

Legislative Committee
Chair: Paula Serven

Status of Bills Reviewed by the Legislative Committee
May 30, 2019

2019 Master Bill Digest

HB2013: APPROP; AZ WATER PROTECTION FUND

Appropriates \$1 million from the general fund in FY2019-20 to the Arizona Water Protection Fund.

First sponsor: Rep. Griffin (R - District 14)
Arizona REALTOR® Position:
Monitor

Last Action: 3/13 from Senate Appropriation Committee do pass.

HB2021: BALLOT MEASURES; ONLINE SIGNATURE SUBMITTAL

The Secretary of State is required to provide a system for qualified electors to sign a petition for a statewide initiative or referendum by way of a secure internet portal.

First sponsor: Rep. Finchem (R - District 11)
Arizona REALTOR® Position:
Support

Last Action: 4/25 referred to House rules only.

HB2023: POLITICAL SIGNS; BALLOT MEASURES; TAMPERING

It is a class 2 (mid-level) misdemeanor for any person to knowingly remove, alter, deface or cover any political sign in support of or opposition to any ballot measure, question or issue. during the period beginning 45 days before a primary election and ending 7 days after the general election. For a sign for a candidate in a primary election who does not advance to the general election, the period during which political signs are allowed ends 7 days after the primary election. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Kavanagh (R - District 23)
Arizona REALTOR® Position:
Monitor

Last Action: 3/22 signed by governor. Chap. 27, Laws 2019.

HB2027: ONLINE LODGING MARKETPLACE; LOCAL TAXATION

Municipalities and other taxing jurisdictions are authorized to levy a transaction privilege or other similar tax or fee on an online lodging marketplace from any activity subject to tax under the model city tax code, with the tax base for an online marketplace being limited according to statute governing the online lodging marketplace classification of transaction privilege taxes and subject to specified conditions, including that the tax imposed on online lodging marketplaces and online lodging operators must be uniform with all other taxpayers engaging in the same activity within the jurisdictional boundaries. Previously, municipalities and other taxing jurisdictions were authorized to levy a transaction privilege or other similar tax or fee on online lodging "as provided by" the model city tax code, subject to specified conditions, including that the tax imposed was required to be uniform on online lodging marketplaces, online lodging operators, and other taxpayers "of the same class" within the jurisdictional boundaries. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Kavanagh (R - District 23)
Arizona REALTOR® Position:
Monitor

Last Action: 4/24 signed by governor. Chap. 124, Laws 2019.

HB2047: HURF DISTRIBUTION; CITIES, TOWNS, COUNTIES

Appropriates \$60 million from the general fund in FY2019-20 to the Department of Transportation for Distribution to counties and municipalities according to a specified Distribution formula. The monies distributed may be used only for street or highway projects, including construction or maintenance. AS PASSED HOUSE.

First sponsor: Rep. Cook (R - District 8)
Arizona REALTOR® Position:
Monitor

Last Action: 3/20 from Senate Appropriations Committee do pass.

HB2056: FEDERAL LAND; MANAGEMENT DEPARTMENT; COMMITTEE

Establishes the Arizona Department of Federal Land Management to provide for federal land management and facilitate the transfer of federal public lands to Arizona. The Governor is required to appoint a Director of the Dept, and powers and duties of the Director and of the Dept are listed. The Dept is required to manage each parcel of public land in Arizona to promote a list of specified issues. The Director is authorized to establish by rule applications and fees for permits and leases related to public land uses, and monies are deposited in the newly established Federal Public Land Management Fund. The Dept terminates on July 1, 2026. Also establishes an 8-member Joint Legislative Committee on Federal Land Management to study and make recommendations on the transfer of federally controlled public land to Arizona. The Committee is required to report to specified Legislative committees by November 30 of each year, and self-repeals July 1, 2027. Conditionally enacted on the Governor entering into a memorandum of

understanding with the U.S. Department of the Interior relating to the transfer or management of federal public lands by Arizona, on or before December 31, 2023.

First sponsor: Rep. Finchem (R - District 11)
Arizona REALTOR® Position:
Monitor

Last Action 4/25 referred to House rules only.

HB2084: MUNICIPAL ZONING; REZONING PROTESTS

Clarifies that the group of persons authorized to file a protest in writing against a municipal rezoning, which triggers a requirement for the rezoning to obtain a 3/4 vote of the municipal governing body for passage, is the owners of 20 percent or more of the property by area and number of lots, tracts and condominium units either within the area of the proposed change or the area within 150 feet of the proposed change, including all rights of way.

First sponsor: Rep. Kavanagh (R - District 23)
Arizona REALTOR® Position:
Monitor

Last Action: 2/26 House COW approved. FAILED to pass House 18-41.

HB2087: INVESTOR-OWNED SHORT-TERM RENTALS; LOCAL REGULATION

The list of purposes for which municipalities and counties may regulate vacation rentals or short-term rentals is expanded to include ensuring that "investor-owned" (defined) vacation rentals or short-term rentals comply with residential use and zoning ordinances if the ordinances are applied in the same manner as other property classified as class 3 or class 4 property for property tax purposes.

First sponsor: Rep. Kavanagh (R - District 23)
Arizona REALTOR® Position:
Monitor

Last Action: 1/23 referred to House Regulatory Affairs Committee, House Government Committee.

HB2097: PERSONAL PROPERTY; REPORTING; EXEMPTION

The county assessor is prohibited from requiring a person that owns or has charge or control of property that is not required to be reported as taxable personal property to apply to be exempt from the reporting requirement. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Cook (R - District 8)
Arizona REALTOR® Position:

Monitor

Last Action: 5/14 signed by governor. Chap. 225, Laws 2019.

HB2098: DELINQUENT PROPERTY TAXES; PAYMENT PLANS

A county treasurer is authorized to enter into a payment plan agreement with a taxpayer for a period of up to 36 months for paying delinquent business personal property taxes of more than \$1,000. The county treasurer is permitted to charge a fee of up to \$150 for the administrative costs of processing a payment plan agreement. AS PASSED HOUSE.

First sponsor: Rep. Cook (R - District 8)

Arizona REALTOR® Position:

Monitor

Last Action: 3/13 from Senate Appropriations Committee with amendment #4759.

HB2103: APPROPRIATION; DOR; AUDITORS AND COLLECTORS

Makes a supplemental appropriation of \$6.73 million and 106 FTE positions from the general fund in FY2019-20 to the Department of Revenue for personal services and employee-related expenditures for additional audit, compliance, collection and support staff in specified numbers and positions. By December 1, 2019 and December 1, 2020, the Dept is required to submit to the Governor and the Legislature a detailed report of the amount of tax revenues collected that is attributable to each FTE position appropriated by this legislation.

First sponsor: Rep. Espinoza (D - District 19)

Arizona REALTOR® Position:

Monitor

Last Action: 4/22 referred to House rules only.

HB2107: MUNICIPALITIES; PARKING; PUBLIC VEHICLES

Municipalities cannot prohibit a resident from parking a motor vehicle on a street or driveway in the municipality if the vehicle is required to be available at designated periods at the person's residence as a condition of the person's employment and the resident is employed by either a public service corporation or a public safety agency. Does not prevent a municipality from enforcing public health, safety and welfare requirements, including requirements relating to parking and traffic that are applied on a uniform and nondiscriminatory basis. Contains legislative findings. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Grantham (R - District 12)

Arizona REALTOR® Position:

Monitor

Last Action: 4/11 signed by governor. Chap. 73, Laws 2019.

HB2108: REAL ESTATE SIGNS; CITIES; COUNTIES

Counties and municipalities cannot prohibit an owner of real property or the owner's agent from displaying on the property and/or in an area within a public or private right-of-way a sign advertising that the property is for sale or rent, an open house, the owner or agent's name and contact information, and directions to the property.

First sponsor: Rep. Grantham (R - District 12)
Arizona REALTOR® Position:
Support with Lobbying

Last Action: 2/27 retained on House COW calendar.

HB2109: COUNTY TRANSPORTATION EXCISE TAX

If approved by a majority of the qualified electors, a county transportation excise tax must be levied and collected at a rate that, by itself or together with any tax county transportation excise tax for roads, is not more than 20 percent, increased from 10 percent, of the transaction privilege tax rate in effect on January 1, 1990 (5 percent) or of the jet fuel excise and use tax rate prescribed by statute (currently 3.05 cents per gallon). AS SIGNED BY GOVERNOR.

First sponsor: Rep. Shope (R - District 8)
Arizona REALTOR® Position:
Support

Last Action: 4/9 signed by governor. Chap. 50, Laws 2019.

