allows the Director of DHS to charge a fee when certain plans and specifications relating to sewage and wastewater collection, treatment and disposal systems are submitted for review to DHS. The Department may also charge fees to cover the costs of all inspections to insure compliance with the standards and regulations.

H.B. 2316 - Chapter 99 (Respite care services)

This bill defines respite care services as: services provided by a licensed health care institution to persons otherwise cared for in foster homes and in private homes to provide an interval of rest or relief of not more than thirty days to operators of foster homes or to family members.

Also, H.B. 2316 provides that a public hearing on any certificate of need application will be conducted by a seven-member hearing body made up of governing body members or by the governing body of the local agency. If a seven-member hearing body conducts a public hearing, the findings are to be submitted to the full governing body where they will be reviewed if there is an objection from a governing body member. This provision was originally included in S.B. 1254.

This act carries an emergency clause for immediate implementation.

H.B. 2342 - Chapter 238 (State action; recover medical costs)

H.B. 2342 provides that the state or any of its political subdivisions may recover the reasonable value of medical care and treatment it has furnished, as required by law, to an individual injured or diseased under circumstances involving a tort liability, by a third party. Cost will be recovered from the third party or the claimant.

The state's claim succeeds the rights of other parties involved in the claim against the third person. Action by the state may include intervening or joining in any action or proceeding brought by the injured or diseased person or by someone on his behalf. If action is not brought within six months of the initial care or treatment the state may institute and prosecute legal proceedings against the third person who is liable. Action or proceedings brought in the name of the state or political subdivision shall not require that other parties involved join such action or proceedings.

The state or any of its political subdivisions may compromise, settle or waive such claims in whole or part in cases of convenience and hardship.

H.B. 2365 - Chapter 136 (Nursing care institution administrators)

H.B. 2365 provides that members of the Board of Examiners of Nursing Care Institution Administrators are eligible to receive compensation as determined pursuant to Section 38-611 for each day actually spent performing their duties under this chapter.

The bill removes from disciplinary action the requirement that an administrator could not establish or handle a patient's personal fund account for any indigent patient of a county. Also, the bill provides that any nursing care institution administrator on inactive license status shall pay a license renewal fee of not more than one hundred fifty dollars every two years.

H.B. 2377 - Chapter 102 (Life preservers; exception)

This bill exempts a performer engaged in a professional exhibition, who is being towed behind a watercraft, from the requirement of wearing a buoyant belt or personal flotation device.

H.B. 2399 - Chapter 53 (Unprofessional conduct; schedule II drugs)

This bill would make it unprofessional conduct for a physician or osteopath to prescribe, dispense or administer Schedule II controlled substances in the treatment of obesity for a period in excess of thirty days in any one year.

H.B. 2415 - Chapter 163 (Air pollution; permit fee limit)

H.B. 2415 provides that fees for installation and initial operating permits for air pollution equipment be based on actual costs of processing the application, with fees not to exceed \$6,600 for an installation permit and \$5,500 for an initial operating permit. Fees are to be paid upon issuance of the permit.

Provision is made for operating permits to be issued for a period of time specified in a consent decree entered into before a court of competent jurisdiction.

H.B. 2437 - Chapter 266 - Health care institutions; accounting; reports
(Now: Health care institutions; billing system reports)

H.B. 2437 provides that hospitals with over fifty beds are to implement a uniform patient billing system prescribed by the Department of Health Services, from and after January 31, 1984. Also, a person, including a third party payor, who is obligated to pay a charge for any item or service which is subject to uniform billing requirements shall accept such billing as its principal format.

The hospitals shall report certain statistical data designed to promote cost containment which shall be derived from data obtained under the uniform patient billing system. The Department of Health Services is to use the statistical data in semiannually publishing a comparative report of hospital charges and a brochure. The brochure is to contain a simple and concise comparison among hospitals in the same geographic region of average charges per confinement for most common diagnoses. These brochures shall be available to the public in hospital reception areas.

Mandatory injunction or other appropriate remedies may be instituted for enforcement purposes. The Department may also take action against a hospital's license for violations.

Finally, Legislative Council is given certain duties in developing formats for reporting purposes.

H.B. 2456 - Chapter 211 (Sickle cell anemia; adult care)

H.B. 2456 provides that the Department of Health Services, through the Crippled Children's Services Division, may establish and administer a program for adults with sickle cell anemia. The program may be operated directly or by contracting with public or private providers. The adult or other responsible person, agency or third party payor shall reimburse the Department for part or all of the costs of services rendered. Reimbursement payments shall be deposited in the state general fund.

S.B. 1250 - Chapter 73 (Health care cost committee; extension)

S.B. 1250 extends the Health Care Cost and Regulation Committee to January 31, 1984, and requires the Committee to report to the Governor, the President of the Senate and the Speaker of the House by this date. The original date of expiration and reporting was December 1, 1983.

The Committee was established by Laws 1982, Chapter 315 to review laws and regulations relating to the health care system and to develop a report outlining legislative recommendations for cost containment and market competition in the health field.

S.B. 1251 - Chapter 249 (Emergency medical services operating fund)

S.B. 1251 establishes an emergency medical services operating fund for funding local and state emergency medical services systems. The following penalty assessments are to be deposited into the fund:

- 1) \$30 on every court imposed and collected fine, penalty and forfeiture for traffic violations relating to persons under the influence of intoxicating liquor or of drugs;
- 2) \$5 on every court imposed and collected fine, penalty and forfeiture for traffic violations relating to moving and to some non-moving traffic violations. The court is to require a sufficient amount of money, to cover the penalty assessment in any deposit of bail or bond.

The bill provides a process for the State Treasurer to deposit the monies as follows: ninety percent in the emergency medical services operating fund; and ten percent in the general fund of the state.

S.B. 1264 - Chapter 31 (Perinatal health care programs)

S.B. 1264 provides that a perinatal health care program be developed, subject to the availability of funds. The program is to include: high risk detection; prenatal health care; maternity delivery and postpartum care; perinatal consultation; transportation; and education of professionals and consumers.

S.B. 1269 - Chapter 314 (State health and accident coverage)

This bill prescribes the maximum amount of public funds which may be expended for health and accident coverage for full-time officers and employees of this state and their dependents as:

- \$74.08 monthly per officer or employee who receives individual coverage;
- \$149.82 monthly per married couple, both of whom are either an officer or employee and who each receive individual coverage or family coverage; and
- \$143.82 monthly per officer or employee who receives family coverage if the spouse of such officer or employee is not an officer or employee.

The State Personnel Board shall designate the Arizona Health Care Cost Containment System (AHCCCS) as a qualifying plan for the provision of health and accident coverage to state officers and employees and their dependents. AHCCCS shall not be the exclusive qualifying plan for health and accident coverage for state officers and employees either on a statewide or regional basis.

S.B. 1276 - Chapter 120 (Chronic alcoholics; involuntary commitment; treatment)

S.B. 1276 defines a chronic alcoholic as an alcoholic who is incapacitated by alcohol and who has been admitted to a local alcoholism reception center on ten or more occasions during the preceding twelve months. The bill provides that a local alcohol rehabilitation center (LARC) administrator or his designee may file a petition with the superior court for the involuntary commitment of a chronic alcoholic.

A process is provided for the court to review the petition, order emergency commitment to a LARC, set a hearing and if found by clear and convincing evidence to be a chronic alcoholic, require the person to receive treatment at an approved facility for up to twenty-eight days. An appeal process for the committed person is established.

S.B. 1279 - Chapter 304 (AHCCCS modifications)

This bill addresses some of the concerns that have been identified since the implementation of the Arizona Health Care Cost Containment System (AHCCCS). A key area of concern has been the confusion which exists over when AHCCCS becomes responsible for a person's care versus when a county is responsible. Reflective of this confusion is the fact that many bills are sent to AHCCCS for payment before it has even been determined whether or not the person is eligible. In order to address this problem, the AHCCCS legislation is modified with regards to AHCCCS coverage-date responsibility. The act specifies that AHCCCS will provide coverage for a person from and after the date he has been determined eligible for AHCCCS care and establishes a five-day retroactive period for emergency care. An Auditor General study is required to determine whether there are any cost shifts to or from counties due to this and other changes.

Another area in which there have been a number of concerns is the eligibility determination process. Under the present system, counties determine eligibility of indigent and medically needy applicants and the AHCCCS administrator, MCAUTO, enrolls the person in the program. Until the passage of this bill, counties were under no statutory limitation on the amount of time involved in determining eligibility nor were there any sanctions against the counties for erroneous eligibility determinations. Eligibility determination has in some cases taken in excess of 45 days to complete, partly due to the complexity of forms and requirements for income and resource verification. In order to address the problems with eligibility determination, S.B. 1279 does the following:

- 1) AHCCCS coverage will not begin until the person is determined eligible . . . this gives counties a strong incentive for determining eligibility on a timely basis.
- 2) The definitions for net income and equity are changed so that the requirements for verifying income and resources are less complex and time-consuming.
- 3) A process is provided for AHCCCS to determine each county's eligibility determination error rate. Monetary sanctions and rewards are to be placed on counties depending on the error rate level.

A third area of concern is the cash flow between AHCCCS and providers for emergency claims. While most of the system operates on a contractual relationship between the health care provider and his subcontractors, some emergency care services are billed directly to AHCCCS; until this bill there were no provisions regarding the time limit for payment and each claim had to be reviewed by a medical panel. There have been several complaints in the amount of time needed to receive payment due to these factors as well as the problems with eligibility determination. To address these problems S.B. 1279 allows automatic processing of emergency medical claims by MCAUTO and places a 45-day time limit for claims resolution. Additionally, a provision allowing for advance payments is included so that monies can be advanced to providers before final claims resolution.

While many hospitals are actively participating in the AHCCCS program as contractors, or subcontractors, there are some hospitals which are not. Since AHCCCS pays 95% of billed charges for emergency care, hospitals do not necessarily have an incentive to contract within the system. To encourage further participation, the AHCCCS statutes are modified so that hospitals which do not have any contract within the system are reimbursed at 80% of billed charges for emergency care. Hospitals which have contracts or subcontracts within the system will continue to receive 95% of billed charges for emergency care provided to AHCCCS-covered persons who are not enrolled with the hospital's plan.

The original piece of AHCCCS legislation called for the payment of co-premiums by medically needy members, however, it has been found that the co-premium rates for large families can be financially prohibitive. The cost of collecting the co-premiums plus the problem of disenrollment of people who do not pay their co-premiums can potentially cost AHCCCS more money than the collection of co-premiums would net. Due to this situation, S.B. 1279 removes the requirement that medically needy persons pay a co-premium.

The statutes concerning the bidding process are modified to allow AHCCCS more flexibility in obtaining contracts. AHCCCS is given the ability to ask for voluntary price reductions for tentatively selected bids, should the bids be too high; this is needed to avoid repeating this time-consuming bid process. AHCCCS is also given the authority to negotiate services and service areas if there are unnecessary gaps or duplications. Finally,

AHCCCS can require that a bid provide for the full range of services throughout a county . . . this would be exercised only if necessary to prevent bidders from arbitrary selection of patients.

Finally, AHCCCS is given the ability to set different time frames for enrollment of members in different situations. For example, if a person receives emergency care in a hospital and has been determined eligible but not yet enrolled, AHCCCS could enroll the person with a provider on a priority basis. Until this bill, statutes were not clear in the administrator's ability to place priority on enrollment and all persons were given the same amount of time to choose a provider regardless of whether or not they were hospitalized.

The bill also contains three separate retroactive clauses.

S.B. 1312 - Chapter 253 (Mental health commitment; release statutes)

The purpose of S.B. 1312 is to modify the civil commitment statutes relating to procedures for evaluation, emergency admission, court-ordered commitment, court-ordered placement, release, discharge, and guardianship to provide increased flexibility and clarification with regard to the mentally ill.

The key provisions of the bill are as follows:

1. The definition of "substantial bodily harm" is stricken. All references to "substantial bodily harm" in statute are changed to "serious physical harm;" however, "serious physical harm" is not defined but rather it is left to the courts to define.
2. The definition of "danger to others" is modified by substituting "serious physical harm" for "substantial bodily harm" and by indicating that such harm would occur "without treatment." The definition is also changed by substituting "in the near future" for the 30 day time frame used in predicting when harm will possibly be inflicted. Finally, the act of threatening to inflict harm on others is clarified by specifying that the threat may be verbal or nonverbal.
3. The definition of "danger to self" is changed by substituting "serious physical harm" for "substantial bodily harm" and for "grave physical harm." The bill also modifies time frames in which behavior may occur by substituting "in the near future" for "within thirty days" and substituting "in the recent past" for the 30 day time frame previous to the petition filing.

4. The definition of "gravely disabled" is modified by substituting "serious physical harm" for "grave physical harm." The time frame in which behavior may occur is changed from "within thirty days" to "in the near future."
5. Allows a psychiatric resident in an approved training program to substitute for one of the two physicians required in an evaluation.
6. Defines outpatient or combined inpatient-outpatient treatment as any treatment not requiring continuous hospitalization.
7. Requires that for a voluntary admission the patient be able to and give informed consent.
8. Clarifies who may make an application for emergency admission... a relative, friend, peace officer, admitting officer, or other responsible person. The words "substantial bodily harm" are replaced with "serious physical harm." The application form is now to include the signature of the applicant. Adds that a telephonic application may be made no more than 24 hours prior to the written application.
9. Requires that copies of petitions for treatment be sent to the State Hospital. Allows the Department of Health Services, acting on behalf of the State Hospital, to act as intervenor during commitment hearings.
10. Involuntary Commitment

The court is allowed the following options for court-ordered treatment:

 1. Up to 365 days of outpatient treatment.
 2. Up to 365 days of combined inpatient-outpatient treatment of which the inpatient portion may be no more than 90 days if danger to self, 180 days if danger to others, and 365 days if gravely disabled.
 3. Inpatient treatment of 90 days if danger to self, 180 days if danger to others, and 365 days if gravely disabled.

The language requiring that the court find there are no appropriate or available alternatives is stricken; instead, the court must find that the person is unwilling or unable to accept voluntary treatment.

Specific guidelines for outpatient or combined inpatient-outpatient treatment are provided and the court is placed under certain requirements in determining whether a patient should receive outpatient treatment.