HB2114: COUNTY REAL ESTATE; APPRAISALS

For the purpose of a sale or lease of county-owned property, the county board of supervisors is required to have the property appraised by a licensed or certified appraiser to establish market value for the property. If a property to be sold has no market value or a net value of \$10,000 or less, or if a property to be leased has a rental value of \$5,000 or less per month, the value of the property may be justified by a market analysis that is based on comparable sales or rentals. The board of supervisors is authorized to lease properties without public auction if the rental value of the property is less than \$5,000 per month and if other specified conditions are met, including public notice on the proposed lease and an opportunity to request a public auction. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Griffin (R - District 14)
Arizona REALTOR® Position:
Monitor

Last Action: 4/16 signed by governor. Chap. 88, Laws 2019.

HB2115: LANDLORD TENANT; STATE PREEMPTION

The regulation of the rights, obligations and remedies of landlords and tenants is a matter of statewide concern and is not subject to further regulation by a county, municipality or other political subdivision. Exempts any ordinance or code adopted by a county, municipality or other political subdivision before December 31, 2018. AS PASSED HOUSE.

First sponsor: Rep. Griffin (R - District 14)

Arizona REALTOR® Position:

Monitor

Last Action: 4/3 Senate COW approved.

HB2138: HOMEOWNERS' ASSOCIATIONS; EVAPORATIVE COOLERS

A homeowners' association cannot prohibit the installation of an evaporative cooler that is designed primarily for use as a residential cooling device.

First sponsor: Rep. Fillmore (R - District 16)

Arizona REALTOR® Position:

Monitor

Last Action: 1/28 referred to House Commerce Committee.

HB2141: PURCHASER DWELLING ACTIONS; PROCEDURES; COSTS

Various changes relating to dwelling actions filed by a purchaser. The permitted responses by the seller when a purchaser gives written notice of the basis of a dwelling action are modified. The purchaser is required to respond within 30 days after receiving the seller's response. Negotiations or offers involving monetary compensation are inadmissible in any dwelling action. The procedure for supplementing the list of alleged construction defects is modified. In a contested dwelling action filed either after the seller did not provide a written response or after the seller responded, the court is authorized to award the successful party reasonable attorney fees, expert witness fees and taxable costs. In a contested dwelling action that is filed by a purchaser after a seller completed repairs, the court is required to award the successful purchaser reasonable attorney fees, expert witness fees and taxable costs. The seller is prohibited from being reimbursed for the cost of an investigation or repair that the seller performed during a dwelling action procedure. More.

First sponsor: Rep. Shope (R - District 8)

Arizona REALTOR® Position:

Support with Lobbying

Last Action: 1/28 referred to House Commerce Committee.

HB2143: WATER; WEST BASIN ADVISORY COUNCILS

Establishes the Mohave County West Basin Water Users Advisory Council and the La Paz County West Basin Water Users Advisory Council, each consisting of 10 members. The Councils are required to analyze groundwater withdrawal data and make recommendations to the Department of Water Resources on sound groundwater management programs and policies for the basins. The Councils are each required to submit a report of its recommendations to the Governor and the Legislature by December 31, 2022. The Councils terminate on July 1, 2027.

First sponsor: Rep. Cobb (R - District 5)
Monitor

Last Action: 4/29 referred to House rules only.

HB2146: CONTRACTS; LICENSURE REQUIREMENTS; WAIVER; APPLICABILITY

In a contract between two or more private parties, a party to the contract is exempt from state law relating to licensure, certification, registration or other authorization to act under Title 9 (Cities & Towns), Title 10 (Corporations and Associations), Title 11 (Counties), Title 23 (Labor), Title 44 (Trade and Commerce) and specified portions of Title 6 (Banks & Financial Institutions) and Title 32 (Professions & Occupations), for the purposes of the contract only if a list of specified conditions applies. The conditions include that the contract specifies the laws from which the person is exempt, and that the exemption does not materially affect a third party or clearly harm or damage public health or safety. The subject of the contract is limited to \$6,000 per transaction between any two parties and \$150,000 in total aggregate profit in the previous calendar year for all parties related to the services provided in the contract. AS PASSED SENATE.

First sponsor: Rep. Rivero (R - District 21)
Arizona REALTOR® Position:
Oppose

Last Action: 6/7 signed by governor. Chap. no. awaited. message

HB2225: EXEMPT WELLS; CAPACITY

For the purpose of the groundwater code, the definition of "exempt wells" is modified to exclude wells with a maximum pump capacity of more than 20 gallons per minute.

First sponsor: Rep. Blanc (D - District 26)
Arizona REALTOR® Position:
Monitor

Last Action: 5/1 referred to House rules only.

HB2231: NONHEALTH PROFESSIONS; OCCUPATIONS; REGULATIONS

Establishes a rebuttable presumption that the public is sufficiently protected from unregulated practice by market competition and private remedies, including third-party or consumer-created ratings and reviews and private certification. The state may regulate a profession or occupation only if there is credible empirical evidence of present, significant and substantiated harm that the unregulated practice threatens the public health, safety or welfare. For a state agency that administers an occupational regulation, the sunset review report from a committee of reference (COR) is required to include a recommendation that the Legislature repeal the occupational license, convert the license to a less restrictive regulation, or instruct the state agency to seek legislation or adopt rules to reflect the COR's recommendation to impose less restrictive regulations or redefine the scope of practice.

First sponsor: Rep. Kern (R - District 20)

Arizona REALTOR® Position:

Oppose

Last Action: 3/4 FAILED to pass House 30-29.

HB2240: LIMITATIONS OF ACTIONS; DEDICATED PROPERTY

Municipalities and counties are prohibited from instituting or maintaining an action or arbitration against a person who develops or develops and sells real property or who completes other construction activities on an improvement to real property that is dedicated to the municipality or county more than eight years after the improvement to real property has been accepted by the municipality or county for ownership, operation and maintenance if the action or arbitration is based on either a municipal or county code, ordinance or other legal requirement, or a permit that is required as a condition of development. This limitation does not apply to an action or arbitration that is based on a claim of a willful, reckless or concealed violation of a municipal or county requirement. Does not limit any immunity or defense available to a municipality or county under statute. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Kern (R - District 20)

Arizona REALTOR® Position:

Monitor

Last Action: 4/9 signed by governor. Chap. 51, Laws 2019.

HB2306: TECH CORRECTION; MORTGAGE GUARANTY INSURANCE

Minor change in Title 20 (Insurance) related to mortgage guaranty insurance. Apparent striker bus.

First sponsor: Rep. Udall (R - District 25)

Arizona REALTOR® Position:

Monitor

Last Action: 5/9 referred to House rules only.

HB2313: TPT; USE TAX; SERVICE; EXCLUSIONS

For the purposes of the prohibition on new or increased taxes on services in the state Constitution, service does not include any business activity subject to tax under statutes governing transaction privilege taxes and local excise taxes before December 31, 2017.

First sponsor: Rep. Chavez (D - District 29)
Arizona REALTOR® Position:
Oppose

Last Action: 5/2 referred to House rules only.

HB2339: APPROP; AFFORDABLE HOUSING

Appropriates \$25 million from the general fund in FY2019-20 to the Housing Trust Fund.

First sponsor: Rep. Salman (D - District 26)
Arizona REALTOR® Position:
Monitor

Last Action: 5/2 referred to House rules only.

HB2357: ELECTRONIC SMOKING DEVICES (RECONSTRUCTION CONTRACTING; LOCAL TAX; EXEMPTION)

For the purposes of the Smoke-Free Arizona Act, which prohibits smoking in all public places and places of employment in Arizona, the definition of "smoking" is expanded to include the use of an "electronic smoking device" (defined) or any oral smoking device. The list of places exempt from the prohibition on smoking in public places is expanded to include retail stores that sell electronic smoking devices exclusively and that have an independent ventilation system. For the purposes of the statutes prohibiting the furnishing of tobacco products to minors, the definition of "tobacco products" is expanded to include any product that is made or derived from tobacco or that contains nicotine and that is intended for human consumption, and to include an "electronic smoking device" (defined) and any component, accessory, instrument or paraphernalia that is used in the consumption of a tobacco product, whether or not it contains nicotine. Electronic smoking devices are added to the list of tobacco products that are exempt from the prohibition on delivery sales of tobacco products. A retailer that sells, offers for sale, gives or furnishes an electronic smoking device to another person by mail or delivery service, through an internet or a computer network, by telephone or through any other electronic method is required to use an independent, third-party age verification service that establishes that the person is 21 years of age or older. A retailer that engages in the delivery sales of an electronic smoking device is required to register with the Attorney General's Office, and to include on the outside of each shipping container a specified warning of electronic smoking device age restrictions and tax liabilities in a clear and conspicuous manner. Due to voter protection,

provisions of this legislation relating to the Smoke-Free Arizona Act require the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage. AS PASSED SENATE.

First sponsor: Rep. Toma (R - District 22)
Arizona REALTOR® Position:
Monitor

Last Action 5/27 Senate adopted conference report #5178. Awaits House adoption and final vote in both houses.