11. Establishes a "conditional outpatient treatment program" in which a medical director may place a patient who no longer requires continuous inpatient treatment. The patient may remain in outpatient treatment as long as certain conditions apply.
12. Allows for the transfer of a gravely disabled person to another licensed health care institution.
13. Requires that if a patient was committed as "danger to others," the medical director must provide notice of intent to release, prior to expiration of court-ordered period, and provide procedure for notification. Allows the court to review the decision to release a patient who has been committed as "danger to others" and to hold a hearing.
14. Provides for annual examination of persons committed as gravely disabled to determine whether court-ordered treatment should be continued. The court may either accept the results of the examination or order a hearing. An attorney is to be appointed, when a patient does not have a guardian, to represent the patient.
15. Provides for annual review to determine need for continuation of guardianship. The court may order a hearing or accept the results of the review.
16. Immunity from liability for mental health professionals requires action "in good faith."

S.B. 1340 - Chapter 189 (AHCCCS payments; La Paz County)

This bill provides a formula for determining the contributions that Yuma and La Paz Counties will make to the Arizona Health Care Cost Containment System (AHCCCS).

With La Paz County only recently established, data is unavailable for calculating AHCCCS contribution amounts in a method utilized by other counties.

The formula established in the bill involves the following: the Office of the Auditor General will determine the amount of money that Yuma County would have contributed (had La Paz County not been created) and will then determine the contribution amounts of Yuma and La Paz Counties based on the proportionate share of the estimated population in the counties as of July 1, 1982. The population figures are to be those determined by the Department of Economic Security and used by the Economic Estimates Commission for expenditure limitations.

The bill also contains a retroactive clause.

S.B. 1341 - Chapter 124 (Health services contracts; reinsurance)

S.B. 1341 provides that under the Arizona Health Care Cost Containment System (AHCCCS) reinsurance may be obtained for medical expenses in excess of a specified amount through the purchase of a reinsurance policy or through a system of self-insurance. Also, reinsurance shall be secured at the request of the counties in certain instances. The risk management section of the Department of Administration may be utilized for reinsurance purposes.

This bill contains both a retroactive and an emergency clause.

S.B. 1345 - Chapter 190 (Arizona health facilities authority)

S.B. 1345 includes the University of Arizona Hospital as a "participating facility" for the Arizona Health Facilities Authority. This measure provides the nonprofit hospital with the opportunity to apply for negotiable tax-exempt bonds. The Board of Regents shall approve or disapprove any contract or agreement entered into by the University of Arizona Hospital with the Arizona Health Facilities Authority.

S.B. 1370 - Chapter 127 (Smoke detectors; residences, hotels, motels)

S.B. 1370 requires the installation of approved smoke detectors in: new residential housing; existing residential housing units if a sleeping area is remodeled and a remodeling permit is required; and in each guest unit in a motel or hotel which does not have automatic fire extinguishing equipment. This act does not supersede a city, town, or county ordinance which is equal to or greater than the standards prescribed in this article, nor does it prohibit inspections pursuant to its ordinance.

The bill exempts manufactured homes produced after June 30, 1976, and factory built buildings displaying an insignia of approval from the State Office of Manufactured Housing.

HUMAN RESOURCES

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H.B. 2039 - Chapter 221 (Child support enforcement; information access)

The Department of Revenue shall disclose, upon request, certain confidential information to the Department of Economic Security relating only to the identity and location of a person liable for the support of dependents. The Department of Economic Security shall not request information from the Department of Revenue unless a court order for child support has been issued.

Any person who knowingly requests information from any department of this state for purposes other than identifying and locating persons liable for support is guilty of a class 1 misdemeanor.

H.B. 2135 - Chapter 76 (Use of juvenile record)

H.B. 2135 provides that except in instances involving convictions for which the revocation of a driver's license is mandatory, the disposition of a child in the juvenile court may not be used against the child in any case or proceeding in any court other than a juvenile court.

For the purpose of conducting a presentence report, an adult probation officer may request all information in the possession of the Juvenile Court concerning a person convicted in Superior Court with a criminal offense. The Juvenile Court must release this information.

The Juvenile Court must release the records of juvenile arrests, referrals or complaints and the dispositions made therein concerning a person charged in Superior Court with a criminal offense, upon the request of any state or local prosecutor, law enforcement officer or a person's attorney.

The Juvenile Court must release all information of a person arrested for a criminal offense to Superior Court agencies, departments, other Superior Court divisions or magistrates upon the request of a magistrate for the purpose of assisting in the determination of release from custody and bond.

The Juvenile Court may order the destruction of files and records upon application by the adjudicated person or by a court motion. Notice of the hearing shall be given to the county attorney, who may oppose the order, and to the authority granting the discharge if the final discharge was from an institution or from parole.

H.B. 2252 - Chapter 263 (Child support enforcement)

This bill provides an exemption for judgments for child support from the requirement that they be enforced or renewed within five years from the date of entry.

The statute of limitations for filing actions to collect child support arrearages is three years after the emancipation of the youngest child who was a subject of the order. A judgment for arrearages established during the minority of the children does not expire until five years after the emancipation of all the children who were subjects of the order.

The court may order a wage assignment during the initial proceeding for child support or spousal maintenance. The court must order a wage assignment when the payments are one month behind. A child support assignment takes priority over all other attachments, executions, garnishments, or assignments.

A person or agency entitled to receive child support or spousal maintenance payments may obtain an ex-parte order for assignment of wages for currently accruing payments when the person obligated to pay is one month in arrears. Upon receipt of a verified petition, the Clerk of the Superior Court is required to order the assignment of wages. The assignment order becomes binding 14 days after service. If the person alleged to be in default moves to quash the assignment, a hearing must be held within 30 days.

Consumer reporting agencies may include information regarding child support or spousal maintenance order, judgments, and wage assignments in a consumer report.

Employers are required to cooperate with those entitled to receive payments by furnishing information regarding the employee's present or last-known residence and business addresses. An employer who fails to cooperate may be liable for resulting court costs.

H.B. 2269 - Chapter 225 - ~~Personal property exempt from process~~
(NOW: Consent to adopt; irrevocability)

This bill provides that a consent to adopt is irrevocable unless obtained by fraud, duress, or undue influence. The consent shall contain a statement that the person giving consent has been advised that the consequences of the consent include the rights of the adopted person and the adoptive petitioner under the adoption order, and the irrevocability of the consent.

S.B. 1029 - Chapter 109 (Visitation rights; grandparents; great-grandparents)

S.B. 1029 provides that the Superior Court may grant reasonable visitation rights to grandparents and great-grandparents of an unmarried minor child when in the best interest of the child. Grandparent visitation rights would automatically terminate if the child is adopted or placed for adoption, whichever occurs first.

When petition is made for grandparent visitation rights, it shall be made under the same action as the parents' marriage dissolution, and the court that ordered the dissolution will have jurisdiction in the visitation order. If no action for dissolution has been filed, or the court entering the decree of dissolution no longer has jurisdiction, then a separate action must be filed for visitation rights.

S.B. 1059 - Chapter 170 (Dependent children; disposition; independent living)

This bill allows the court to award a dependent child to an independent living program as an alternative for disposition or commitment. Independent living programs are established under the supervision of the Department of Economic Security for youths who are adjudicated dependent and in the custody of the department, at least 17 years of age, and employed or full-time students.

The independent living program may consist of a residential program through a licensed child welfare agency or a provider under contract with the department. The youth is not required to reside at a licensed child welfare agency or foster home. The director of the department or his designee will review and approve any recommendation to the court that a youth be ordered to an independent living program. Participation in the program must be ordered by the court.

DES will provide the cost of care for each youth placed in an independent living program. The monthly amount provided, however, will not exceed the average monthly cost of services purchased for the child in the three months preceeding placement in the program. The department will submit quarterly progress reports to the court and local Foster Care Review Boards for each participant in the program. The department will provide the cost of care for children adjudicated by the court as incorrigible who are in foster family homes or institutions, except state institutions.

DES will provide comprehensive medical and dental care for children in an independent living program.

S.B. 1069 - Chapter 196 - ~~Probate; real property exemption~~ (NOW: Probate; summary administration procedure)

An affidavit made by or on behalf of the successor to the decedent's estate for the collection of personal property shall state that the value of all personal property in the decedent's estate, wherever located, less liens and encumbrances, does not exceed \$30,000.

Any person(s) claiming as successor(s) to a decedent's interest in real property, including any debt secured by a lien on real property, may file an affidavit describing the real property and a decedent's interest therein six months after the death of a decedent. The affidavit may be filed in the court in the county in which the decedent lived at the time of death, or if the decedent did not live in this state, then in any county in which real property of the decedent is located.

The affidavit of succession must state:

1. That the value of all real property in the decedent's estate located in this state, less liens and encumbrances against the property as of the date of decedent's death, does not exceed \$15,000. The value of the decedent's interest shall be determined from the full cash value of the property as shown on the assessment rolls for the year in which the decedent died. In the case of a debt secured by a lien on real property, the value shall be determined by the unpaid principal balance due on the debt as of the date of death;
2. That six months have elapsed since the death of decedent as shown by a certified copy of the death certificate attached to the affidavit;
3. That no application or petition for appointment of a personal representative is pending or has been granted in any jurisdiction;
4. That funeral expenses, expenses of last illness, and all unsecured debts of the decedent have been paid;
5. That the person or persons signing the affidavit are entitled to the real property by reason of the allowance in lieu of homestead and exempt property, by intestate succession as sole heir or heirs, or by devisee under a valid last will of the decedent, the original of which is attached to the affidavit or has been probated;
6. That no other person has a right to the interest of the decedent in the described property;
7. That no federal or Arizona estate tax is due on decedent's estate; and
8. That the person or persons signing the affidavit affirm that all statements therein are true and material, and further acknowledge that any false statement may result in penalties relating to perjury and subornation of perjury.

The normal filing fee will be charged for the filing of an affidavit of succession to real property unless waived by the court. Upon receipt of the affidavit, the county registrar shall determine that it is complete, and cause to be issued a certified copy of the affidavit without attachments. The copy shall be recorded in the county recorder's office where the property is located.

The rights of heirs and devisees in the absence of probate administration will not be limited by this section.

A purchaser of real property from or lender to the person(s) designated as successor(s) in a certified copy of an affidavit of succession and recorded in the county in which the real property is located is entitled to the same protection as a person purchasing from or lending to a distributee from a personal representative.

Title 14, Chapter 3, Article 12, Arizona Revised Statutes is retitled "Transfer of Title to Small Estates by Affidavit and Summary Administration Procedure." The procedure for transferring title to real and personal property under this section shall become effective for estates of decedents dying before or after the effective date of this act.

S.B. 1114 - Chapter 176 (Termination of parental rights; grounds)

Until August 31, 1985:

The Director of the Department of Economic Security will review and approve each petition filed by the department for the termination of a parent-child relationship.

The court may not take into consideration that the parent has made no effort to maintain a parental relationship with the child as grounds to justify the termination of the parent-child relationship. The court may not presume the parent intends to abandon the child if the child has been left without any provision for support and without any communication from such parent for six months or longer. The court may not declare the child abandoned if the evidence indicates that such parent has made only token efforts to support or communicate with the child.

The court may, however, consider that the child has been cared for in an out-of-home placement for a cumulative total period of one year or longer pursuant to court order, that a diligent effort to provide appropriate remedial services has been made by the agency caring for the child, and that the parent has substantially neglected or willfully refused to remedy the home situation. Consideration may also be given if the child has been in an out-of-home placement for a cumulative total period of two years or longer pursuant to court order, the parent has been unable to remedy the circumstances that caused the placement, and there is a substantial likelihood that the parent will be incapable of exercising proper and effective parental care and control in the near future.

The State Foster Care Review Board will issue a report no later than June 30 and December 31 of each year containing relevant, nonconfidential information concerning each termination made. The Governor, Speaker of the House, and President of the Senate will each receive a copy of the report.

From and after August 31, 1985:

The above provisions will be repealed, thereby returning ARS Section 8-533 to its previous form.

At all times, the court's findings with respect to grounds for termination will be based on clear and convincing evidence.

S.B. 1125 - Chapter 246 (Training program at Randolph; closure)

Prior to July 1, 1985, the Director of the Department of Economic Security will not order the closure of the training program facilities at Randolph, Phoenix, or Tucson without the authorization of the Legislature.

The bill establishes a joint legislative committee on Arizona training program facilities, and prescribes the membership and duties of that committee. The committee will make a report of its findings to the Governor, Speaker of the House, and President of the Senate.

S.B. 1142 - Chapter 179 (Parental assessments; training program fund)

This bill establishes a Children and Family Services Training Program Fund to be used to administer a training program for child protective services, and employees of child welfare agencies and community treatment programs that, in the judgment of the Director of the Department of Economic Security, would benefit from staff training. The fund will cease to exist from and after June 30, 1988.

Until then, the fund will be maintained through assessments levied by the Juvenile Court for the support of children who have been awarded or committed to the State Department of Corrections or other state department or institution. The Director of DES will include a status report and an evaluation of the Children and Family Services Training Program in the annual report.

Ninety percent of the child support assessment monies collected shall be deposited in the Children and Family Services Training Program Fund, and the remaining 10% of the monies will be deposited in the State General Fund. The training program fund will be exempt from provisions relating to lapsing appropriations.

S.B. 1184 - Chapter 199 (Public housing; elderly tenants; pets)

A public agency which owns, operates, or manages rental housing shall not prohibit elderly tenants (60 years or older) from keeping pets. For the purposes of this section, "pet" includes a dog, cat, bird, fish, mouse, gerbil, hamster, turtle, guinea pig, or chinchilla.

A public agency which owns, operates, manages, or contracts for rental housing may require the removal of any pet found to be a threat or nuisance to other occupants of the housing project based on its conduct or condition. No pet may be kept in violation of health statutes or under circumstances constituting cruelty to animals. The agency shall not impose any requirement which makes the keeping of a pet by an elderly tenant financially prohibitive, and shall not require in any case a pet deposit of more than one month's rent. Nothing in this section relieves an elderly tenant from any liability otherwise imposed by law for damages caused by the tenant's pet.

The public agency is not liable for personal or property damage caused by a pet kept in the housing project unless it is proven that its agents or employees had prior actual knowledge of a dangerous tendency or condition of the pet. The agency may adopt reasonable regulations relating to pets.

An elderly tenant or elderly applicant for tenancy may file an appeal regarding the adoption or application of any regulation or condition adopted by the public agency relating to pets. A copy of the grievance procedures shall be provided to elderly tenants and applicants for tenancy who keep pets.

J U D I C I A R Y

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H.B. 2005 - Chapter 319 (Adult abuse; immunity for reporting)

This bill provides for civil and criminal immunity for a person reporting abuse, exploitation, or neglect of adults, unless the person acted with malice or has been suspected of incapacitating, abusing, exploiting, or neglecting the adult in question.

Furthermore, the clergyman-penitent or priest-penitent privilege is recognized under this legislation.