HB2358: LANDLORD TENANT; PARTIAL PAYMENT; ASSISTANCE

A landlord's acceptance of a "housing assistance payment" (defined) does not constitute an acceptance of a partial payment of rent or a waiver of a landlord's right to terminate the rental agreement for any breach by the tenant. AS PASSED CONFERENCE COMMITTEE.

First sponsor: Rep. Toma (R - District 22)
Arizona REALTOR® Position:
Monitor

Last Action: 6/7 signed by governor. Chap. no. awaited. message

HB2363: TAX LIEN SALES; PROCEDURES

Various changes relating to tax lien sales. The county treasurer is required to continue the annual tax lien sale until the tax lien on each parcel has been offered for sale and no more bids are offered by purchasers, instead of until the tax lien on each parcel has been sold. The purchaser of a tax lien is required to pay the purchase price in cash at a time within 15 days after the close of the sale as determined by the county treasurer, instead of at the time of sale. If the sale has been closed, the county treasurer is authorized to prohibit a purchaser who failed to pay the amount due from purchasing tax liens from any county in Arizona for up to one year. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Toma (R - District 22)
Arizona REALTOR® Position:
Monitor

Last Action 3/22 signed by governor. Chap. 31, Laws 2019.

HB2365: TAX CREDITS; AFFORDABLE HOUSING

Establishes a credit against individual and corporate income taxes and insurance premium taxes for projects that qualify for the federal low-income housing tax credit and that are placed in service from and after June 30, 2020. The credit is equal to the amount of the federal low-income housing credit for the qualified project. To claim the credit, a taxpayer is required to apply to the

Arizona Department of Housing and receive an eligibility statement. If the amount of the credit exceeds taxes due, the taxpayer may carry the unused amount forward for up to five consecutive taxable years. The maximum aggregate credit amount is \$12 million in any calendar year. Effective January 1, 2020.

First sponsor: Rep. Toma (R - District 22)
Arizona REALTOR® Position:
Support

Last Action: 2/13 from House Ways and Means Committee do pass.

HB2371: REAL ESTATE LICENSES; NAMES (~~TECH CORRECTION; BOATING RULES~~)

Applications for an original license as a real estate broker or salesperson are required to include any derivative of the applicant's first name or middle name or a nickname that the applicant regularly uses for advertising purposes. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Toma (R - District 22)
Arizona REALTOR® Position:
Support with Lobbying

Last Action: 4/17 signed by governor. Chap. 101, Laws 2019.

HB2374: PLANNED COMMUNITIES; APPLICABILITY; RECREATIONAL CENTER

Statutes regulating planned communities applies to planned communities and associations that are incorporated or organized after 1973. Retroactive to July 17, 1994, for the purpose of those statutes, the definition of "association" is modified to exclude an organization that is created or incorporated for the sole purpose of supporting recreational activities in a real estate development. Contains a legislative intent section. Severability clause.

First sponsor: Rep. Payne (R - District 21)
Arizona REALTOR® Position:
Monitor
2/6/19 changed position to support

Last Action: 4/16 from Senate rules okay.

HB2380: RESIDENTIAL PESTICIDE MISTING SYSTEMS; PROHIBITION

A person is prohibited from installing or using any "residential automatic pesticide misting system" in Arizona. The Department of Environmental Quality is authorized to impose a civil penalty for violations in an amount determined by the Dept by rule. The Department of Agriculture Pest Management Division is authorized to take disciplinary action against a

business licensee that sells, installs, services or uses a residential automatic pesticide misting system.

First sponsor: Rep. Epstein (D - District 18)
Arizona REALTOR® Position:
Monitor

Last Action: 2/4 referred to House Land and Agriculture Committee.

HB2394: WATER EFFICIENT PLUMBING

Beginning January 1, 2020, a person is prohibited from distributing, selling or installing any plumbing fixture for use in Arizona in any new residential, commercial, industrial or public construction or for replacing plumbing fixtures in existing residential, commercial, industrial or public construction, unless the fixtures meet specified water saving performance standards. These requirements do not apply to any plumbing fixture that is documented to have been purchased by a plumbing wholesaler, retailer or end user and that is actually located in Arizona before January 1, 2020.

First sponsor: Rep. Engel (D - District 10)
Arizona REALTOR® Position:
Oppose

Last Action: 4/22 referred to House rules only.

HB2395: AUXILIARY CONTAINERS; REPEAL

Repeals statutes prohibiting counties and municipalities from imposing a tax, fee, assessment, charge or return deposit on a consumer or an owner, operator or tenant of a business, commercial building or multifamily housing property for "auxiliary containers" (defined as reusable bags, disposable bags, boxes, beverage cans, bottles, cups and containers that are made from specified materials and that are used for transporting merchandise), and from regulating the sale, use or disposition of auxiliary containers by an owner, operator or tenant of a business, commercial building or multifamily housing property.

First sponsor: Rep. Engel (D - District 10)
Arizona REALTOR® Position:
Oppose

Last Action: 5/6 referred to House rules only.

HB2396: WATER; WELL METERING; NONEXEMPT WELLS

A person who withdraws groundwater from any nonexempt well, instead of only those in active management areas, is required to use a water measuring device approved by the Department of Water Resources, unless another statutory exemption applies.

First sponsor: Rep. Engel (D - District 10)
Arizona REALTOR® Position:
Oppose

Last Action: 5/6 referred to House rules only.

HB2397: WATER ADEQUACY REQUIREMENTS; STATEWIDE APPLICABILITY

County boards of supervisors are required, instead of permitted, to adopt regulations requiring all subdivisions to either have a determination of an adequate water supply from the Department of Water Resources or obtain a written commitment of water service for the subdivision from a municipal or private water company designated as having an adequate water supply by the Dept.

First sponsor: Rep. Engel (D - District 10)
Arizona REALTOR® Position:
Monitor

Last Action: 1/30 referred to House Natural Resources, Energy and Water Committee and Government Committee.

HB2405: REGULATED WATER COMPANY; VIOLATIONS; ENFORCEMENT

a wastewater treatment facility or system or public water system that is regulated as a public service corporation by the Corporation Commission, the Department of Environmental Quality is authorized to make a written request to the Commission to take necessary corrective actions within 30 calendar days after the Dept either determines that the facility or system is out of compliance with an administrative order issued by the Dept for a violation, files a civil action against the owner or operator of the facility or system for a violation, and/or determines that an emergency exists with respect to the facility or system, and the Dept determines that the Commission taking necessary corrective actions would expedite the facility's or system's return to compliance. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Shope (R - District 8)
Arizona REALTOR® Position:
Support

Last Action: 5/25 signed by governor. Chap. 254, Laws 2019.

HB2434: COLORADO RIVER TRANSFER; LIMITATION

An irrigation and water conservation district located in a county that has formed a county water authority is prohibited from transferring fourth priority Colorado River water that is subject to the Boulder Canyon Project Act to a location outside the counties in Arizona that border the Colorado River.

First sponsor: Rep. Cobb (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action 2/13 referred to House Natural Resources, Energy and Water Committee.

HB2441: TRADE NAMES; TRADEMARKS; REGISTRATION; APPLICATION

The information required on an application for trademark registration is expanded to include a statement that the applicant has conducted a search and found that the trademark does not consist of or comprise a mark that so resembles a mark registered in Arizona or previously used in Arizona and not abandoned and that when applied to the goods or services of the applicant is likely to cause confusion or mistake or to deceive, and a statement whether the applicant previously sought to register the trademark with the U.S. patent and trademark office and if the registration was denied, the reasons for the denial. The information required on an application for a trade name registration is expanded to include a statement that the applicant had conducted a search and found that the trade name is distinguishable on the record from any other name previously filed or an existing or reserved corporate name.

First sponsor: Rep. Griffin (R - District 14)
Arizona REALTOR® Position:
Monitor

Last Action: 2/4 referred to House Commerce Committee.

HB2443: PROPERTY DISCLOSURE AFFIDAVIT; ADJUDICATION CLAIM

Modifies the affidavit of disclosure that a seller of five or fewer parcels of land in an unincorporated area of a county is required to furnish to a buyer by requiring the seller to check whether the property or the water used on the property "is" or "is not" the subject of a statement of claim for the use of water in a general adjudication of water rights, or if it is "unknown." AS SIGNED BY GOVERNOR.

First sponsor: Rep. Griffin (R - District 14)
Arizona REALTOR® Position:
Monitor

Last Action: 4/17 signed by governor. Chap. 103, Laws 2019.

HB2445: TPT; RESIDENTIAL RENTALS; NOTICE

A municipality that levies a transaction privilege or other similar tax or fee, however denominated, applied to the business of renting or leasing real property for residential purposes is required to send a notice by first class mail to each residential transaction privilege tax licensee that is licensed with the Department of Revenue and to the address of each residential rental

property that there is a new or increased rate of tax at least 60 days before the effective date of the new or increased rate of tax. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Griffin (R - District 14)
Arizona REALTOR® Position:
Support

Last Action: 4/9 signed by governor. Chap. 53, Laws 2019.

HB2449: ADEQUATE WATER SUPPLY; COUNTY REVIEW

For a county that is not in an Active Management Area, the county board of supervisors is required to review the provision for adequate water supply for a subdivision and after review may by unanimous vote at a public meeting not to readopt the provision. The review is required to occur not more than 5 years after the effective date of this legislation and every 5 to 10 years thereafter. If the board does not vote unanimously not to readopt the provision, the provision remains in effect. If the board votes unanimously not to readopt the provision, the provision has no further force if a list of specified conditions apply at the time of the vote. The board is required to give written notice of any vote not to readopt the provision to the Director of the Department of Water Resources, the Director of the Department of Environmental Quality and the State Real Estate Commissioner.

First sponsor: Rep. Griffin (R - District 14)
Arizona REALTOR® Position:
Monitor

Last Action: 2/7 referred to House Natural Resources, Energy and Water Committee.

HB2450: REAL ESTATE TRUST ACCOUNTS

If the legal name of a party involved in a real estate transaction includes the word "trust," statutes prohibiting a corporate name from including the word "trust" do not apply.

First sponsor: Rep. Griffin (R - District 14)
Arizona REALTOR® Position:
Support

Last Action: 5/6 referred to House rules only.

HB2451: REAL ESTATE LICENSURE; EXCEPTIONS; RENTALS

Real estate licensing regulations do not apply to a person who, on behalf of another, solicits or accepts reservations and/or monies for occupancies of 31 or fewer days in any dwelling unit, instead of only a dwelling unit in a common interest development. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Griffin (R - District 14)
Arizona REALTOR® Position:
Monitor

Last Action: 4/24 signed by governor. Chap. 129, Laws 2019.

**HB2463: OCCUPATIONAL REGULATIONS; LICENSES; COMMUNICATIONS;
NOTICE**

An agency is required to prominently post on the agency's website and print on a license application, a communication denying a license, a cease and desist order or any other communication in which the agency asserts that a person is required to obtain a license a specified notice stating that agencies are required to limit all occupational regulations to those that are demonstrated to be necessary to specifically fulfill a public health, safety or welfare concern, and that the person has the right to petition the agency to repeal or modify the occupational regulation or bring an action in a court of general jurisdiction to challenge the occupational regulation. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Petersen (R - District 12)
Arizona REALTOR® Position:
Monitor

Last Action: 3/22 signed by governor. Chap. 34, Laws 2019.

HB2464: WATER INFRASTRUCTURE FINANCE; MUNICIPAL APPROVAL

The requirement for a municipality to submit to the voters the question of whether to enter and perform a loan repayment agreement to repay financial assistance from the Water Infrastructure Finance Authority applies to municipalities with a population of more than 150,000 persons, increased from 50,000 persons. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Shope (R - District 8)
Arizona REALTOR® Position:
Monitor

Last Action: 3/22 signed by governor. Chap. 33, Laws 2019.

HB2467: WEST BASIN WATER USERS; COMMITTEE

Establishes a 10-member Mohave County West Basin Water Users Study Committee and a 10-member La Paz County West Basin Water Users Study Committee to analyze groundwater withdrawal data and make recommendations to the Department of Water Resources on programs and policies for the basins. Each Committee is required to submit a report of its recommendations to the Dept, the Governor and the Legislature by December 31, 2021. The Committees self-repeal on July 1, 2022. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Cobb (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 5/22 signed by governor. Chap. 243, Laws 2019.

HB2468: COLORADO RIVER TRANSFERS; EMERGENCY RULEMAKING

The Department of Water Resources is required to adopt an emergency rule to implement policies to provide for the review and advice of the Director on any negotiation or contract that affects the allocation and use of main stream Colorado River water or the allocation and use of Colorado River water delivered through the Central Arizona Project. Provisions that must be included in the rule are specified. Emergency clause.

First sponsor: Rep. Cobb (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 2/13 referred to House Natural Resources, Energy and Water Committee.

HB2469: FIRE DISTRICTRICT CONSOLIDATION, MERGER

Various changes relating to fire district consolidations and mergers. The appointed governing body of a merged fire district is authorized to take any action necessary to prevent interruption of fire protection and emergency medical services delivery. A district requesting consolidation may be temporarily operated by the consolidated district governing board to prevent service delivery interruption. After the required hearing, the governing bodies of affected district may approve a merger or may consolidate by a majority vote of each governing body and bypass the required election if specified conditions are met, including that an affected district has obtained a study of merger, consolidation or joint operating alternatives. Information on a proposed fire district merger or consolidation is required to be posted prominently on each affected fire district website. Also, a fire district must require all current and prospective employees and volunteers to submit a full set of fingerprints for the purpose of obtaining a state and federal criminal records check, instead of only probationary employees. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Cobb (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 4/24 signed by governor. Chap. 130, Laws 2019.

HB2475: WATER USE; CRIMINAL PENALTY; WELLS

Water taken through a registered well without knowledge that such water constitutes the sub flow of a river or stream, is not considered using water to which another is entitled without authority, a class 2 (mid-level) misdemeanor. AS PASSED SENATE.

First sponsor: Rep. Bowers (R - District 25)
Arizona REALTOR® Position:
Monitor

Last Action: 6/6 signed by governor. Chap. 274, Laws 2019.

HB2476: SURFACE WATER FORFEITURE; REPEAL

Repeals statutes governing future water rights acquired through appropriation and forfeiture or reversion of water rights due to nonuse.

First sponsor: Rep. Bowers (R - District 25)
Arizona REALTOR® Position:
Monitor

Last Action: 2/13 referred to House Natural Resources, Energy and Water Committee.

HB2481: TECH CORRECTION; GROUNDWATER PERMITS

Minor change in Title 45 (Waters) related to groundwater permits. Apparent striker bus.

First sponsor: Rep. Bowers (R - District 25)
Arizona REALTOR® Position:
Monitor

Last Action: 5/9 referred to House rules only.

HB2483: TECH CORRECTION; SUPPLEMENTAL ENVIRONMENTAL PROJECT

Minor change in Title 49 (Environment) related to a supplemental environmental project. Apparent striker bus.

First sponsor: Rep. Bowers (R - District 25)
Arizona REALTOR® Position:
Monitor

Last Action: 5/9 referred to House rules only.

HB2485: REAL PROPERTY DISCLOSURE; SOLAR; DISPOSAL

Modifies the affidavit of disclosure that a seller of five or fewer parcels of land in an unincorporated area of a county is required to furnish to a buyer by requiring the seller to check whether the property "does have" or "does not have" one or more solar energy devices, to check whether the solar energy devices are "leased" or "owned," and stating that if the property contains the solar energy devices, it is the buyer's responsibility to verify the proper replacement

and disposal method for the devices, as applicable. If the devices are leased, the seller is also required to disclose the name and contact information of the leasing company. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Griffin (R - District 14)
Arizona REALTOR® Position:
Monitor

Last Action: 4/24 signed by governor. Chap. 131, Laws 2019.

HB2493: APPRAISAL METHODS; SOLAR ENERGY DEVICES

When characterized as personal property, subject to any applicable constitutional exemption from taxation, a solar energy device, grid-tied photovoltaic system, and any other device or system designed to produce solar energy primarily for on-site consumption is required to be valued annually, at its "taxable original cost" (defined) as reported by the taxpayer, minus any appropriate depreciation as prescribed by tables adopted by the Department of Revenue. As the annual scheduled depreciated value for these devices and systems, the county assessor is required to use the depreciation table prescribed by the Dept for personal property with a ten-year life, based on the date each device or system was placed into service. Establishes a formula for the county assessor to adjust the depreciation schedules prescribed by the Dept. If a device or system is valued, assessed and taxed in any manner for property tax purposes for tax years preceding the effective date of this legislation, those valuations, assessments and resulting taxes are required to be recalculated using these provisions, and any excess tax must be refunded to the taxpayer. AS PASSED SENATE.

First sponsor: Rep. Cobb (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 6/7 signed by governor. Chap. no. awaited.

HB2515: MOBILE HOME PARKS; ABANDONMENT

If a tenant abandons a mobile home unit on a mobile home space, the landlord is permitted, instead of required, to notify the owner of record and lienholder of record of their liability for any costs incurred by the landlord for the mobile home space for that mobile home unit. A landlord's lien attaches to a mobile home when it is placed on the rental premises and extends to a list of specified costs. The lien is not affected by any transfer of the mobile home and remains on the mobile home if removed from the rental premises without paying the lien. The lien does not apply to the tenant's household goods. After a mobile home has been abandoned, the landlord is permitted to notify the owner of record and lienholder of record that the landlord has terminated any right to keep the home on the space and demand payment of monies due to the landlord for rent and utilities. If all monies owed are not paid in full within 72 days after the notice is sent, the landlord may foreclose the lien and sell the mobile home. If a sale is held, the

landlord is required to distribute the proceeds of the sale to specified persons in a specified order.
More.