H.B. 2030 - Chapter 320 - ~~Length of agricultural vehicles~~ (NOW: Minor offenses; armed forces recruitment)

This bill states that any petty offense, class 2 misdemeanor or class 3 misdemeanor, except a violation of Title 28 (Transportation), is deemed a minor nontraffic offense for the limited purpose of armed forces recruitment.

H.B. 2047 - Chapter 255 (Justification; defense of home)

This bill states that the use of physical force or deadly physical force is presumed to be justified, if the person who is using the force "reasonably believes" that physical force or deadly physical force is immediately necessary to prevent any of the following offenses: arson, first or second degree burglary, kidnapping, manslaughter, first or second degree murder, sexual assault, child molestation, armed robbery, or aggravated assault.

H.B. 2048 - Chapter 32 (Felony while on parole)

This bill provides that a person who commits a felony offense while on probation, parole, work furlough, or other release from confinement for conviction of a felony offense shall be sentenced to life imprisonment.

Currently, a person who commits a felony while on probation, parole, work furlough, or other release from confinement for conviction of either a felony or a misdemeanor offense can be sentenced to life imprisonment.

H.B. 2050 - Chapter 56 (Extradition; prior waiver)

This bill would exempt from the normal extradition process any person arrested in this state who is alleged to have broken the terms of his probation, parole, or bail if certain conditions are met. The person would be immediately delivered to the agent of the demanding state if the following conditions exist:

1. The person has signed a prior waiver of extradition as a condition of his release in the demanding state.
2. The law enforcement agency holding the person has received both an authenticated copy of the prior waiver of extradition signed by that person, and a photograph and fingerprints properly identifying the person as the person who signed the waiver.

H.B. 2061 - Chapter 129 (Armed robbery; simulated weapons)

This legislation includes simulated deadly weapons in the criminal offense classification of armed robbery.

Under the provisions of this act, a person now commits armed robbery if in the course of committing robbery, such person or an accomplice:

1. Is armed with a deadly weapon or a simulated deadly weapon;
or,
2. Uses or threatens to use a deadly weapon, dangerous weapon, or simulated deadly weapon.

H.B. 2068 - Chapter 33 (Election ballot form)

This measure switches the "partisan" section with the "nonpartisan" section on the election ballot form. Under this change, partisan voting for candidates will be placed before nonpartisan issues such as initiatives or referendums.

H.B. 2092 - Chapter 91 (Obtaining liquor with false I.D.)

This measure clarifies the law by stating that a person under nineteen years of age who uses an operator's, chauffeur's, or identification license to obtain liquor is subject to suspension or revocation of his license, and is guilty of a class 1 misdemeanor.

Furthermore, if a person under the age of nineteen is accompanied by a spouse of legal drinking age, then such person is allowed to remain in an area licensed to sell liquor under this new legislation. Currently, only parents and legal guardians are allowed to accompany a person under the age of nineteen.

H.B. 2108 - Chapter 271 (Minor traffic violations)

This bill provides for decriminalization of minor traffic offenses. Such violations are reclassified as civil traffic violations. Violators are subject to a \$250 maximum fine (plus surcharge), however there is no provision for imposing a jail sentence.

Key Provisions

1. "Major" traffic offenses are not decriminalized (i.e. unlawful flight, leaving the scene of an accident, duty to give information and render aid, DWI, reckless driving, racing, transporting hazardous material, a second or subsequent weight limit violation).
2. Justice courts and police courts retain concurrent jurisdiction over minor traffic violations committed within their boundaries.
3. A person charged with a traffic violation can admit to the allegation, can admit with an explanation, or can deny the allegation. Only denial of the allegation necessitates a hearing.
4. Appeal of a judgment is made to the superior court.
5. A record of each judgment is forwarded to the Motor Vehicle Division. All civil sanctions must be paid within 30 days unless an undue economic burden is placed on a person.
6. An addition of a section entitled "excessive speed," which states that a person is guilty of a class 3 misdemeanor if a person:
 - A) Exceeds 35 miles per hour approaching a school district.
 - B) Exceeds the posted speed limit in a business or residential district by more than 20 miles per hour, or if no speed limit is posted, 45 miles per hour.
 - C) Exceeds 85 miles per hour in other locations.
7. The provisions of the bill become effective from and after December 31, 1983.

H.B. 2123 - Chapter 45 (Marijuana; contraband and racketeering)

This bill adds marijuana within the definitions of both "racketeering" and "contraband." Since marijuana was recently reclassified in the statutes, it is now necessary to include "marijuana" along with "dangerous drugs" and "narcotic drugs" in the definitions of both racketeering and contraband.

H.B. 2127 - Chapter 93 (Sexual exploitation of minor)

This bill criminalizes the "possession" of any visual or print medium in which minors are engaged in sexual conduct. Distributing, transporting, exhibiting, receiving, selling, purchasing, or exchanging any print medium in which minors are engaged in sexual conduct is currently considered a violation under this statute.

H.B. 2146 - Chapter 268 (Crimes; manslaughter; feticide)

This legislation adds to the list of aggravating circumstances (for the purposes of increasing the length of a prison sentence) the following: "During the course of the commission of the criminal offense, the death of an unborn child at any stage of its development occurred."

H.B. 2147 - Chapter 202 (Sexual offenses)

This bill increases the penalty of indecent exposure and public sexual indecency to a class 1 misdemeanor. It also establishes that indecent exposure to a person under the age of 15 is a class 6 felony, and public sexual indecency to a minor is a class 5 felony.

If a person is convicted of sexual conduct with a minor, then that person is not eligible for suspension or commutation of sentence, probation, pardon, parole, work furlough, or release from confinement on any other basis, except as authorized for temporary release, until the sentence has been served.

Finally, this bill provides that a person who has been convicted of a sexual offense in any jurisdiction must register within 30 days with the County Sheriff if the person is to reside or establish temporary domicile within the county for 30 days or more. The person must sign a statement and be fingerprinted and photographed by the County Sheriff.

H.B. 2157 - Chapter 258 (Destruction of marijuana)

This bill allows a law enforcement agency to immediately destroy all seized marijuana, except ten pounds randomly selected from the seized marijuana for representation purposes as evidence. Currently, the agency may destroy the seized marijuana after seven days.

In addition, the law enforcement agency must notify the defendant or the defendant's attorney 24 hours prior to photographing the seized marijuana. Currently, notification must be given 48 hours before photographing the seized marijuana.

H.B. 2159 - Chapter 46 (Look-alike drugs)

This bill adds the definition of "counterfeit preparation" to the look-alike drug statutes. It provides changes in the definitions of both an "imitation controlled substance," an "imitation prescription-only drug," and the "imitation over-the-counter drug" definition. The "placebo" definition has also been modified. In addition, the bill clarifies the exemptions to the handling of these defined look-alike drugs.

H.B. 2162 - Chapter 47 (Theft; rented property)

This bill provides that a lessee, who rents a piece of property without a fixed expiration date (period to period tenancy), is required to return the property within 72 hours from the date and time of the failure to pay any periodic lease payment required by the rental agreement.

H.B. 2170 - Chapter 48 (Toxic vapors; inhalation inhibitors)

This bill would exempt certain types of toxic substances, such as glue, from extensive regulation and restriction if the toxic substance contains an inhalation inhibitor, which induces sneezing or produces a strong odor. In order to exempt a toxic substance from extensive regulation, the Department of Health Services must certify the toxic substance as containing an additive, which inhibits inhalation or induces sneezing.

H.B. 2186 - Chapter 130 (Informal probate; appointing personal representative)

This bill allows the Public Fiduciary to make application to be the personal representative in an informal probate proceeding if no other person is qualified and willing.

Currently, the Public Fiduciary is not able to be the representative in informal probate proceedings.

In addition, the bill allows any creditor, 45 days after the death of the decedent, to make application to be the personal representative in an informal probate proceeding.

H.B. 2229 - Chapter 148 (Firearms; local regulation prohibition)

This act provides that state law shall preempt ordinances of any political subdivision of this state relating to the transportation of firearms. Furthermore, all political subdivisions are prohibited from requiring licensing or registration, and cannot prohibit ownership, purchase, sale, or transfer of firearms.

H.B. 2236 - Chapter 216 - ~~Nomination certificate; legislative write-in candidate~~ (NOW: Nomination certificate; write-in candidate)

This bill provides that a write-in candidate must receive a plurality of the votes of the party for the office for which he is a candidate in order to be issued a certificate of nomination for continued representation on the ballot form.

H.B. 2323 - Chapter 210 (Motor voter statutory corrections)

This bill makes several statutory clean-up changes in the language of last year's motor voter law.

The major points of statutory clean-up are:

1. A 50-day cutoff period for electors to register to vote before the date of an election;
2. An exception to the 50-day period if a new resident desires to vote for presidential electors and has registered not later than 30 days prior to such election;
3. "Special Deputy Registrar" will be used as the title of a driver's license examiner who registers people to vote;
4. An expanded definition of the powers and duties of a Special Deputy Registrar;
5. A more flexible format for county recorders to write "Cancellation Notices;"
6. Some technical changes in Proposition 202 of the November 1982 election.

S.B. 1021 - Chapter 194 - ~~DWI; multiple convictions~~ (NOW: BOMEX legal representation)

This bill removes from the statutes the provision which requires the Board of Medical Examiners to employ as full-time legal counsel an Assistant Attorney General, or other legal counsel appointed by the Attorney General.

S.B. 1039 - Chapter 23 (Presentence report; victim data)

This bill requires a probation officer to promptly inquire into the emotional and financial impact of all criminal cases referred to him by the court. Currently, only in the case of homicide would the emotional impact be investigated. Financial impact is not considered.

Furthermore, the adult probation officer shall notify the victim or the immediate family of the victim in all criminal cases of the right to appear personally or by counsel at any aggravation or mitigation proceeding. Currently, only in the case of homicide is the adult probation officer required to notify the victim or immediate family of the victim.

S.B. 1058 - Chapter 169 (Fingerprint fees)

This bill allows the Department of Economic Security to appropriate monies for the cost of federal fingerprint processing or federal criminal history record information checks, which are required for the licensing of foster parents or certification of adoptive parents.

This bill contains an emergency clause.

S.B. 1067 - Chapter 286 - ~~Prison construction; multiple confinement~~
(NOW: ~~Crimes; repetitive serious offenders; sentences~~)
(NOW: Prison construction; multiple confinement)

This bill provides that any acquired, converted, or constructed adult correctional facility shall confine more than one person in each cell or room, except as strictly necessary for the purposes of punishment or the protection of specific prisoners.

S.B. 1120 - Chapter 198 - ~~Insanity defense repeal; mens rea~~
(NOW: Insanity defense; proof; commitment)

Under current law the prosecutors in a criminal case have the burden of proving that the defendant has committed a criminal offense. Once the defendant raises the defense of insanity, the prosecutors have the additional burden of proving that the defendant was sane at the time he committed the criminal offense.

This legislation will switch the burden of proof from the prosecution to the defendant in that portion of a criminal case involving the use of the insanity defense. The defendant will now have to prove by "clear and convincing evidence" that he was not responsible for committing the criminal offense by reason of insanity.

The legislation also requires that a person found not responsible by reason of insanity be immediately committed to a secure health facility for a mandatory one-hundred-and-twenty-day evaluation period.

S.B. 1215 - Chapter 248 (Boating while intoxicated)

This bill prohibits a person from operating or having actual control of any watercraft if the person's blood contains 0.10% or more by weight of alcohol.

Furthermore, any person who operates or has actual physical control of any watercraft upon the waters of this state, thereby gives his implied consent to be tested for the purposes of determining the alcohol content of his blood. The refusal to submit to a test can be used as evidence in a trial.

Any person who is convicted of "boating while intoxicated" is guilty of a class 1 misdemeanor (6 months, \$1000).

S.B. 1226 - Chapter 30 (Juror mail notice)

This legislation allows the jury commissioner to resummons a juror by first class mail if that juror fails to respond to the first summons.

Currently, the jury commissioner can only resummons a juror by registered or certified mail.

S.B. 1273 - Chapter 187 (Unrelated guardians of minors; fingerprints)

This legislation requires a potential guardian who is unrelated to the minor to be fingerprinted. The court must then obtain the results of a check of the unrelated potential guardian's fingerprints with official fingerprint records before the court may appoint that person as guardian.

S.B. 1327 - Chapter 123 (Conditions of parole)

This bill provides that the court shall require a person convicted of an offense to make restitution to the victim or the immediate family of the victim. The restitution shall be in an amount and manner that considers both the economic loss to the victim and the economic circumstances of the convicted person.

Furthermore, the Board of Pardons and Paroles has the power to impose any conditions of parole that would insure the best interests of the prisoner and the general public. These conditions may include rehabilitation, counseling, community service work, voluntary commitment to the State Hospital, or reimbursement to the state for the costs of parole based upon the prisoner's ability to pay.

In addition, this legislation requires that the Attorney General be included along with the Superior Court Judge, victim of the offense, and County Attorney, as one of individuals to be notified before holding a hearing on parole.

N A T U R A L R E S O U R C E S & E N E R G Y

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H.B. 2064 - Chapter 90 - ~~Wildlife; special bighorn sheep tags~~
(NOW: Wildlife; special big game tags)

H.B. 2064 authorizes the Game and Fish Commission to issue up to two special big game hunting tags, for each species of big game, to an unincorporated nonprofit organization dedicated to wildlife conservation. Notwithstanding Section 17-332, which prohibits the transfer of licenses, recipient organizations are allowed to transfer the special tags if the net proceeds of the transfer are used for wildlife management in Arizona.

Before the Game and Fish Commission can adopt, amend or repeal any rules relating to special big game tags it must notify the chairmen of the Senate Natural Resources and Agriculture Committee and the House of Representatives Natural Resources and Energy Committee plus the Secretary of State in accordance with Section 41-1002. Provisions of that Section pertain to the notice of proposed adoption, amendment or repeal of rules, content of the notice and the time and date of the hearing.

By January 1, 1985, the Commission must submit a report concerning the costs of and the monies raised by special big game tags to the above mentioned Senate and House committees. This act expires on December 31, 1986.

H.B. 2168 - Chapter 259 (Commercial state land leases; location)

H.B. 2168 provides for the leasing of certain state lands for commercial purposes. Those lands approved for consideration for long-term commercial leasing are within the unincorporated areas of Bullhead City and Sedona.

H.B. 2169 - Chapter 18 (State land sales; prepayment penalty)

H.B. 2169 removes the requirement of advance payment of interest when prepaying the debt from the purchase of state land. This updates current statute because prepayment penalties are a hold over from partial patent privileges which were superceded by changes in the Urban Lands Bill of 1981. This act is retroactive to state lands contracted for on or after January 1, 1983.