First sponsor: Rep. Biasiucci (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 2/25 from House gov do pass.

HB2520: PROPERTY TAX; FALLOWED PROPERTY; CLASSIFICATION

For the purposes of property taxes, class 10 is established consisting of real property and improvements to real property that are subject to a fallowing agreement with the Department of Agriculture or a political subdivision that requires the real property to be fallow for a period of at least 5 years and that has been classified as class 2 for agricultural purposes for at least 10 years before the agreement. The assessed valuation of class 10 property is 10 percent of its full cash value or limited valuation.

First sponsor: Rep. Finchem (R - District 11)
Arizona REALTOR® Position:
Monitor

Last Action: 2/4 referred to House Ways and Means Committee, House Land and Agriculture Committee.

HB2522: CONFORMITY; INTERNAL REVENUE CODE; RATES

For the purpose of computing income tax for tax year 2018, the definition of "Internal Revenue Code" is updated to mean the U.S. Internal Revenue Code in effect on January 1, 2018. For tax year 2018, the Department of Revenue is required to reduce the income tax rates provided in statute by 0.11 percentage points. Retroactive to tax years beginning January 1, 2018.
Emergency clause.

First sponsor: Rep. Toma (R - District 22)
Arizona REALTOR® Position:
Support

Last Action: 1/31 House COW approved with amendment #4012 and floor amendment #4041.
See SB1143.

HB2526: CONFORMITY; INTERNAL REVENUE CODE; EXCEPTIONS

For the purpose of computing income tax for tax year 2018, the definition of "Internal Revenue Code" is updated to mean the U.S. Internal Revenue Code in effect on January 1, 2018. For tax year 2018, in computing Arizona adjusted gross income for a taxpayer that elects to itemize deductions, specified amounts are required to be added to Arizona gross income. In computing

taxable income for tax year 2018, at the election of the taxpayer and in lieu of the standard deduction, the taxpayer may take itemized deductions as allowed by statute and may also deduct a list of specified amounts. Other additions and subtractions to taxable income for tax year 2018 are specified. Retroactive to tax years beginning January 1, 2018. Emergency clause.

First sponsor: Rep. Toma (R - District 22)
Arizona REALTOR® Position:
Monitor

Last Action: 2/20 from House Ways and Means Committee do pass.

HB2533: MUNICIPAL TAX EXEMPTION; SPECULATIVE BUILDERS

In computing the tax base for transaction privilege and other use taxes for a speculative builder, municipalities and other taxing jurisdictions are required to exclude from the gross proceeds of sales or gross income the price of any lease on real property or other intangible or personal property included in determining the total selling price of the improved real property to the extent allocated in the affidavit of legal value for the sale. The resulting tax may not be less than the tax that would have been paid under the prime contracting classification for the improvements that were constructed or reconstructed. Retroactive to February 1, 2019.

First sponsor: Rep. Rivero (R - District 21)
Arizona REALTOR® Position:
Support

Last Action: 2/4 referred to House Ways and Means Committee.

HB2534: REZONING PROTESTS; MUNICIPAL ZONING

Clarifies that the group of persons authorized to file a protest in writing against a municipal rezoning, which triggers a requirement for the rezoning to obtain a 3/4 vote of the municipal governing body for passage, is the owners of 20 percent or more of the property by area and number of lots, tracts and condominium units either within the area of the proposed change or the area within 150 feet of the proposed change, including all rights of way.

First sponsor: Rep. Rivero (R - District 21)
Arizona REALTOR® Position:
Monitor

Last Action: 2/4 referred to House Government Committee.

HB2540: APPROP; GROUNDWATER INFRASTRUCTURE FUND

Prohibits a water banking fee from being levied in the Pinal Active Management Area (AMA) during calendar years 2020 through 2026. In the Pinal AMA during calendar years 2020 through 2026, the Director is required to set the annual groundwater withdrawal fee in an amount of up to \$2.50 per acre-foot per year for groundwater and irrigation efficiency projects. Monies from this

fee are required to be used only to finance projects for the construction and rehabilitation of wells and related infrastructure for the withdrawal and efficient delivery of groundwater by irrigation districts in the Pinal AMA. Monies from this fee are deposited in the newly established Temporary Groundwater and Irrigation Efficiency Projects Fund (TGIEP Fund), and requirements for the TGIEP Fund are established. Appropriates \$5 million from the general fund in FY2018-19 to the TGIEP Fund. The TGIEP Fund self-repeals April 1, 2028. Contains a legislative intent section. Severability clause. Emergency clause.

First sponsor: Rep. Bowers (R - District 25)
Arizona REALTOR® Position:
Monitor

Last Action: 1/29 House Natural Resources, Energy and Water held.

HB2541: APPROP; SYSTEM CONSERVATION FUND

Establishes the Arizona System Conservation Fund to be administered by the Director of the Department of Water Resources (Director) and appropriates \$30 million from the general fund in FY2019-20 to the Fund. The Director is authorized to spend monies from the Fund to contract with Colorado River water users in Arizona that hold entitlements to Colorado River water under the decree in Arizona v. California to forgo water deliveries or diversions for the purpose of creating system conservation. System conservation created through the use of the Fund is required to provide for Colorado River water to be conserved in Lake Mead through a verified reduction in existing consumptive use in order to decrease the likelihood of lake elevations dropping to levels that could result in reductions to Arizona's Colorado River allocation. Beginning July 1, 2021 and each July 1 after, the Director is required to submit a report to the Governor and the Legislature on expenditures from the Fund during the previous fiscal year and the volume of water that was conserved in Lake Mead. The Fund self-repeals April 1, 2027. Emergency clause.

First sponsor: Rep. Bowers (R - District 25)
Arizona REALTOR® Position:
Monitor

Last Action: 1/29 House Natural Resources, Energy and Water Committee held.

HB2542: GROUNDWATER SAVINGS FACILITIES; STORAGE CREDITS

Water stored pursuant to a water storage permit at a storage facility may be credited to a long-term storage account if, in lieu of the requirement that the stored water cannot reasonably be used directly and in addition to other statutory requirements, the Director of the Department of Water Resources determines that the water was stored in a groundwater savings facility and the storage provides a water management benefit to the active management area where the water was stored. Emergency clause.

First sponsor: Rep. Bowers (R - District 25)

Arizona REALTOR® Position:
Monitor

Last Action: 1/29 House Natural Resources, Energy and Water Committee held.

HB2543: WATER BANK; STORAGE CREDITS; EXCHANGES

By December 31, 2019, the Arizona Water Banking Authority is authorized to enter into agreements to exchange long-term water storage credits accrued or purchased in one active management area (AMA) with monies collected from specified groundwater withdrawal fees for long-term storage credits held by other persons in another AMA, on request of the Director of the Department of Water Resources (Director), if the Director determines that the exchange is beneficial to water management in Arizona and that the exchange will not substantially impair the Authority's ability to meet its firming obligation to firm Indian settlement water. The term of any agreement entered into under this authorization is prohibited from extending beyond December 31, 2026. The Authority is permitted to distribute or extinguish long-term storage credits obtained by exchange. An exchange of long-term storage credits under this authorization is exempt from any fee established by the Dept for an assignment of long-term storage credits. This authorization self-repeals January 1, 2031. Emergency clause.

First sponsor: Rep. Bowers (R - District 25)
Arizona REALTOR® Position:
Monitor

Last Action: 1/29 House Natural Resources, Energy and Water Committee held.

HB2544: EFFLUENT; RECHARGE; CREDITS

Establishes requirements for recovery of water that was effluent stored at a managed underground storage facility that qualifies as an "existing effluent managed underground storage facility" (defined). Long-term water storage credits may be used to demonstrate an assured water supply or an adequate water supply only if the managed underground storage facility qualifies as an existing effluent managed underground storage facility and the long-term storage credits were accrued after the effective date of this legislation. Emergency clause.

First sponsor: Rep. Bowers (R - District 25)
Arizona REALTOR® Position:
Monitor

Last Action: 1/29 House Natural Resources, Energy and Water Committee held.