H.B. 2177 - Chapter 19 (Western army aviation training site)

H.B. 2177 provides for the exchange of 160.92 acres of state trust land adjacent to the north boundary of Pinal Air Park for state land near Sahuarita, Arizona. The State Land Department is directed to make this exchange because Pinal Air Park has been selected as the Western Army Aviation Training Site. The training site project is a joint venture by the State of Arizona and the Federal Government with an estimated cost

of \$12 million. An appropriation of \$926,780 from the State General Fund to the Department of Emergency and Military Affairs is included to pay Arizona's portion of land acquisition, utilities and armory construction costs. This appropriation is exempt from ARS 35-190 relating to lapsing of appropriations.

An emergency clause has been enacted.

H.B. 2288 - Chapter 309 - ~~State parks acquisition and development~~
(NOW: Hazardous waste disposal; hazardous waste trust fund;
purposes)

H.B. 2288 defines hazardous waste as a waste or combination of wastes which because of its quantity, concentration or physical, chemical or infectious characteristics does one of two things; 1) causes or significantly contributes to an increase in mortality or an increase in serious, irreversible or incapacitating reversible illnesses, or 2) poses a substantial present or potential hazard to human health or the environment if improperly disposed.

The Director of the Department of Health Services is responsible for contracting with one or more persons for the design, financing, construction and operation of a hazardous waste disposal facility. He may also assess reasonable fees for use of any facility. In promulgating rules and regulations the Director shall include provisions that require persons transporting hazardous wastes to the disposal facility to approach it from the East or West on established public roads and highways.

Monies collected from fees or appropriated monies will be placed in the Hazardous Waste Trust Fund. The Director administers the Fund and its purposes, which have been expanded. Expanded purposes of the Fund are: reimbursing a contractor for the costs of site acquisition, design, financing and construction of a hazardous waste disposal facility; paying a contractor for operating a hazardous waste disposal facility; funding the State's Risk Management Program to cover hazardous waste liability risks; and as of June 30, 1984, paying the administrative expenses incurred in relation to this law.

H.B. 2326 - Chapter 310 (Hazardous waste management and regulation)

H.B. 2326 makes the Director of the Department of Health Services responsible for promulgating rules and regulations to establish a hazardous waste management program equivalent to and consistent with federal hazardous waste regulations. The rules must establish criteria and standards for maintaining records; submission of reports, data, and information; transportation of hazardous waste, including packaging and labeling requirements; operation, maintenance, location, design and construction of hazardous waste facilities; permits, including reasonable fees related to the cost of processing the permit application; the right of entry for inspection

and sampling to ensure compliance with standards; and provisions for appropriate public participation in hazardous waste programs. In some cases the Director may require reports for small quantity generators but, in no case does he have the authority to regulate small quantity generators except as consistent with federal regulations.

The director has the authority to order compliance, and specify a time period for compliance, by a violator of the rules and regulations. If the order is ignored the Director may apply to the Superior Court for a temporary restraining order or an injunction. The violator has 30 days to request a hearing if one is desired. Violators are guilty of a class 1 misdemeanor and are subject to fines not to exceed \$10,000, or, civil penalties not to exceed \$10,000 per day of violation can be levied. Each day of violation is considered a separate offense.

Appropriated monies and permit fees will go into a Hazardous Waste Management Fund and are exempt from lapsing of appropriations. The Fund is to be administered by the Department and used to educate the public and hazardous waste handlers, support waste planning and program development activities, process permits, and investigation and enforcement activities.

Records and other information are available to the public except those relating to trade secrets and other industrial confidential professional matters. Governmental agencies are permitted to publish quantitative and qualitative statistics pertaining to hazardous waste.

H.B. 2391 - Chapter 219 (Groundwater rights; flood damaged land)

H.B. 2391 allows a landowner to substitute nonflood damaged land for flood damaged land within the same sub-basin of the same Initial Active Management Area. The land to be replaced must have been under the same ownership since the flood damage first occurred and must have grandfather irrigation rights, as prescribed in statute, which will be transferred to the substitute acres. Substitutions will be done on an equal acre per acre basis and only if it is not economically feasible to restore the flood damaged land to irrigation use.

S.B. 1111 - Chapter 175 (Water treatment study commission; extension)

S.B. 1111 extends the Water Treatment Study Commission for one more year. The Commission will be terminated on December 31, 1983, and its report will be due to the Governor, Speaker of the House and President of the Senate by January 1, 1984. This one year extension is needed to allow the Commission to complete its research and make its recommendations.

An emergency clause has been attached.

S.B. 1164 - Chapter 288 (Public land rights-of-way)

S.B. 1164 allows counties to purchase state land as grants of rights-of-way for county airport or community college purposes. These purchases will be permitted for cash without public auction. This is a privilege currently allowed only for public roads or highways, and municipal airports. If the rights-of-way cease to be used for these purposes they will revert back to the state.

S.B. 1222 - Chapter 71 (Revocation of game license; notice)

S.B. 1222 prescribes the procedures for notice of revocation or suspension of a game and fish license. The time period for notification was extended from 90 to 180 days. Notification can also be served personally or by certified mail.

S.B. 1235 - Chapter 72 (Natural resource conservation district; compensation)

S.B. 1235 prescribes compensation for supervisors of Natural Resource Conservation Districts. Supervisors will receive compensation at a rate not to exceed \$30 per day, plus actual and necessary expenses of attending district meetings, and a per diem subsistence allowance and actual and necessary expenses, while engaged in official business for the District.

S.B. 1308 - Chapter 74 (Agricultural improvement district revenue bonds)

S.B. 1308 makes four changes in the statutory procedure outlining the issuance of revenue bonds by the Board of Directors of an Agricultural Improvement District:

1. When the board desires to issue bonds, notice shall be sent to members by certified mail at least three days prior to the meeting instead of by certified or registered mail at least ten days prior to the meeting.
2. The bonds may be in any form the board determines (i.e. issue bonds with zero coupons--no interest) instead of being limited to either coupon or fully registered without coupon.
3. Interest payments (if any) may be made at the times determined by the board, instead of having to be made semiannually.

4. The notice in the newspaper for the sale of bonds must now appear for at least three days instead of at least ten days.

An emergency clause was enacted.

S.B. 1347 - Chapter 75 (Archaeological permits)

S.B. 1347 allows private companies and governmental agencies to obtain permits for archaeological work on lands owned or controlled by the state or any of its agencies. Permits will not be issued to individuals, but only to qualified organizations, and must be obtained before any activity is undertaken. All artifacts removed from state lands during such activities must be placed in public repositories and the involved organization must propagate any resulting information for the benefit of the public.

S.B. 1392 - Chapter 306 (Omnibus groundwater code revisions)

S.B. 1392 prescribes procedural requirements for grandfathered groundwater rights, groundwater withdrawal permits and well completion rights. Certain exemptions for small non-irrigation wells are provided. Some irrigation districts are allowed to contract for and deliver Central Arizona Project water for certain purposes. Irrigation Non-expansion Areas are permitted to permanently retire acreage from irrigation and to irrigate conjunctively with CAP water the same number of substitute acres. Late filings to obtain grandfathered groundwater rights and the time and manner of notices are dealt with.

PUBLIC INSTITUTIONS

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H.B. 2129 - Chapter 257 - ~~Jails and prisons; double celling~~ (NOW: Youth offenders; restitution, confinement, release and juvenile services)

Courts shall require restitution or monetary assessment from youth offenders.

Able bodied youth offenders in the custody of DOC will engage in at least forty hours of physical work per week unless attending school in which case the work requirement is reduced to twenty hours. The Director shall establish a youth offender work classification system to insure that work assignments are compatible with the physical and mental abilities of the offender and the safety of the public.

Juveniles will be able to earn up to fifty cents an hour for participation in work programs. Two-thirds of this compensation must be used to make restitution or defray costs for room and board. Payment of court ordered monetary assessments shall be made a condition of release for parole.

The Department is authorized to contract with other agencies for placement of youths in work programs, conservation camps, or alternative forms of incarceration.

H.B. 2422 - Chapter 54 - ~~Appropriation; game and fish aircraft~~ (NOW: Appropriation; department of corrections; juvenile bed cost)

H.B. 2422 provides that any money that would have been distributed during fiscal year 1982-83 from the Criminal Justice Enhancement Fund to the Supreme Court for appointing Superior Court judges pro tempore will instead be deposited in the General Fund. Of the amounts deposited in the General Fund, \$125,000 is appropriated to the Department of Corrections to contract for community-based residential beds for juveniles for the remainder of this fiscal year.

An emergency clause has been enacted.

S.B. 1020 - Chapter 79 (Veterans' cemetery fund)

This bill creates a fund to operate and maintain the State Veteran's Cemetery.

The fund will receive monies from the following sources:

1. 38 United States Code Section 903(b) provides that the state receive a \$150 allowance from the federal government to defray burial costs for any war time veteran buried without charge. In the past, federal burial allowances received by the state have gone to the general fund.
2. Donations for the Veteran's Cemetery from individuals or organizations.

S.B. 1060 - Chapter 195 (Emergency and military affairs organization)

This bill creates a Director of the Division of Military Affairs. Both the Director of the Division of Military Affairs and the Director of Emergency Services will be appointed by the Adjutant General and will serve under his command.

Within one year of appointment, the Adjutant General and the Director of Military Affairs will obtain federal recognition in a grade not less than Brigadier General and Colonel respectively.

The Adjutant General and one member from the House and Senate are added to the Emergency Council.

The Adjutant General is required to present to the Governor an estimate of the financial needs of the Department and the National Guard during the next fiscal year. Another report describing strength and condition of the National Guard, and business transactions and expenditures shall be submitted to the Governor by October 1 of each year.

By August 1, 1983, the Director of Emergency Services shall make a written report to the legislature of actions of the State Emergency Council during 1983. Thereafter, reports will be made on a fiscal year basis.

S.B. 1379 - Chapter 201 (Prisoner hard labor; public works)

All DOC prisoners will be required to engage in not less than forty hours of hard labor a week unless the prisoner is participating in an educational, training, or treatment program in which case up to twenty hours of program participation can be substituted for an equal amount of hard labor.

The Director shall establish a prisoner labor classification system to insure that prisoners receive work assignments compatible with the physical and mental health of the prisoners and the safety and security of the public.

The Director is empowered to contract with other state or local agencies to provide prison labor for public works projects. A system shall be established to facilitate communication between the department and other agencies in need of prison labor and to encourage entrance into contracts involving the use of such labor.

The legislation also requires that a report shall be submitted by October 1, 1983, describing work accomplished pursuant to the hard labor provisions as well as a comprehensive plan for future use of prison labor on public works.

The following section was originally part of H.B. 2058.

This law includes attempted escape in the definition of a first, second, or third degree escape. In the past an inmate could only be charged with escape if his attempt was successful.

<u>Escape or attempted escape</u>	<u>Penalty</u>	<u>Imprisonment/fine</u>
First degree	Class 4 felony	4 years/\$150,000
Second degree	Class 5 felony	2 years/\$150,000
Third degree	Class 6 felony	1½ years/\$150,000

T O U R I S M, P R O F E S S I O N S
& O C C U P A T I O N S

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H.B. 2026 - Chapter 82 (Recreation property; duty of care)

This bill prescribes the duties and liabilities of an owner, lessee, or occupant of premises to a recreational user. The bill defines "premises" and "recreational user."

The bill provides that an owner, lessee, or occupant of premises does not owe any duty to a recreational user to keep the premises safe for such use. It provides that the act of giving permission to enter the premises does not extend any assurance to a recreational user that the premises are safe for such entry or use. The bill also provides that no liability is incurred by an owner, lessee, or occupant for any injury to persons or property caused by the act of a recreational user.

The above provisions do not limit the liability which otherwise exists for maintaining an attractive nuisance or for willful or malicious failure to guard against a dangerous condition, use, or activity.

H.B. 2175 - Chapter 144 (Fine art; consignment)

This bill prescribes definitions of "art dealer," "artist," "on consignment," "sale," and "work of fine art." The bill provides that the relationship between an art dealer and an artist, when a work of fine art is placed on consignment, is one wherein the art dealer is the agent of the artist with respect to that work of art. The work of art and the proceeds of the sale are trust property, and the dealer is the trustee for the benefit of the artist. The art dealer is strictly liable for loss of or damage to the work of art while it is in the dealer's possession.

The bill provides that any property which is trust property, under the provisions of this bill, is exempt from claims, liens, or security interests of the creditors of the art dealer. The bill further stipulates that if an art dealer accepts a work of fine art on consignment that there shall be a written contract and prescribes certain provisions that the contract must contain. The bill stipulates that any portion of a contract which waives any provision of this article is void. Finally, the bill provides for a civil penalty for an art dealer who violates the requirements of the bill.

The bill contains an emergency clause.

H.B. 2187 - Chapter 260 (Pharmacists; qualifications)

This bill prescribes qualifications for registration as a pharmacist. The bill provides for a preliminary equivalency examination for an applicant for registration who is a graduate of a pharmacy degree program which was not recognized by the Board of Pharmacy at the time of his graduation.

The bill also provides for an inactive status license for a registered pharmacist if he does not intend to engage in the practice of pharmacy for more than one year. The Board shall waive continuing education requirements to an applicant for an inactive status license on proper application and payment of the registration fee. The Board may require a pharmacist who holds an inactive status license who applies for an active status license to serve not more than four hundred hours in the internship training program approved by the Board.

H.B. 2255 - Chapter 149 (Contractors' recovery fund)

This bill raises the maximum dollar amount of an award from the Contractors' Recovery Fund from \$5,000 to \$15,000. The bill also raises the dollar amount of the total liability of the fund for any one contractor's license from \$10,000 to \$75,000. Finally, the bill provides that a court may award reasonable attorney's fees in a judgment against a contractor's surety bond or cash deposit.

H.B. 2266 - Chapter 205 (Physical therapists; unprofessional conduct)

This bill amends the definition of "unprofessional conduct" as it relates to physical therapists. The bill removes the requirement that a physical therapist must practice physical therapy with referral from and in consultation with a licensed physician, surgeon, dentist, or podiatrist. The bill also provides that the act of failing to refer a patient, whose condition is beyond the training or ability of the physical therapist, to another professional who is qualified to provide such service is unprofessional conduct.

H.B. 2350 - Chapter 38 (Pyramid promotional schemes)

This bill repeals Section 44-1731 and adds a new Section 44-1731 relating to pyramid promotional schemes. The bill prescribes definitions of "compensation," "consideration," and "pyramid promotional scheme." The bill makes conforming changes to Sections 44-1733 and 44-1734. It also provides that the provisions of this Article are in addition to all other causes of action, remedies, and penalties available to this state.

Finally, the bill prescribes that a person shall not establish, operate, advertise, or promote a pyramid promotional scheme. A limitation as to the number of persons who may participate, other eligibility requirements, or the receipt of something of value in addition to the right to receive compensation does not change the identity of the scheme, nor is it a defense under this Article.

H.B. 2386 - Chapter 83 (Technical registration board; supplemental appropriation)

This bill makes a supplemental appropriation in the amount of \$22,500 from the Board of Technical Registration Fund to the Board of Technical Registration for fiscal year 1982-1983. The purpose is to defray examination and other expenses related to licensing.

H.B. 2392 - Chapter 104 (Recovery on contractor bond; notice)

This bill provides that if a person seeking recovery from a contractor's surety bond is required to give a preliminary twenty day notice (under Section 33-992.01), then the person is entitled to recovery only if he has given such notice and has made proof of service.

H.B. 2393 - Chapter 283 (Real estate department fees)

This bill provides for biennial adjustment of the fees charged by the Real Estate Commissioner and raises (by 100%) the maximum fees that may be charged. The bill provides that the Commissioner shall revise the prescribed fees so that the revenue derived equals at least 95%, but not more than 120%, of the anticipated appropriated budget for the Department for the two succeeding fiscal years.

H.B. 2396 - Chapter 105 (Nursing; approved schools)

This bill makes several changes in Statutes relating to approved schools of nursing and to the Board of Nursing.

The bill deletes the definition of "accreditation" and replaces it with a definition of "approved school of nursing." The bill provides: that the Board shall approve all new schools of nursing; that a survey of a school applying for approval shall be made by an authorized employee or representative of the Board; that if in the opinion of the Board its requirements are met, it shall approve the application; that if a school of nursing is accredited by a national nursing accrediting agency recognized by the Board, the Board does not have authority over it, absent certain exceptions; and that the Board may resurvey approved schools and remove a school from the list of approved schools if any defects are found and are not corrected within a reasonable time. Finally, the bill prescribes that the Board shall recognize national nursing accrediting agencies and shall prepare and maintain a list of approved schools whose graduates are eligible for licensing under this chapter.

H.B. 2462 - Chapter 131 (Salaries; state elective and judicial officers)

This bill modifies the commission on salaries for state elective and judicial officers. Beginning in 1985, the commission will biennially conduct a review of the rates of pay of elective state officers and of justices and judges of courts of record. The commission will, no later than October 1, submit a report of the review to the Governor together with its recommendation. The recommendation will then be placed before the qualified voters at the next general election.

S.B. 1061 - Chapter 111 (Real estate; licensees)

This bill prescribes exemptions from real estate licensing requirements, qualifications of licensees, and grounds for denial, suspension, or revocation of real estate licenses.

The bill exempts partnerships from real estate licensing when they deal in partnership property and receive no special compensation for the transaction. The bill provides that legal resident aliens of the United States may qualify for a real estate broker's license. The bill provides that an applicant for a real estate broker's or salesman's license shall not have had a real estate license denied within one year, nor have had a license revoked within the two years immediately preceding his/her application. The bill eliminates the real estate examination exemption granted to certain military personnel and limits the examination exemption to those who have held an unsuspended and unrevoked Arizona broker's or salesman's license within the twelve months immediately preceding the application. Finally, the bill provides that the offering of any inducement of a speculative nature involving a game of chance or risk, or demonstrated negligence in performing any act for which a real estate license is required, are grounds for denial, suspension, or revocation of licenses.

S.B. 1062 - Chapter 112 (Real estate department; subdivisions)

This bill increases the maximum possible initial filing fee for offering a subdivision for sale or lease from \$100.00 to \$250.00. The initial filing fee for offering unsubdivided land for sale or lease is raised from \$75.00 to \$250.00. The bill increases the statute of limitations, for recovery from the Subdivision Recovery Fund, from two years to five years. The bill also provides that the Real Estate Commissioner may waive, under certain circumstances, the notification requirement for recovery from the Fund. Finally, the bill raises the interest rate (from 8% per year to 12% per year) that a subdivider must pay on monies paid out of the Fund for claims against the subdivider, and raises the interest rate (from 4% per year to 8% per year) that a person who has an authorized claim against the Fund shall receive if there are insufficient monies in the Fund to satisfy the claim.

S.B. 1064 - Chapter 113 (Real estate recovery fund)

This bill provides that an award from the Real Estate Recovery Fund may include reasonable attorney fees. The bill increases the maximum liability of the Fund for a single claim from \$10,000 to \$15,000. The maximum liability of the Fund for a single broker's or salesman's license is increased from \$20,000 to \$30,000. The bill removes a provision stating that the Fund is not obligated for the acts of a broker or salesman while acting on his own behalf in property owned or controlled by him. The bill provides that this article does not limit the authority of the Real Estate Commissioner to take disciplinary action against any licensee. Finally, the bill provides that repayment of obligations to the Fund by a licensee does not nullify or modify the effect of any other disciplinary proceeding brought under this chapter.

S.B. 1065 - Chapter 228 (Registrar of contractors)

This bill makes several changes in statutes relating to contractors and the Registrar of Contractors.

The bill prescribes definitions of "advertisement" and "person" and amends the definition of "contractor." The bill provides that general contracting includes the construction of swimming pools on residential property (removing swimming pool construction from the specialty contracting category). The bill provides that the Registrar of Contractors and his investigators are authorized to receive criminal history record information from law enforcement agencies when they are conducting investigations. The exemptions from licensure for trustees of any express trust, officers of a court, and for non-governmental educational institutions are deleted. The bill provides that a retailer who enters into a sales contract involving the installation of materials or articles into a residential structure shall inform the purchaser that the installation may be performed by a subcontractor. The purchaser may request the name and address of the subcontractor.

The bill provides that an unlicensed contractor must state "unlicensed" in his advertisements to be eligible for handyman exemption. The bill removes the requirement that an applicant demonstrate that he is able and willing to carry workmen's compensation insurance and removes the requirement that the applicant shall not have been adjudicated bankrupt within three years preceding the filing of the application. The bill provides that effective July 1, 1983, the minimum bond for speciality contractors is lowered to \$1,000.00 from \$2,000.00. The bill amends the grounds for suspension or revocation of a contractor's license. The bill also provides that cancellation of a license does not bar disciplinary action by the Registrar against that license for two years following the date of cancellation. Finally, the bill makes numerous technical and conforming changes.

S.B. 1180 - Chapter 28 (Land surveyors)

This bill makes changes in Statutes relating to land surveyor registration. The bill prescribes the definition of "land surveying practice" and reduces the surveying portion of the definition of "engineering practice" to those aspects of surveying which are closely aligned to the engineering practice. The bill provides that an applicant, for registration as a land surveyor, who satisfies certain requirements shall pass the part of the examination relating to surveying methods and legal principles in this state. The bill also prescribes the disciplinary power of the Board of Technical Registration.

The bill contains a grandfather clause providing that the Board shall grant professional registration as a land surveyor to any person who is registered in this state as a professional engineer prior to the effective date of this act. The amended definition of "engineering practice" and the requirement that a professional engineer who desires to practice as a land surveyor must satisfy the requirements and register as a land surveyor are effective from and after June 30, 1984.

S.B. 1257 - Chapter 134 (Osteopaths)

This bill makes several changes in statutes relating to the Board of Osteopathic Examiners in Medicine and Surgery.

The bill provides for an increase in compensation for Board members to \$100.00 per day of service and reimbursement of expenses. The bill provides that the Board may employ consultants to investigate and review claims, prepare reports, and aid in the enforcement and administration of this chapter. Compensation of consultants shall not exceed \$150.00 per day. The bill makes changes with the effect that the same qualifications required for licensure would be required for a temporary license. The bill provides that the fee for a temporary license shall not exceed \$100.00. The bill removes the provision that the American Osteopathic Association approve continuing educational programs, leaving this duty to the Board.

The bill enlarges the definition of unprofessional conduct to include prescribing, dispensing, or administering controlled substances for other than therapeutic purposes. The bill clarifies the unprofessional conduct statute by prohibiting the prescribing, dispensing, or administering of Schedule II controlled substances for more than 30 days per year in the treatment of obesity. The bill defines "excessive fee" as it relates to unprofessional conduct. Finally, the bill provides that the Board shall, within 120 days of receiving a complaint, notify the doctor who is the subject of the complaint.

The bill makes an appropriation of \$5,000.00, from the Arizona Board of Osteopathic Examiners in Medicine and Surgery Fund, to the Board.

S.B. 1290 - Chapter 250 - ~~Optician licensing; ocularist exemption~~(NOW: Certain fees; optometry)(NOW: Registered court reporters)(NOW: Certain fees; optometry)

This bill prescribes certain fee increases relating to the Board of Optometry. The bill prescribes the following fees:

Examination	\$125.00
License (even-numbered years)	100.00
License (odd-numbered years)	200.00
Renewal of License	150.00
Licensure by Reciprocity	255.00
Duplicate License	30.00

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TRANSPORTATION - Continued

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H.B. 2028 - Chapter 17 (Aeronautics division; hearing procedure)

This bill provides that an appeal of a decision made within the Division of Aeronautics will go to the Director of the Arizona Department of Transportation. An intermediate hearing of the grievance before the Assistant Director of the Division of Aeronautics is eliminated.

H.B. 2042 - Chapter 10 (Ports of entry; shared authority)

This bill provides that the Director of the Arizona Department of Transportation may enter into bilateral agreements with contiguous states to provide for jointly occupied ports of entry. These agreements may provide for the collection of fees, taxes, and penalties and for the issuance of permits, by employees of either party state.

The bill also provides that the Director of ADOT may appoint employees of the adjoining state as law enforcement agents of the Division, and may allow employees of the Division to accept similar appointments from the adjoining state. The agent's powers shall be strictly limited to the enforcement of laws and regulations relating to vehicles entering or exiting this state. Employees of either state, who are appointed as agents of the other state, shall not be compensated by or considered an employee of the state of which they are an agent.

H.B. 2044 - Chapter 138 (Transportation taxes; collection procedures)

This bill unifies collection and confidentiality statutes relating to transportation taxes and fees. The bill defines "confidential information" and prescribes when and to whom it may be disclosed. The bill prescribes penalties for disclosure of confidential information in violation of the provisions of this bill.

The bill also prescribes collection procedures for transportation taxes and fees. The bill prescribes the conditions under which a jeopardy assessment may be made by the Director of ADOT and the conditions under which a lien may be placed on the real or personal property of the taxpayer. The bill prescribes the property which is exempt from lien or levy. The bill also prescribes the procedure for perfection and release of a lien, the priority of a tax claim, surrender of property which is subject to levy, the production of records, notice and sale of seized property, and gives the Director of ADOT the authority to release a levy and return property.

Finally, the bill provides that at the time of application for a transfer of title or registration of a vehicle, the registering officer shall collect the use tax imposed by Title 42, Chapter 8, Article 2. The registering officer shall not process an application for transfer of title or registration of any vehicle for which this tax has not been paid. All such tax monies collected shall be deposited in the general fund.

H.B. 2069 - Chapter 41 (Overweight vehicles; additional fee)

This bill provides for a fee increase of 66% for a permit to operate or move an overweight vehicle or combination of vehicles. The fees are \$25.00 for a single trip permit, \$50.00 for a thirty day permit, or \$600.00 for an annual permit. The milage tax rate currently levied on the weight in excess of 80,000 pounds is eliminated.

H.B. 2071 - Chapter 42 (Motor carrier tax)

This bill makes several changes in motor carrier tax statutes. The bill provides for an exemption from motor carrier tax for lightweight motor vehicles and motor vehicles which are exempt from gross weight fees. The bill prescribes the method by which motor carrier tax licensing shall be accomplished and that a written lease agreement shall specify which party to the lease agreement is responsible for obtaining the motor carrier tax permit. The bill provides that a motor carrier may file a single bond for both motor carrier tax and use fuel licenses and that the Director may waive the bond. The bill provides that a single trip motor carrier tax permit for a certain route is valid even if the vehicle exits and re-enters the state during the trip. The bill provides that a reduced motor carrier tax rate shall be computed for a reporting period rather than for a registration year. The bill also provides for a special thirty day motor carrier tax permit for a vehicle which is not in the commercial transportation business. The fee for the thirty day permit is \$96.00. Finally, the bill provides that payment of the motor carrier tax by a motor carrier or the operator of a lightweight motor vehicle exempts them from transaction privilege taxes or any similar tax.

H.B. 2072 - Chapter 43 (Motor vehicle division; amendments)

This bill amends the definition of "gross weight," the effect being that the gross weight of a bus would be calculated in the same manner as the gross weight of a truck. The bill provides that restricted vendors may file their use fuel reports and pay use fuel taxes for a combination of calendar months (instead of monthly) and that restricted vendors may prepay taxes in lieu of posting a surety bond. The bill also prescribes the procedures by which owner-operators who lease their vehicles to motor carriers may proportionally register such vehicles. Finally, the bill makes numerous technical and conforming changes.

H.B. 2089 - Chapter 256 (Motor vehicle registration; fees)

This bill makes numerous changes in statutes relating to motor vehicle registration. The bill prescribes fees for special license plates and amateur radio operator plates, for special thirty day resident registration, for a physically disabled insignia, and fees in a proportional registration agreement. The bill provides that for tow trucks, gross weight means the sum of the empty weight of the tow truck plus the weight of operational supplies and equipment. The bill provides that the Director of ADOT may require a licensee to pay the Department in advance for the cost of employee expenses in the auditing of records for proportional registration permits. The bill provides for a special thirty day resident registration permit for noncommercial motor vehicles. The bill provides that certain unsatisfied liens may be removed from the Motor Vehicle Division's records after twelve years. The bill provides that "fleet" means one or more commercial motor vehicles. The bill provides for a fifteen day permit for an owner-operator who is not operating as a lessor and is operating the vehicle without a load (a hunter's permit). Finally, the provisions of the bill subject certain passenger carrying vehicles to nonresident registration and exempt certain nonresident vehicles (which are exempt from payment of gross weight fees) from nonresident registration. There is an emergency clause.

H.B. 2099 - Chapter 139 (Maximum speed limit; out of state violation)

This bill prohibits any department or agency of this state from using an out-of-state maximum speed limit violation of sixty-five miles per hour or less (on an interstate system highway) to determine suspension or revocation of an operator's or chauffeur's license. The bill also provides that such a violation shall not be considered a moving traffic violation for the purpose of setting insurance rates or for cancellation or refusal to renew an insurance policy.