HB2545: AMENDMENTS; COLORADO RIVER DROUGHT CONTINGENCY

Establishes the Arizona System Conservation Fund to be administered by the Director of the Department of Water Resources (Director) and appropriates \$30 million from the general fund in FY2019-20 to the Fund. The Director is authorized to spend monies from the Fund to contract with Colorado River water users in Arizona that hold entitlements to Colorado River water under

the decree in Arizona v. California to forgo water deliveries or diversions for the purpose of creating system conservation. System conservation created through the use of the Fund is required to provide for Colorado River water to be conserved in Lake Mead through a verified reduction in existing consumptive use in order to decrease the likelihood of lake elevations dropping to levels that could result in reductions to Arizona's Colorado River allocation. Beginning July 1, 2021 and each July 1 after, the Director is required to submit a report to the Governor and the Legislature on expenditures from the Fund during the previous fiscal year and the volume of water that was conserved in Lake Mead. The Fund self-repeals April 1, 2027. Prohibits a water banking fee from being levied in the Pinal Active Management Area (AMA) during calendar years 2020 through 2026. In the Pinal AMA during calendar years 2020 through 2026, the Director is required to set the annual groundwater withdrawal fee in an amount of up to \$2.50 per acre-foot per year for groundwater and irrigation efficiency projects. Monies from this fee are required to be used only to finance projects for the construction and rehabilitation of wells and related infrastructure for the withdrawal and efficient delivery of groundwater by irrigation districts in the Pinal AMA. Monies from this fee are deposited in the newly established Temporary Groundwater and Irrigation Efficiency Projects Fund (TGIEP Fund), and requirements for the TGIEP Fund are established. Appropriates \$5 million from the general fund in FY2018-19 to the TGIEP Fund. The TGIEP Fund self-repeals April 1, 2028. Water stored pursuant to a water storage permit at a storage facility may be credited to a long-term storage account if, in lieu of the requirement that the stored water cannot reasonably be used directly and in addition to other statutory requirements, the Director of the Department of Water Resources determines that the water was stored in a groundwater savings facility and the storage provides a water management benefit to the active management area where the water was stored. Establishes requirements for recovery of water that was effluent stored at a managed underground storage facility that qualifies as an "existing effluent managed underground storage facility" (defined). Long-term water storage credits may be used to demonstrate an assured water supply or an adequate water supply only if the managed underground storage facility qualifies as an existing effluent managed underground storage facility and the long-term storage credits were accrued after the effective date of this legislation. By December 31, 2019, the Arizona Water Banking Authority is authorized to enter into agreements to exchange long-term water storage credits accrued or purchased in one active management area (AMA) with monies collected from specified groundwater withdrawal fees for long-term storage credits held by other persons in another AMA, on request of the Director of the Department of Water Resources (Director), if the Director determines that the exchange is beneficial to water management in Arizona and that the exchange will not substantially impair the Authority's ability to meet its firming obligation to firm Indian settlement water. The term of any agreement entered into under this authorization is prohibited from extending beyond December 31, 2026. The Authority is permitted to distribute or extinguish long-term storage credits obtained by exchange. An exchange of long-term storage credits under this authorization is exempt from any fee established by the Dept for an assignment of long-term storage credits. This authorization self-repeals January 1, 2031. Contains a legislative intent section. Severability clause. Emergency clause.

First sponsor: Rep. Bowers (R - District 25)
Arizona REALTOR® Position:
Support

Last Action: 1/31 House COW approved with amendment #4017 and floor amendment #4036.
See SB1227.

HB2546: ANTIDISCRIMINATION EMPLOYMENT; HOUSING; PUBLIC ACCOMODATIONS

The list of attributes for which a person cannot be discriminated against in employment practices, various housing related statutes, and in places of public accommodation is expanded to include "sexual orientation" and "gender identity" (both defined).

First sponsor: Rep. D. Hernandez (D - District 2)
Arizona REALTOR® Position:
Support

Last Action: 5/7 referred to House rules only.

HB2547: HORSE RACING; SIMULCASTING (~~PUBLIC LANDS; MANAGEMENT DEPARTMENT; COMMITTEE~~)

The requirements for a racing permittee in a county with a population of 700,000 persons to 1.5 million persons (Pima County) to conduct wagering on dark day simulcasts for more than 20 days are modified to waive the requirement for the permittee to conduct a minimum of 7 posted races on 144 racing days at the permittee's racetrack enclosure if agreed to in writing by the permittee and the recognized horsemen's organization that represents the horsemen participating in the race meet at the racetrack enclosure, subject to approval by the Department of Gaming. Simulcasts that originate from a racetrack enclosure that conducts live racing in Arizona and simulcasts of living racing into Arizona that originate from outside Arizona must be offered to each commercial live-racing permittee in Arizona and additional wagering facility in Arizona. Commercial live-racing permittees in Arizona are required to enter into an agreement that complies with this requirement. Each simulcast agreement executed in compliance with this requirement is subject to approval by the Commission. A permittee or a provider of simulcasts is prohibited from engaging in any anticompetitive or deceptive practice in offering to send the simulcast to a commercial live-racing permittee or additional wagering facility in Arizona. A list of actions is declared to be an anticompetitive or deceptive practice, including charging excessive fees and other activities with the purpose or effect of artificially inflating prices. Also, a permittee that is authorized to conduct live racing in a county with a population of 700,000 persons to 1.5 million persons (Pima County) is allowed to own or lease up to six new additional wagering facilities in that county that begin operations between the effective date of this legislation and June 30, 2022. AS PASSED SENATE.

First sponsor: Rep. Finchem (R - District 11)
Arizona REALTOR® Position:
Monitor

Last Action: 6/7 signed by governor. Chap. no. awaited.

HB2551: PROPERTY TAX EXEMPTIONS; STATUTORY CONFORMITY

Makes various changes to property tax statutes in order to conform to proposed changes to property tax exemptions contained in the state Constitution. Conditionally enacted on the state Constitution being amended by a vote of the people at the next general election by passage of an unspecified HCR (blank in original) to consolidate and reorganize provisions relating to exemptions from property taxation.

First sponsor: Rep. Biasiucci (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 2/4 referred to House Ways and Means Committee, Military and Veteran Affairs Committee.

HB2556: AGRICULTURAL PROPERTY; USES; RURAL ACTIVITIES

For the purpose of property classification for property tax purposes, the definition of "agricultural real property" is expanded to include land and improvements devoted to "agritourism" (defined). For the purpose of statutes protecting agricultural operations, the definition of "general agricultural purposes" is modified to include agritourism, exclude food establishments under the authority of the Department of Health Services that are associated with an agritourism business, and to exclude rodeo events that are open to the general public and that sell tickets for admission. AS PASSED SENATE.

First sponsor: Rep. Finchem (R - District 11)
Arizona REALTOR® Position:
Monitor

Last Action: 6/7 signed by governor. Chap. no. awaited.

HB2557: PUBLIC LANDS; FEDERAL GOVERNMENTS; STUDY

Establishes an 8-member Joint Study Committee on Forgone Tax Revenue from Public Lands Held by the Federal Government to provide a forum for persons to express their concerns about public lands held by the federal government in Arizona and the federal government's failure to make payments in lieu of taxes, and to make administrative and legislative recommendations about public lands held by the federal government in Arizona and possible future payments in lieu of taxes. The Committee is required to issue a request for proposal for a comprehensive inventory and appraisal of public lands held by the federal government by a licensed qualified appraiser. The total cost of the comprehensive inventory and appraisal cannot exceed \$1 million. Any unused portion of "the appropriation amount" reverts to the state general fund. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by December 31, 2021, and self-repeals October 1, 2022. Appropriates \$1 million from the general fund in FY2019-20 to the Committee for the comprehensive inventory and appraisal of public lands held by the federal government in Arizona. AS PASSED HOUSE.

First sponsor: Rep. Finchem (R - District 11)
Arizona REALTOR® Position:
Monitor

Last Action: 5/24 FAILED to pass Senate 12-14.

HB2563: EDUCATION FUNDING; USE TAX; TPT

Establishes a required Distribution formula for all monies collected from a new article in the state Constitution. Requires monies generated from the tax to be paid in monthly installments as follows: 70 percent to the Classroom Site Fund; 20 percent to universities, with 34 percent of that amount appropriated to the Technology and Research Initiative Fund and 66 percent of that amount appropriated to the Arizona Board of Regents to be distributed proportionally to each university based on the number of students who receive in-state tuition to maintain an in-state tuition rate that is consistent with the state Constitutional requirement for tuition to be as nearly free as possible; 5 percent for community college trade and workforce development programs; and 5 percent to be allocated to the general fund for the low-income tax credit for excises taxes paid, to the Department of Education for school safety and the education learning and accountability system, and to the Auditor General for related reporting. Repeals the additional transaction privilege tax rate increment of 0.6 percent imposed from July 1, 2022 through June 30, 2041 that would have been distributed for specified education purposes, and repeals statute specifying the Distribution of those revenues. Repeals the individual income tax credit for increased transaction privilege or excise taxes paid for education. Modifies the purposes for which monies from the Classroom Site Fund must be spent to remove assessment intervention programs and teacher liability insurance premiums and add educational interventions, voluntary full-day kindergarten, the cost of additional school days, student support services, school resource officers and career and technical education. Deletes the requirement for school districts and charter schools to allocate 40 percent of the monies received from the Classroom Site Fund for teacher compensation increases based on performance and employment related expenses, 20 percent of the monies for teacher base salary increases and employment related expenses, and 40 percent of the monies for maintenance and operation purposes. Requires the Department of Education to annually use \$86,280 of the monies in the Classroom Site Fund to fund basic state aid for schools. Conditionally enacted effective July 1, 2021 if the state Constitution is amended by a vote of the people at the 2020 general election by passage of an unspecified House Concurrent Resolution (blank in original). [Capitol Reports Note: The new article in the state Constitution referred to in this legislation is established by HCR2024.]