H.B. 2120 - Chapter 58 (Pedestrian; definition)

This bill amends the definition of "pedestrian" to include a person who is not ambulatory and is in a wheelchair.

H.B. 2181 - Chapter 135 (Local transportation assistance monies)

This bill provides that for fiscal year 1983-1984 a maximum amount of twenty-three million dollars may be deposited in the Local Transportation Assistance Fund from the State Lottery Fund. For fiscal year 1983-1984, any amount in excess of twenty-three million dollars from the State Lottery Fund and from interest earned on local transportation assistance monies shall be deposited in the State General Fund. The bill also changes the date by which a city or town may apply for funds from the Local Transportation Assistance Fund and the date on which the Director of ADOT shall authorize payment to the cities and towns from the Fund. The bill contains an emergency clause.

H.B. 2205 - Chapter 295 - ~~Gross weight fees; exemption~~ (Now: Highway user revenues; controlled access highways)

This bill prescribes the use of Highway User Revenue Fund 15% money (which is to be expended for controlled-access highways) in Pima County. The bill provides that until January 16, 1985 HURF 15% money may only be expended for controlled-access highways which either:

- (a) were accepted into the state highway system as a state route or as a state highway as of July 24, 1981; or
- (b) had final environmental impact statements approved as of July 24, 1981 and are subsequently accepted into the state highway system as a state route or as a state highway.

Finally, the bill provides that from and after January 15, 1985, HURF 15% money may be expended for controlled-access highways in Pima County which are accepted into the state highway system.

H.B. 2289 - Chapter 206 - ~~Streets adjacent to school; speed~~
(NOW: Speed; school crossings)

This bill allows local authorities, on the basis of engineering and traffic investigations, to increase or decrease the speed limits on streets adjacent to school grounds. The bill also provides that notwithstanding any other law, a local authority may establish a school crossing at an intersection containing a traffic control signal if the local authority determines, on the basis of a traffic study, the need for such a school crossing.

H.B. 2312 - Chapter 158 (Child passenger restraint system)

This bill requires a parent, guardian, or custodian of a child, four years of age or younger or forty or fewer pounds of weight, to secure the child in a child passenger restraint device. This requirement applies when transporting such a child in a noncommercial motor vehicle operated on the highways of this state and registered in this state in the name of the parent, guardian, or custodian.

The bill provides that warnings shall be given until June 30, 1984. After that date, a person who violates this section is guilty of a petty offense with a maximum fine of \$50.00. Any monies collected from such fines shall be deposited in the Child Passenger Restraint Fund. The Fund shall be administered by the Department of Economic Security and shall be used to buy child restraint devices which will then be loaned to indigents who have children subject to this Section. No fine may be imposed if a sufficient showing is made by the defendant that a restraint device has been acquired. The bill provides that prior to the release of a newly born child from a hospital, the hospital in conjunction with the attending physician, shall provide the parents with a copy of this Section and with information about child restraint loaner programs.

The bill provides that no vehicle shall be stopped by a law enforcement officer solely for the purpose of enforcing this Section. The bill also provides that evidence of a violation of this Section is not admissible as evidence in a judicial proceeding other than one for a violation of this Section. Finally, exemptions from the provisions of this bill are prescribed.

H.B. 2351 - Chapter 279 (Driving while intoxicated)

This bill makes several changes in statutes relating to driving while intoxicated. The bill provides that the Department of Transportation's compliance with statutory mailing provisions is deemed sufficient notice of a license suspension or revocation, for the purpose of a criminal prosecution for an offense committed while driving with a suspended, cancelled, revoked, or refused license. The bill provides that the fact that a license expires during a period of suspension or revocation does not invalidate or terminate the suspension or revocation. The bill defines "license" to include the Arizona driving privileges of an out-of-state driver. The bill extends the period for consideration of a second or subsequent DWI offense to five years. The bill increases the period of license suspension for a non-aggravated first DWI offense to ninety days, but allows the final sixty days to be served on a restricted license providing for travel between work and home. The bill provides standards for admissibility of breath tests. Finally, the bill provides that minimum security confinement facilities may be established to incarcerate DWI offenders.

H.B. 2352 - Chapter 280 (Supplemental appropriation; vehicle emissions)

This bill makes a supplemental appropriation, for fiscal year 1982-1983, in the amount of \$861,000 from the emissions inspection fund to the Department of Health Services for conducting vehicle emissions inspections.

H.B. 2394 - Chapter 301 - ~~Number plates; manufacturing standards~~
(Now: Arizona corporation commission; motor vehicle
division; rules; public service corporation)

This bill provides that the Motor Vehicle Division, in determining reasonable rules, shall give due consideration to the nature of the operations and regulation of public service corporations.

H.B. 2407 - Chapter 265 (Vehicle size limits)

This bill revises statutes relating to vehicle size limits in order to conform to the federal laws established by the Surface Transportation Assistance Act of 1982. The bill provides that all trailers or semitrailers which do not meet the new length requirements may continue to operate in Arizona if such trailer or semitrailer was registered in this state as of December 1, 1982. The bill contains an emergency clause.

H.B. 2412 - Chapter 106 ~~Fleet registration; intrastate vehicles~~
(NOW: Fleet registration of vehicles)

This bill provides that a person may register a fleet, of one thousand or more marked vehicles, on an annual basis so that the registration for all vehicles in the fleet expires in the same month. The bill provides for a permanent registration card and a permanent validating sticker for each vehicle in the fleet. The bill prescribes definitions, registration requirements, a \$100.00 filing fee, and the distribution of vehicle license taxes. Finally, the bill prescribes the procedure for new fleet registration, for additions to a fleet, and for renewal of fleet registration.

H.B. 2427 - Chapter 107 (Toll road study commission)

This bill establishes a toll road study commission to evaluate the feasibility of establishing a toll road authority and a toll road system in this state. The bill prescribes the membership composition and the powers and duties of the Commission. The Commission may utilize personnel employed by the legislature, including legislative council, for staff services and may hire consultants as necessary. The Toll Road Study Commission is established beginning on the effective date of this act and terminates on December 5, 1983.

S.B. 1008 - Chapter 165 (Highway construction program; formulation)

This bill eliminates the transportation priority planning committee and transfers its duty of developing the five year highway construction program to the Director of ADOT and a departmental committee. The responsibilities which were transferred include the following:

1. Recommend transportation construction priorities based on physical and social criteria;
2. Update and prepare the 5-year construction program;
3. Review any priority changes in the 5-year plan;
4. Study new projects to be proposed or adopted into the 5-year plan;
5. Review the adopted 5-year plan throughout the year and make recommendations.

The bill also provides that the Transportation Board shall prescribe rules and regulations for the effective administration of its powers, duties, and responsibilities.

S.B. 1014 - Chapter 108 (Motor vehicle taxes; school buses)

This bill exempts from commercial gross weight fees any privately owned motor vehicle which is used exclusively as a school bus under a contract with a school district. If the vehicle is temporarily operated for purposes other than as a school bus, the owner shall pay a monthly weight fee equal to one-tenth of the annual weight fee prescribed by Section 28-206 for each month that the vehicle is so operated.

The bill also establishes a separate classification of motor vehicles, for vehicle license tax purposes, consisting of privately owned motor vehicles which are exclusively operated as school buses. The annual license tax rate for such a vehicle is four dollars for each one hundred dollars in value. During the first twelve months of the life of the vehicle as determined by its initial registration the value is 1% of the manufacturer's base retail price of the vehicle. During each succeeding twelve month period the value of the vehicle is 15% less than the value of the preceding twelve month period. The minimum amount of the license tax shall be \$5.00 per year. If the vehicle is temporarily operated for purposes other than as a school bus, the owner shall pay a vehicle license tax equal to one-tenth of the annual vehicle license tax provided for by Section 28-1591 for each calendar month that the vehicle is so operated in this state.

S.B. 1053 - Chapter 110 (Single trip fuel tax payment)

This bill allows the single trip motor carrier to pay the use fuel tax by purchasing a single trip use fuel permit rather than paying the tax directly at the pump. A user who purchases a single trip permit may purchase a maximum 300 gallons of use fuel without direct use fuel tax payment at the pump. The single trip user is required to sign and submit a copy of the permit to the use fuel vendor to verify the transaction. The permit is valid for ninety-six hours.

The bill also exempts sales of use fuel, to holders of single trip use fuel tax permits, from other sales and use taxes.

S.B. 1091 - Chapter 64 (Daily remittance of license tax)

This bill provides that the county treasurer shall, within five days of the close of each business day, distribute 31.5% of the vehicle license tax monies collected that day to the State Treasurer. The monies are to be placed in the Highway Users Revenue Fund. The bill makes the same provision if the Director of the Department of Transportation acts as the registering officer.

S.B. 1093 - Chapter 172 (Driver's license; renewal date)

This bill provides that the Motor Vehicle Division shall issue drivers' licenses which are valid for four years instead of the current three year license. MVD is authorized to continue to issue some three year licenses in order to facilitate the conversion. The application fee for an operator's or motorcycle license is raised to \$7.00. The fee for a chauffeur's license is raised to \$10.00. Finally, the bill provides for joint renewal of an operator's and motorcycle license (the fee is \$7.00), or joint renewal of a chauffeur's and motorcycle license (the fee is \$10.00).

S.B. 1095 - Chapter 65 (Aviation fund monies; investments)

This bill provides that the State Treasurer may invest inactive deposits of the State Aviation Fund in certain bonds or notes. All interest earned on Aviation Fund monies shall be credited to the Fund.

S.B. 1097 - Chapter 66 (Driver's licenses)

This bill makes changes in statutes relating to driver's licenses. The bill requires the signature of the parent or legal guardian for a motorcycle license or an endorsement to change license class for a person under 18 years of age. The bill provides that the Department of Transportation

shall maintain records for five years. ARS 28-691 and ARS 28-446 both deal with the refusal to take the implied consent test to determine the alcoholic content of the blood. This bill strikes the language relating to implied consent in ARS 28-446 and provides for a hearing procedure in ARS 28-691 to determine whether the driver's license should be suspended for refusal to submit to the test. Finally, the bill provides that a court shall not transmit records of conviction under ARS 28-702.01 (driving between 55 and 65 miles per hour) to the Motor Vehicle Division.

S.B. 1098 - Chapter 25 (Motor vehicle division; safety amendments)

This bill prescribes technical and administrative changes to laws that deal with transportation safety. The bill requires that an applicant for a chauffeur's license pay a \$12.00 fee to the Department of Public Safety to reimburse the Department for the cost of obtaining the applicant's criminal history record.

The bill prescribes that school bus drivers complete a refresher course once every two years rather than twice each year. The requirements for portable reflector units to be carried on certain vehicles at night are revised to meet federal standards. The bill exempts a tow truck that is towing a disabled vehicle from the 80,000 pound maximum gross weight limit. The bill provides that a permit may be issued, subject to Department rules and regulations, to move a mobile home on the highway. There is a provision which allows the Department to cover the cost of review and analysis of requests for overdimensional and overweight load permits. The bill also revises the definition of hazardous substances as it relates to financial responsibility requirements. Finally, the bill makes conforming and technical changes.

S.B. 1099 - Chapter 245 (Vehicles; overweight loads)

This bill makes several changes in statutes relating to overweight vehicles and gross weight fees. The bill prohibits a proportionally registered fleet operator from using the milage percent factor when reregistering an over registered weight truck. The bill provides that an unregistered vehicle is deemed to have a gross weight of one pound for the overweight fine statute. The bill provides the Motor Vehicle Division with authority to collect prior year gross weight fees for a vehicle which was operated on the highways of this state but was unregistered.

The bill also provides that the presumption that the weight of a vehicle and its load is lawful (the weight ticket as prima facie evidence) may be rebutted by the weight of the vehicle and load as shown by the Department of Transportation's stationary scale or a public weighmaster scale. Finally, the bill provides that the Director of ADOT may make an additional assessment of motor carrier taxes due if an audit indicates that the weight of a vehicle, used in computing the motor carrier tax, is low.

S.B. 1101 - Chapter 173 (Use fuel; permits; licenses; fee)

This bill makes several changes in the use fuel tax statutes. The bill raises the fee for a single trip use fuel tax permit from \$12.00 to \$15.00 (for over fifty miles) and from \$3.00 to \$3.75 (for fifty miles or less). The bill provides that a single trip permit for a certain route (entering or exiting the state at Black Rock and Teec Nos Pos) is valid, even if the vehicle exits and re-enters this state during the trip. The bill provides that the registrant of a use class vehicle is responsible for obtaining the use fuel license. In the case of a leased vehicle, a written lease agreement shall specify which party is responsible for obtaining the use fuel tax license. The bill provides for a special thirty day use fuel tax permit for certain vehicles. The fee for the permit is \$30.00.

The bill also provides that the Director of ADOT may permit a person who is required to furnish a bond for both the motor carrier tax and the use fuel tax to furnish a single bond to cover both liabilities. The Director may reduce or waive the bond upon good cause. Finally, the bill provides that the statute of limitations is tolled until those records which are demanded are provided.

S.B. 1183 - Chapter 180 - ~~Child passenger restraint system; use~~
(NOW: Exclusion of certain local street and highway revenues)

This bill delays for one year, to fiscal year 1984-1985, the requirement that a county, city, or town must expend local revenues (other than Highway User Revenue Fund or Local Transportation Assistance Fund distributions) for street and highway purposes in an amount at least equal to the average amount of local revenues expended for street and highway purposes for four of the immediately preceding five fiscal years. Beginning with fiscal year 1984-1985, this requirement must be met if the county, city, or town is to receive any amounts from the Highway User Revenue Fund in excess of the amounts distributed for fiscal year 1969-1970.

The bill also provides that in the event of the division of a county into two or more new counties, the Auditor General in conjunction with the new counties shall develop methods of determining the information needed to satisfy the preceding requirements and shall submit the various methods to the Legislature on or before December 31, 1983.

S.B. 1188 - Chapter 70 (Lightweight vehicles; reduction of tax)

S.B. 1188 allows the operator of a lightweight motor vehicle (12,000 to 26,000 pounds) to receive a 30% reduction of the motor carrier tax, if the vehicle is operated without a load at least 45% of the time. In order to qualify for the reduced motor carrier tax, the operator of the lightweight motor vehicle must prequalify with the Motor Vehicle Division before registration of the lightweight motor vehicle.

The bill also allows the 30% motor carrier tax reduction for operators of vehicles that are used only for transporting agricultural products (as defined in the bill). A motor carrier who is applying for this reduced motor carrier tax shall maintain a record of total miles traveled during a reporting period. The Director of the Department of Transportation shall compute the motor carrier tax based on all miles traveled. To qualify for the reduced motor carrier tax for agricultural vehicles, one must prequalify with the Motor Vehicle Division before registration of the vehicle.

S.B. 1248 - Chapter 186 (Local transportation assistance fund; use)

This bill provides that a city or town may authorize the use of up to 10% of local transportation assistance fund monies for nonresidential outpatient programs or services for developmentally disabled persons who have never resided in a facility established and maintained by the Arizona Department of Developmental Disabilities. The monies must be matched equally by nonpublic monies which are expended for the same purposes. The provisions of this bill are not applicable in a fiscal year when the total distributed from the local transportation assistance fund is less than twenty-three million dollars. This act is effective retroactively to July 1, 1983.

S.B. 1292 - Chapter 80 (Technical advisory committee; membership)

This bill changes the membership composition of the Technical Advisory Committee. Two of the three representatives from the road building industry are replaced by one representative from the financial sector and one representative from general business.

S.B. 1293 - Chapter 55 (Manufacturer's vehicle test plate)

This bill provides for laden vehicle test plates for three classes of vehicles being tested by manufacturers. The plates are to be issued for motor vehicles (over 26,000 pounds), lightweight motor vehicles (more than 12,000 pounds, but not more than 26,000 pounds), and vehicles that weigh 12,000 pounds or less. The fees for the plates are \$1,070, \$253, and \$36, respectively. The bill provides that these plates may be transferred from one vehicle to another vehicle in the same weight class during the year for which the license fee is paid.

S.B. 1294 - Chapter 251 (State motor vehicle; designation)

This bill provides that all motor vehicles owned or leased for a period of one year or more by the state or any of its political subdivisions shall bear the designation of the state or political subdivision and the designation "for official use only." The designations shall be in a visible manner in accordance with rules adopted by the Department of Administration or as determined by the political subdivision.

S.B. 1336 - Chapter 254 (Failure to register vehicle; fine)

This bill provides that the fine for failure to register a motor vehicle, trailer, or semitrailer in this state shall be in the amount of \$500.00, except that on proper presentation of evidence of registration within thirty days of the date the vehicle was required by law to be registered, the fine shall be fifty dollars. This provision applies to both residents and nonresidents if the vehicle is required by law to be registered in this state.

S.B. 1352 - Chapter 81 (Vehicles; registration; multiple car owners)

This bill provides that a person who owns three or more vehicles may be allowed to register or reregister such vehicles for less than one year so that the motor vehicle registration of such vehicles expires on the same date. The bill provides that the registering officer shall prorate the registration fee of such vehicles. The bill also provides that the registration date for a vehicle may not be delayed to cause a decrease in the vehicle license tax. The provisions of this bill do not apply to commercial vehicles with a gross weight over 10,000 pounds or to a motor vehicle rental or leasing agency.

S.B. 1363 - Chapter 191 - ~~Weight distance tax; reduction~~ (NOW: Certain vehicle registration fees; special fund investment)

This bill provides that one dollar of each title fee and two dollars of each late registration penalty, collected by a county assessor who is acting as an agent of the Motor Vehicle Division, shall be remitted to the county treasurer of the county in which the fee is collected. The monies collected shall be placed in a special fund for the use of the assessor in carrying out the duties imposed upon him by this article. The bill makes the same provisions when the Director of the Arizona Department of Transportation acts as the registering officer. Finally, the bill provides that the county treasurer may invest inactive monies of the special fund in certain bonds and notes and that all interest earned shall be credited to the special fund.

This bill contains an emergency clause.

W A Y S & M E A N S

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H.B. 2003 - Chapter 4 (Taxation; payment dates)

At the outset of the first regular session of the thirty-sixth legislature, the major issue was the need to meet a projected \$220 million "deficit." A package of legislation was passed comprised of budget reductions and acceleration of tax collections. H.B. 2003 contained the following changes in the Arizona tax code:

- a. Insurance premium taxes will be filed on a quarterly basis in the case of a taxpayer with an annual liability of \$2000 or more. Taxpayers with an annual liability of less than \$2000 would continue to pay on an annual basis.
- b. The sales tax and use tax payment due dates were changed from the first day of the second month following the month of collection to the twentieth day of the first month following the month of collection.
- c. In order to be allowed an extension for filing of an income tax return, a taxpayer must pay 90% of the tax liability on or before the tax due date.
- d. Income tax withholding payment dates are conformed to the federal payment dates in the case of employers with an average of more than \$1500 in withholding liability over the preceding four quarters. All other employers would continue to pay on a quarterly basis.
- e. Corporations with an annual Arizona income tax liability of \$1000 or more are required to make state estimated income tax payments in the same manner as estimated payments are made to the federal government. No corporate estimated payments will be required during the second half of the 1983 calendar year.
- f. For the 1983 and 1984 tax years only, individuals making \$10,000 or more in annual federal estimated income tax payments are required to make state estimated income tax payments. The payment amount is either 10%, 15% or 20%, at the taxpayer's option, of the federal estimated income tax payment. Income which is exempt from Arizona taxation is excluded in determining the federal \$10,000 "threshold."
- g. Interest rates on delinquent taxes are conformed to the federal delinquent tax interest rate.

- h. State income tax withholding is imposed on track and lottery winnings at an amount equal to 20% of the federal withholding amount. The federal government begins withholding if track winnings are 300 times greater than the wager price (e.g., \$600 winnings on a \$2 ticket) and if lottery winnings are of \$5000 or more. Additionally, if a taxpayer's lottery winnings exceed \$5000, the amount over \$5000 will now be subject to state tax.

The total revenue which is available for the 1982-83 fiscal year as a result of this legislation is estimated to be \$139.4 million.

This bill was an emergency measure.

H.B. 2073 - Chapter 34 (Appraisal date of centrally assessed property)

This bill clarifies the date (January 1) for which the full cash values of centrally assessed property are determined for a tax year. Centrally assessed property (property assessed by the Department of Revenue) includes mining property, utilities, telegraph and telephone companies, and flight property. Specifying the date will help clarify that appeals of the assessment cannot be based on business or financial events occurring after January 1.

H.B. 2074 - Chapter 35 (Flight property tax assessment ratio)

This bill changes the property classification of flight property from class 1 to class 7. The need for this change arose from federal statute changes in 1982 forbidding states or their taxing jurisdictions from taxing flight property at a higher average assessment ratio than other commercial or industrial property. In 1983, the assessment ratio of class 1 properties is 38%. The class 7 assessment ratio is estimated to be 30%.

This bill has an emergency clause.

H.B. 2130 - Chapter 3 (Financial emergency fund monies)

This bill transfers any lottery monies in the Financial Emergency Fund to the State General Fund, and requires that for the duration of the 1982-1983 fiscal year all monies which normally would have been deposited in the Financial Emergency Fund be deposited instead in the State General Fund:

This bill has an emergency clause.

H.B. 2153 - Chapter 94 (Refund church property tax)

This bill requires counties to refund property taxes erroneously paid by tax-exempt churches or educational institutions in 1981 or 1982. Within ninety days of the effective date of this act, the church or institution shall submit a claim for a refund to the county treasurer who shall within sixty days pay the claim. It requires counties to correct its tax rolls and accounts and to transmit notice of the correction to the various taxing jurisdictions. In the case where monies have already been transmitted to the political subdivisions, the treasurer will credit the accounts of these entities with a refund in the next accounting period.

Any accrued property taxes, penalties, or interest owed by a church or educational institution for the tax years 1980, 1981, or 1982 are forgiven and will be struck off the tax rolls of the county treasurer.

This bill has an emergency clause.

H.B. 2176 - Chapter 298 - ~~Crimes against elderly or handicapped~~
(Now: Withholding tax rate)

This bill, along with H.B. 2331, constitutes a temporary tax increase for the 1983-84 fiscal year in order to meet a projected revenue shortfall.

Beginning on June 1, 1983, the state sales tax rate on retail sales will increase from the current 4% to 5%. This increase, which expires June 30, 1984, will provide an estimated \$116.8 M in revenues for the fiscal year.

Another provision of this bill provides that beginning January 1, 1984, the minimum percentage of state withholding (the percentage being a percentage applied against federal withholding amounts) for income taxes will be increased from 10% to 15% for individuals with an annual wage and salary of \$15,000 or more. The estimated revenue available in the 1983-84 fiscal year resulting from this change is \$36.0 M.

Finally, this bill provides for an additional \$25 M to be distributed to the Arizona counties during the 1983-84 fiscal year. Of the \$25 M, Maricopa County will receive \$8 M, Pima County will receive \$5 M, while the remaining amount of \$12 M will be distributed to the other Arizona counties based on the current sales tax distribution formula.

This bill has an emergency clause.

H.B. 2243 - Chapter 8 (Delinquent assessment notices; extension)

This bill provides an eighteen day extension to the February 1 deadline for county assessors to notify property owners of their property's full cash valuation. It also extends the deadline for filing appeals of the assessment, from February 25 to March 4.

It has an emergency clause, is retroactive to February 1 of this year, and is effective only for the 1983 tax year.

H.B. 2262 - Chapter 204 (Excess primary property tax monies)

This bill will allow the inclusion of property taxes collectable from "escaped" properties (properties which escaped assessment and, therefore, are not on the tax rolls) in the primary property tax levy limit. Additionally, the estimated assessed valuation of the "escaped" property must be included in the levy limit computation. In this way, there will be no effect on the final tax rate of the jurisdiction.

The bill also contains some clean-up of language relating to the maximum primary property tax levy limit which has no effect on the substance of the calculation.

This bill has an emergency clause.

H.B. 2278 - Chapter 277 (Attorney general; debt collection)

This bill provides for employment or retention of out-of-state counsel by the Attorney General in order to collect debts owed to the state or any of its entities.

The bill establishes a collection enforcement revolving fund, administered by the Attorney General, which will be used for expenses incurred in collecting debts. Thirty-five percent of any collected funds will be credited to this fund. The remaining sixty-five percent will be credited to the general fund or the specific fund to which the debt collected was owed. Monies left in the fund at the end of the fiscal year in excess of \$100,000 will be distributed on a pro rata basis to the specific funds for which the debts were collected.

The bill requires that periodic reports be submitted to the Attorney General by the various state agencies listing outstanding debts.

H.B. 2294 - Chapter 318 - Law printing revolving fund (NOW: Treasurer's warrant note redemption fund)

This bill revises the mechanism used to issue Treasurer's Warrant Notes. These revisions will make notes more marketable and acceptable as financial securities for use by federally chartered banks and financial institutions. The bill prescribes the form, maturity term (no greater than 90 days), and redemption procedures for the notes. The fixed rate of interest upon the notes will be established by the Treasurer within the limits set by the State Loan Commission. With the approval of the State Loan Commission the Treasurer may appoint "paying agents" to facilitate the redemption of notes; he may also enter into agreements with banks or savings and loan associations to institute a system of issuance of notes by these financial institutions.

This bill also establishes a Note Redemption Fund. The monies in the Fund, which are diverted from the general fund in a negative cash flow situation, are held to pay the principal of and interest on outstanding notes, along with associated costs. When all outstanding notes have been redeemed, the remaining monies in the Fund will be transferred back to the general fund and the normal flow of state revenues into the general fund will resume.

This bill has an emergency clause.

H.B. 2331 - Chapter 299 - Security guards (NOW: Temporary business transaction tax; exceptions)

This bill, along with H.B. 2176, constitutes a temporary tax increase for the 1983-84 fiscal year in order to meet a projected revenue shortfall.

Beginning January 1, 1984, and ending May 31, 1984, the state sales tax rates on all non-retail sales tax categories will be increased 25%. On a 4% tax rate this would translate into a 5% total tax rate. The non-retail sales tax categories are as follows:

- Non-metalliferous mining
- Oil and gas production
- Publishing/printing
- Rental of real property
- Rental of personal property
- Amusements
- Advertisements

- Wholesale feed
- Utilities
- Restaurants/bars
- Rails/aircraft
- Transporting/towing
- Private car/pipelines
- Communications
- Contracting

This temporary increase will provide an estimated \$45.5 M in revenue for the 1983-84 fiscal year.

H.B. 2385 - Chapter 162 (Economic estimate commission; annexation adjustments)

The Economic Estimate Commission estimates and revises the population count of political subdivisions in order to compute expenditure limitations. This bill requires the Commission, along with the Department of Economic Security, to compute the expenditure limitation of a subdivision in a manner which reflects changes in population due to annexations.

S.B. 1012 - Chapter 85 (Income tax checkoff; child abuse)

This bill requires the Department of Revenue to provide a space on the state income tax return form (single and joint returns) to allow taxpayers to designate a voluntary contribution from his tax refund for the child abuse prevention and treatment fund. The Department of Revenue, after covering initial administrative costs, will forward the collected funds to the Treasurer's office. Once the fund exceeds six million dollars, the Department of Revenue will eliminate the checkoff. The taxpayer may elect a two dollar (single return) or a four dollar (joint return) contribution which may be taken as a deduction in that year. The bill is retroactive to tax years beginning with 1983 and has a delayed repeal effective on December 31, 1987.

S.B. 1013 - Chapter 167 (Income tax refund setoff; debts)

S.B. 1013 requires the Department of Revenue to establish a liability setoff program for the purpose of utilizing state income tax refunds to satisfy debts owed to the state.

This bill allows agencies of the state to submit to the Department of Revenue, before November 1 of each year, the names of debtors and the amounts owed by each. The Department will then compare those names submitted against all taxpayers receiving refunds, notifying the respective agency of any match and requesting final confirmation of the debt. Providing the debt still exists, the Department will then notify the taxpayer of the state's intention to setoff the debt against the tax refund. The taxpayer then has thirty days to appeal the setoff, in which case the setoff will be suspended pending the outcome of the appeal. In the event no appeal is requested, the Department would utilize the tax refund to satisfy the debt. In the case of a refund which is held in error, the respective agency shall reimburse the taxpayer for the amount, along with accrued interest on the amount held.

This bill also authorizes the Department of Revenue to establish a revolving fund to administer the liability setoff program, and to collect a reasonable fee from agencies utilizing the program.

S.B. 1070 - Chapter 244 (Tax appeals; notice; findings)

S.B. 1070 prescribes procedures by which the State Board of Tax Appeals shall notify the public of equalization hearings.