First sponsor: Rep. Udall (R - District 25)
Arizona REALTOR® Position:
Oppose

Last Action: 2/19 from House Education Committee with amendment #4248.

HB2569: OCCUPATIONAL LICENSING; RECIPROCITY

A regulating entity is required to issue an occupational or professional license or certificate to a person who establishes residence in Arizona if the person is currently licensed or certified in good standing in at least one other state in the discipline applied for and at the same practice level as determined by the regulating entity and if the person meets a list of other specified requirements. Some exceptions. A license or certificate issued under this circumstance is valid only in Arizona and does not make the person eligible to be part of an interstate compact. A regulating entity is authorized to determine eligibility for an applicant to be licensed or certified under these circumstances if the applicant is not part of an interstate compact. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Petersen (R - District 12)
Arizona REALTOR® Position:
Oppose

Last Action: 4/10 signed by governor. Chap. 55, Laws 2019.

HB2573: STATE LAND TRANSFER; BULLHEAD CITY

Transfers specified parcels of state sovereign land from the State Land Department to the City of Bullhead City on the effective date of this legislation. The State Land Commissioner is required to deliver a properly signed and recorded deed or patent to the City of Bullhead City within 10 days after the effective date of this legislation. The City of Bullhead City is required to manage the transferred land for park and public recreation purposes and is prohibited from selling, exchanging or bartering the land.

First sponsor: Rep. Cobb (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 5/7 referred to House rules only.

HB2583: INTERNAL REVENUE CODE; CONFORMITY

For the purpose of Title 42 (Taxation), the definition of "Internal Revenue Code" is updated to mean the U.S. Internal Revenue Code in effect as of January 1, 2019. For the purpose of Title 43 (Taxation of Income), the definition of "Internal Revenue Code" for tax years beginning January 1, 2019 means the U.S. Internal Revenue Code in effect on January 1, 2019. For the purpose of Title 43 (Taxation of Income), the definition of "Internal Revenue Code" for tax year 2018 includes those provisions of the federal Bipartisan Budget Act of 2018 and the Consolidated Appropriations Act of 2018 that are retroactively effective during tax year 2018.

First sponsor: Rep. Epstein (D - District 18)
Arizona REALTOR® Position:
Monitor

Last Action: 2/5 referred to House Ways and Means Committee.

HB2585: CONDOMINIUMS, PLANNED COMMUNITIES; WRITE-IN CANDIDATES

The board of directors of a condominium association or planned community association is required to provide for and accept write-in candidates for election to any position on the board, other than for a director appointed by the declarant.

First sponsor: Rep. D. Hernandez (D - District 2)
Arizona REALTOR® Position:
Monitor

Last Action: 2/7 referred to House Elections Committee, House Government Committee.

HB2586: GROUNDWATER REPLENISHMENT; WATER SUPPLY; CREDITS

For land located in the Pinal Active Management Area (AMA), the initial term of an analysis of assured water supply issued by the Director of the Department of Water Resources (Director) is 10 years. A holder of an analysis of assured water supply for land located in the Pinal AMA is permitted to apply to extend the analysis. The director is required to extend the analysis for an additional 5 years or an additional 15 years if specified conditions are met. The definition of "assured water supply" for proposed use within the Phoenix, Pinal or Tucson AMA is modified to include the effects of expected groundwater replenishment by a conservation district, with some exceptions. A municipality, private water company or irrigation district that has been granted a recovery well permit may withdraw stored water on behalf of a person who owns the long-term storage credits and may transport the stored water to the person who owns the credits. Before January 1, 2030, on application by a conservation district to the Director, credits in the conservation districts replenishment reserve subaccount for an AMA must be transferred and credited to its conservation districts account for the same AMA if that transfer does not cause the balance in the replenishment reserve subaccount for the AMA to fall below the reserve target for that AMA. Establishes calculations for the groundwater replenishment obligation during each shortage year for AMAs in which member lands or member service areas are located. More.

First sponsor: Rep. Cook (R - District 8)
Arizona REALTOR® Position:
Monitor

Last Action 3/4 retained on House COW calendar.

HB2590: APPROP; WATER DISTRICTS; INFRASTRUCTURE; DCP

Appropriates \$20 million from the general fund in FY2019-20 to the Department of Water Resources to distribute to irrigation and water conservation districts in counties with a population of at least 350,000 persons but less than 500,000 persons (Pinal County) for infrastructure related to Arizona's drought contingency plan.

First sponsor: Rep. Cook (R - District 8)

Arizona REALTOR® Position:
Monitor

Last Action: 2/25 FAILED House Appropriations Committee 5-5.

HB2595: ADEQUATE WATER SUPPLY; DESIGNATION; STANDARDS

For the purposes of determining adequate water supply, water is legally available if the water supply designated by the developer for the proposed use may lawfully be fully used by that developer for that purpose for at least 100 years. Establishes provisions for determining legal availability. For the purposes of determining adequate water supply, water is physically available if there is a sufficient water supply for the proposed use such that the proposed use will have no detrimental impact on existing uses for at least 100 years. Applies to requests for designations of adequate water supply that are not finally issued before January 1, 2019.

First sponsor: Rep. Gabaldon (D - District 2)
Arizona REALTOR® Position:
Monitor

Last Action 5/7 referred to House rules only.

HB2614: ELDERLY HOMEOWNERS; CLASS SIX PROPERTY

The list of property classified as class six for property tax purposes is expanded to include real property and improvements to the property that are used as the owner's primary residence, that are owned by an individual who qualifies for property valuation protection under the state Constitution (for which a person must be age 65 or older), and that are valued at full cash value. Other requirements to qualify for this classification are specified. Does not apply to real property and improvements with a full cash value of \$600,000 or more unless the property qualified for valuation protection under the state Constitution as of December 31, 2019.

First sponsor: Rep. Thorpe (R - District 6)
Arizona REALTOR® Position:
Monitor

Last Action: 2/12 referred to House Ways and Means Committee.

HB2615: WATER UTILITY ACQUISITION; MUNICIPAL ACTION

Voter approval is not required for the construction, purchase, acquisition or lease of any plant or property or portion of any plant or property devoted to the business of providing water and wastewater services to property where the owner has requested to be served by a municipal corporation if the property is located in a service territory in which the holder of a certificate of convenience and necessity whose authority to manage or operate the public utility has been terminated or suspended or the public utility does not have the capacity to provide safe and

sufficient services to the property, and if the construction, purchase, acquisition or lease does not cause the rates of the existing municipal utility customers to increase.

First sponsor: Rep. Shope (R - District 8)
Arizona REALTOR® Position:
Monitor

Last Action: 2/20 from House Natural Resources, Energy and Water Committee do pass.

HB2633: DIGITAL GOODS AND SERVICES; TPT

For the purpose of transaction privilege taxes, the definition of "tangible personal property" is expanded to include "computer software" (defined) that is not "custom computer programming" (defined), regardless of the method by which title, possession or right to use the software is transferred to the user, including a perpetual or subscription license to remotely access the software. For the purpose of use taxes and municipal transaction privilege taxes, computer software that is not custom computer programming is deemed to be tangible personal property, regardless of the method by which title, possession or right to use the software is transferred to the user and is subject to tax. For the purpose of the exemption from the retail classification of transaction privilege taxes, "custom computer programming" (defined) is deemed to be a personal service. For the purpose of sourcing retail sales of tangible personal property, the billing address of a purchaser or lessee of "specified digital goods," "prewritten computer software" (both defined), video, audio or data service that is "remotely accessed," "transferred electronically" (both defined) or otherwise delivered to the customer through the internet or an equivalent or successor protocol is the taxable situs of the transaction. The list of exemptions from the telecommunications classification of transaction privilege taxes is expanded to include over-the-top services consisting of audio or video programming services received by the end user customer by means of an internet connection that are generally considered comparable to programming provided by a radio or television broadcast station regardless of whether the services are provided independently or packaged with other audio or video programming.

First sponsor: Rep. Engel (D - District 10)
Arizona REALTOR® Position:
Monitor

Last Action 2/12 referred to House Ways and Means Committee.