The bill specifies that notification by newspaper must begin at least fifteen days prior to and end no earlier than five days before the scheduled hearing. The bill also requires notification, by certified mail, to the Governor, Attorney General, President of the Senate, Speaker of the House of Representatives, the Director of the Department of Revenue, and the relevant county assessor(s). The Board shall also provide notification of hearings throughout the calendar year to persons submitting a request. The request shall be accompanied by the payment of a fee. Finally, S.B. 1070 requires the Board, in the event of a decision to issue an order to equalize valuations, to include within the order the specific factual grounds on which the order is to be based and to describe in detail the inequities that the order is intended to correct.

S.B. 1107 - Chapter 230 - ~~School business officials, certification~~
(NOW: Tax exemptions for state government)

This bill waives any transaction privilege or use tax liability amounts, or any affiliated excise tax amounts, unpaid or paid under protest as of January 1, 1983, by an agency of the state of Arizona.

This bill has an emergency clause.

S.B. 1149 - Chapter 247 (Internal revenue code; state application)

S.B. 1149 is the annual income tax conformance bill which incorporates changes made by Congress to the Internal Revenue Code (under the Tax Equity and Fiscal Responsibility Act of 1982) into the State Income Tax Code. The changes to the federal code that effect Arizona gross income are those that impact on federal adjusted gross income on individual returns and federal taxable income on corporate returns. The amounts entered on those two lines of the federal return are transferred to the Arizona return and used as the starting point in the calculation of Arizona taxable income. This bill also includes the changes made in the federal estate tax code into the Arizona estate tax code.

S.B. 1154 - Chapter 313 - ~~retirement system; investments~~ (Now: Payments in lieu of property taxes subject to injunction)

This bill results from an ongoing court case between the Santa Fe and Southern Pacific Railroads and the State of Arizona. These two railroads requested and received an injunction enjoining the collection of second half property taxes.

The purpose of this bill is to allow the railroad companies to enter into an agreement to make payments in lieu of property taxes to school districts in order to avert potentially severe financial problems in districts where there is a heavy reliance on railroad property tax receipts. The in lieu payment method is utilized so that the payments will not affect the court case.

If the railroad companies are successful in their lawsuit, the school districts will be required to refund any excess payments, including in lieu payments.

The bill was an emergency measure.

S.B. 1155 - Chapter 115 (Disclosure of tax information)

This bill provides the Department of Revenue with specific statutory authority to share confidential information with the Bureau of Alcohol, Tobacco and Firearms, a division of the Department of the Treasury, or any other federal or state agency which through written agreement provides information exchange privileges with the Department of Revenue. The Department of Revenue presently shares confidential information with the Internal Revenue Service, another division of the Department of the Treasury. The Department of Revenue and the Bureau of Alcohol, Tobacco and Firearms have exchanged information in the past, but a specific statutory reference would clarify the legality of the exchange.

This bill also includes within the definition of "confidential" information any matters relating to unclaimed property.

S.B. 1156 - Chapter 67 (Department of revenue publications; sale)

This bill allows the Department of Revenue to charge a price for publications relating to state taxation. The price for each publication must equal the individual cost of publication and distribution. The resulting proceeds will be placed in a revolving fund.

In 1981, the Department of Revenue considered ceasing publication of the State Tax News. After much public comment the Department of Revenue decided to continue publishing the information, contingent upon their being granted authority to charge a price to cover costs. This bill grants the Department of Revenue that authority.

S.B. 1157 - Chapter 68 (Property tax exemption; disabled qualification)

Article 9, Section 2.2 of the Arizona Constitution provides that disabled people may receive a property tax exemption provided their income is within a certain level. The Constitution further stipulates that for purposes of computing their gross income the spouses' income is to be included.

S.B. 1157 corrects ARS 42-279, which provides for increased exemption levels, by ensuring that the spouses income is included in the income computation, thereby conforming the statute to the constitutional provisions.

S.B. 1159 - Chapter 287 (UDITPA)

The Uniform Division of Income for Tax purposes Act (UDITPA) provides guidelines for the taxation of taxpayers having business activities both in and out-of-state.

The proposed statute was designed to be adopted by all states in order to create uniformity in the taxation of multistate businesses, to eliminate "double" taxation (taxation of the same income by two or more states) and to eliminate taxation "voids" (lack of taxation by any state).

The major change from existing law resulting from the adoption of UDITPA would be the treatment of intangible income. Intangible income is primarily from interest, dividends, rents and royalties. Under the current law intangible income is completely exempt from Arizona taxes if the company's headquarters are located outside the state, but included in Arizona taxable income if the company's headquarters are located in the state. Under UDITPA, intangible income would be treated the same if the company's headquarters are located in Arizona. For those businesses not headquartered in this state, certain intangible income will be subject to Arizona tax on the basis of business apportioned to this state.

The bill also provides for a new state corporate capital gains tax at a rate of 6.4% effective for tax years beginning January 1, 1986.

S.B. 1199 - Chapter 290 (Abatement of personal property taxes)

This bill prescribes conditions and procedures for the removal of uncollectable property taxes from county tax rolls. It provides for the issuance of a certificate of clearance by the county treasurer when property taxes are delinquent and the owner and property are not locatable. It also provides for the reinstatement of the tax, including interest and penalties, when the property or owner is located.

S.B. 1246 - Chapter 185 (Luxury tax on controlled substances)

This bill levys a luxury tax upon the sale of cannabis and other controlled substances. A tax of ten dollars is levied upon each ounce of cannabis in any form, while any other controlled substance regulated under Title 36, Chapter 27, has a tax of one hundred twenty-five dollars on each ounce and at a proportionate rate for any greater or lesser quantity than one ounce.

This bill also requires dealers of these controlled substances to acquire a license for the sale of these substances from the Department of Revenue, the fee for which is one hundred dollars. Individuals registered under Title 36, Chapter 27 to manufacture, distribute, dispense, or use controlled substances for scientific purposes, or exempt from registration under Section 36-2522 are not subject to the luxury tax or sales tax license.

The bill stipulates that application and/or payment of any fees to the Department of Revenue concerning the sales license or luxury tax upon these controlled substances is confidential information and could not be released to any individual or agency except for tax purposes. This provision protects the constitutional rights to privacy of individuals registering with the Department of Revenue.

The bill finally stipulates that the Department of Revenue and the Department of Public Safety would notify one another for purposes of tax verification and/or criminal prosecution only in the case where either Department becomes aware of an individual in actual possession of a controlled substance. The fact that an individual has applied for a sales license, or has purchased tax stamps for the controlled substance is confidential information, and could not be released to the Department of Public Safety to facilitate criminal prosecution.

S.B. 1302 - Chapter 315 - ~~Statewide revaluation of property~~
(Now: Valuation of property)

This bill requires that assessors report to the Department of Revenue, by October 1 of each year, any parcel of property where the annual change in full cash value has not increased by a percentage equal to, or greater than, the average increase in other property values in the same property use category. Additionally, the following changes are made in the valuation assessment notification process:

1. The deadline for the assessor's initial notification to a taxpayer of full cash value of property is extended an additional fifteen days to February 15.
2. The deadline for initial notification of value may be extended to March 1 upon approval of DOR.
3. The property owner appeal deadline is changed from February 15 to within fifteen days of the mailing date of the notice.
4. The final ruling by the assessor is due by April 1.

This bill also removes the statutory requirement that notice of increased valuation resulting from an omission or error in the assessment roll be sent by certified mail.

The final provision of the bill relates to the filing of an affidavit of legal value with the Department of Revenue upon the sale of real property. This bill revises the information required on the affidavit to include the method of financing the sale, including the amount of down payment and the interest rate and terms of the mortgage. Also required to be included on the affidavit is a description and the estimated market value of personal property in excess of 5% of the total sales price. The inclusion of this information on the affidavit will enable the Department to more accurately assess the true market value of real property sold in the state. In order to protect the privacy of the parties involved in the sale, the bill provides that any information provided as to the financing of the sale is confidential information and is not available to the public. Failure to complete the affidavit or falsifying data on the affidavit is a class 2 misdemeanor.

S.B. 1309 - Chapter 121 (Livestock sales tax exemption)

This bill clarifies an ambiguity in the Arizona transaction privilege tax and excise tax statutes relating to the taxation of livestock sold at auctions. The change ensures that these transactions are not subject to tax.

S.B. 1356 - Chapter 125 (Out-of-state tax collection)

This would allow the Department of Revenue to enter into contractual arrangements with private collection agencies to collect unpaid transaction privilege taxes, income taxes, penalties, and interest due from nonresidents. A portion of the amounts collected, to be prescribed by rule by the Department of Revenue at a later date, would then be deposited into a special collections fund to be used to pay contract and court costs. The remainder of the amounts collected would then be allocated as prescribed by statute. Monies remaining in the special collections fund are not subject to reversion at the end of the fiscal year.

S.B. 1358 - Chapter 316 (Emergency telecommunications services tax)

This bill authorizes the levy and collection of an excise tax on local telephone and telecommunications charges for the purpose of providing statewide emergency telecommunications services.

This bill requires the Director of the Department of Administration to recommend to the Joint Legislative Tax Committee the amount of excise tax needed for the coming fiscal year; the JLTC is then required to fix the rate no later than June 15 of that year. The Director is also required to administer an Emergency Telecommunication Services Tax Revolving Fund and at least quarterly review and approve requests by political subdivisions for payment for operating emergency telecommunication services. The Revolving Fund is to be used for all administrative, capital and maintenance and operating costs associated with the implementation and maintenance of the system. At the end of each fiscal year any unexpended monies in the Fund are to be carried over to offset the following year's levy.

The tax levied will be collected by a provider of local telephone or telecommunications services for customers receiving telephone or telecommunications services and at a rate not to exceed one-half of one percent of the amount charged to the customer. The provider is required to remit the monies collected to the Department of Revenue, together with an informational return prescribed by the Department on a monthly basis. The Department is then required to remit the funds to the Emergency Telecommunications Services Tax Revolving Fund.

The bill stipulates that any monies held by the Corporation Commission intended for use in establishing or maintaining an emergency services telecommunications system are to be transferred to the Emergency Telecommunications Services Revolving Fund established by this bill by December 31, 1983.

This bill has an emergency clause.

S.B. 1364 - Chapter 126 (Utilities access; sales tax exemption)

This bill provides that certain amounts paid as fees or reimbursement to a municipal water, gas, or electric utility are exempt from transaction privilege and affiliated excise taxes. These fees include development fees, which are revenues paid by developers to a city for connecting a construction site to existing utility systems. Contribution-in-aid-of-construction are revenues received as reimbursement from customers for whom property and equipment are installed to provide utility access. These fees are placed in a segregated fund for capital expansion purposes and do not constitute revenue to the utility. This legislation clarifies that these fees are not subject to taxation.

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H.B. 2117 - ~~Visitation rights; grandparents; great-grandparents~~
(NOW: Surtax on certain judgment awards)

This bill provides for a surtax to be levied on certain judgment awards. The Department of Revenue would be able to collect a tax at the rate of 50% of the gross amount paid as a judgment against the state to any resident or nonresident individual, profit or nonprofit corporation, organization, estate, trust, or partner of a partnership.

The tax imposed by this section does not apply to amounts paid pursuant to: 1) a specific legislative appropriation; 2) insurance coverage carried by this state; 3) self-insurance or risk management provisions; 4) the procedures for the award of attorney fees; 5) a refund of taxes.

H.B. 2149 - (Governmental competition with private enterprise)

This bill places in statute provisions concerning governmental competition with the private sector which were enacted as Session Law in 1981 and repeals Session Laws 1981, Sections 10, 11, 12, and 16 of Chapter 321.

This bill prohibits state agencies from engaging in activities which are also provided by private enterprise, unless clearly authorized by law, excluding administrative law and executive orders. These restrictions do not apply to:

1. The development and operation of state parks, historical monuments, and hiking.
2. Correctional industries operated by the Department of Corrections.
3. Community colleges and universities.
4. The Arizona Office of Tourism.
5. Arizona Highways Magazine
6. Printing and distributing information from an agency if an agency is authorized to do so.
7. Department of Public Safety.
8. The construction, maintenance, and operation of state transportation facilities.

This bill also prescribes restrictions on community colleges and universities in providing goods, services or facilities available from private enterprise to other than students, faculty, staff or invited guests unless they provide a valuable educational, or research experience. The State Community College Board and Board of Regents will be responsible for assuring community college and university compliance with this act.

H.B. 2210 - ~~Sex offender registration~~ (NOW: Courts and civil proceedings;
actions against state; writs)

By this act the legislature intended to clarify the law relating to procedures governing the payment of judgments against the state by providing that no writs of attachment, execution, or garnishment shall be issued to collect judgments rendered against the state.

Furthermore, the Governor would have been required to report all final money judgments rendered against the state, state officers, boards, commissions, or agencies by any court.

H.B. 2298 - (Interest rate; consumer loans)

This bill repeals the maximum rates of charge on consumer loans, and provides that the charge or interest rate may be set by contract. These contracts shall be subject to the provisions of the extortion laws.

S.B. 1056 (Strikes by public employees prohibited)

S.B. 1056 prohibits strikes by public employees in order to secure the continued availability of governmental facilities and services essential for the health, safety and general welfare of all citizens of this state.

An employee who does strike is deemed to have terminated his employment and forfeits his entitlement to civil service, tenure or merit system status, or other benefits of employment, and is not eligible to be re-employed by a public employer for one year after termination. An employee deemed to have terminated has the right to appeal the decisions in the same manner as any other termination of employment.

This bill also specifies that the setting of compensation and the determination of all other matters relating to hours and conditions of employment are considered a legislative function of the Legislature, Boards of Supervisors, school district governing boards, city and town councils and other appropriate governing authorities, and may never be abrogated or delegated.

S.B. 1077 - ~~Schools; student count records~~ (Now: Evaluation; offer of contract; dismissal) (Now: Instruction in origin of man)

This bill requires that if the origin of man is taught in a common school or high school, it be taught as theory.

The bill also allows the absences of seventh and eighth grade students to be counted in the same manner as absences for high school students. However, these absences shall be reported to the Department of Education on a full day or half day basis.

S.B. 1245 - (Levy limit resulting from division)

This bill provides for the computation of levy limits for any new political subdivisions that result from the division of an existing subdivision.

The bill stipulates that the maximum primary property tax limit for the new political subdivisions shall be based on the maximum primary levy limit of the original subdivision apportioned between the new subdivisions based on the proportionate share of assessed valuation. In this manner the total of the new subdivisions' maximum primary property tax limit will not exceed the maximum limit of the original subdivision.

S.B. 1323 - (Compensation for partial disability)

For the computation of compensation for the partial loss of use of a finger, toe, hand, foot, leg or partial loss of sight or hearing, a workman's ability to return to his occupation at the time of the injury shall not be considered in establishing the percentage of loss under this section.

SECTION IV

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