HB2637: CONDOMINIUM, HOMEOWNERS' ASSOCIATIONS; LIEN PRIORITY

A recorded first mortgage, a seller's interest in a first contract for sale recorded prior to the lien and a recorded first deed of trust on a unit in a condominium association or planned community association (HOA) no longer have priority over a lien for HOA assessments, charges for late payment of assessments, reasonable collection fees and reasonable attorney fees and costs incurred with respect to those assessments.

First sponsor: Rep. Payne (R - District 21)
Last Action: 2/12 referred to House Commerce Committee.

HB2662: ZONING HEARING; ANNEXATION; PETITION; TESTIMONY

At a public hearing on a zoning ordinance, a municipal governing body is authorized to consider the testimony of any "party aggrieved" (defined) when making its decision. In order to move to question the validity of annexation for failure to comply with statutory requirements, an interested party is required to be within the territory to be annexed. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Weninger (R - District 17)
Arizona REALTOR® Position:
Monitor

Last Action 5/10 signed by governor. Chap. 205, Laws 2019.

HB2672: VACATION RENTALS; SHORT-TERM RENTALS; REGULATION

The list of purposes for which counties and municipalities are permitted to regulate vacation rentals and short-term rentals is expanded to include requiring the owner to provide contact information for the owner or the owner's designee who is responsible for responding to complaints in a timely manner in person, over the phone or by email at any time of day before offering for rent or renting the vacation rental or short-term rental. Counties and municipalities are required to notify the Department of Revenue and the property owner of "verified violations" (defined) of the county's or municipality's applicable laws and regulations within 30 days after a verified violation. If the owner of a vacation rental or short-term rental has provided contact information to a county or municipality, and if the county or municipality issues a citation for a violation of applicable laws, regulations or ordinances or a state law that occurred on the owner's vacation rental or short-term rental property, the county or municipality is required to make a reasonable attempt to notify the owner or the owner's designee of the citation within seven business days after the citation is issued. Vacation rentals and short-term rentals are prohibited from being used for nonresidential uses, including for a special event that would otherwise require a permit or license or for a retail, restaurant, banquet space or other similar use. An online lodging operator is prohibited from offering for rent or renting a lodging accommodation without a current transaction privilege tax license. The online lodging operator is required to list the transaction privilege tax license number on each advertisement for each lodging accommodation the online lodging operator maintains, including online lodging marketplace postings. Establishes penalties for violations. If there is a legitimate business need relating to enforcing laws, regulations and ordinances, a county or municipal tax official is authorized to redisclose transaction privilege tax information relating to a vacation rental or short-term rental property owner or online lodging operator from the new license report and license update report, subject to a list of specified requirements. AS SIGNED BY GOVERNOR. In his signing statement, the Governor stated his expectation that this bill will have no impact on most short-term rental homeowners and that he is open to corrective action if this law is applied too broadly.

First sponsor: Rep. Kavanagh (R - District 23)
Arizona REALTOR® Position:
Monitor

Last Action: 5/21 signed by governor. Chap. 240, Laws 2019. message

HB2673: PROPERTY; PRODUCTS; SERVICES; SANDBOX

Establishes a new chapter in Title 18 (Information Technology) requiring the Arizona Commerce Authority to establish a Property Technology Sandbox Program in consultation with applicable state agencies to enable a person to obtain limited access to the market in Arizona to test "innovative property products or services" (defined) without obtaining authorization that otherwise might be required. Establishes application requirements and an application process for participation in the Program. If the Authority approves an application for entry into the property technology sandbox, the applicant is deemed a sandbox participant and has 24 months after the date of approval to test the innovation described in the sandbox participant's application. Before providing an innovative property product or service to consumers, a sandbox participant is required to disclose to consumers a list of information. Establishes exit requirements and record keeping and reporting requirements. Does not apply to regulated real estate professions. The Program terminates on July 1, 2029. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Weninger (R - District 17)
Arizona REALTOR® Position:
Monitor

Last Action: 3/20 signed by governor. Chap. 9, Laws 2019.

HB2675: UNAMBIGUOUS CONTRACT PROVISION; VALIDITY

An unambiguous provision in a contract is valid and enforceable if the contract was freely negotiated between parties who are each represented by an attorney during the formation or negotiation of the contract unless another statute applies and otherwise renders the provision invalid or unenforceable.

First sponsor: Rep. Roberts (R - District 11)
Arizona REALTOR® Position:
Monitor

Last Action: 2/12 referred to House Judiciary Committee.

HB2686: BUSINESS LICENSING REQUIREMENTS; WEB PORTAL

Subject to legislative appropriation, the Department of Administration is required to establish an internet web portal that serves as a streamlined application process for starting a business in Arizona, including business licensing requirements, trademark and service mark registration requirements, trade name registration requirements, transaction privilege tax and municipal privilege tax license requirements, and other applicable business licensing requirements. The Dept is required to contract with a third-party entity to establish and administer the internet web portal and must select the entity through the procurement process. By December 31 of each year

through 2022, the Dept is required to submit report to the Governor and the Legislature on implementing the comprehensive internet web portal. Appropriates \$4 million from the general fund in FY2019-20 and \$400,000 from the general fund in FY2020-21 to the Dept for the portal. AS PASSED HOUSE.

First sponsor: Rep. Weninger (R - District 17)
Arizona REALTOR® Position:
Monitor

Last Action: 3/28 from Senate Appropriations Committee with amendment #4883.

HB2687: CONDOMINIUMS; TERMINATIONS; APPRAISALS

Modifies statutes relating to termination of condominium procedures. At least 30 days before recording a termination agreement, the board of directors of the condo association are required to convene a meeting at which a person to entity that purports to have the agreement of at least 80 percent of the votes in the association must produce and make available to the unit owners copies of a signed notarized statement that the owner or a unit has executed a termination agreement. The person or entity is required to produce copies of a statement for each unit owner who has agreed to the termination or is permitted to produce the signed termination agreement that includes a sufficient number of unit owners. Any meeting called for this purpose is required to be noticed as otherwise provided by law, except that the board cannot take action by written consent or any other method that does not provide for an actual meeting that is open to all unit owners. Any termination agreement that is recorded without full compliance with statutory termination procedures is invalid. The respective interest of unit owners is modified to include their pro rata share of any monies in the association's reserve fund and the operating account. Also, as part of the arbitration process, the appraisers determining the fair market values of the condo units are required to fully disclose their appraisal methodologies and any other transaction occurring between the buyer and the sellers. Also makes changes identical to Laws 2018, Chapter 235 and repeals that legislation. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Weninger (R - District 17)
Arizona REALTOR® Position:
Monitor

Last Action: 5/14 signed by governor. Chap. 233, Laws 2019.

HB2702: TPT; MARKETPLACE FACILITATORS; NEXUS

Establishes the marketplace facilitator classification of transaction privilege taxes (TPT), which is comprised of the business of facilitating retail sales as a "marketplace facilitator" (defined). The tax base for the marketplace facilitator classification is the gross proceeds of sales or gross income from all sales the marketplace facilitator facilitates on behalf of "marketplace sellers" (defined) sourced to Arizona if the marketplace seller is not an affiliate of the marketplace facilitator. All sales that a marketplace facilitator facilitates on behalf of a marketplace seller must be sourced to the purchaser's location in Arizona. A marketplace facilitator is required to

pay TPT on all sales facilitated by the marketplace facilitator and sourced to Arizona regardless of whether the marketplace seller for whom sales are facilitated is required to be registered with the Department of Revenue or would have been required to pay TPT had the sale not been facilitated by the marketplace facilitator. Any person that conducts business in an activity classified under TPT classifications with purchasers in Arizona is engaging or continuing in business in Arizona, is subject to and is required to pay TPT if the person meets any of the following criteria in the previous or current calendar year: the gross proceeds of sales or gross income derived from the person's transactions with purchasers in Arizona is more than \$100,000, the person engages in at least 200 separate transactions with purchasers in Arizona, the gross proceeds of sales or gross income derived from a marketplace facilitator's transactions with purchasers in Arizona on its own behalf or on behalf of at least one marketplace seller is more than \$100,000, or the marketplace facilitator engages in at least 200 separate transactions with purchasers in Arizona on its own behalf or on behalf of at least one marketplace seller. For the purposes of determining whether a person meets any of these criteria, all members of a person's affiliated group must be aggregated. Establishes provisions governing a marketplace facilitator's liability for transaction privilege taxes and allows for liability relief in specified percentages, which are phased out between 2019 and 2026. The list of exemptions from the retail classification of TPT is expanded to include sales of tangible personal property by a marketplace seller, if the sale is facilitated by a marketplace facilitator and the marketplace seller has received documentation from the marketplace facilitator that the marketplace facilitator has paid the applicable tax and will remit the tax to the Department of Revenue.

First sponsor: Rep. Toma (R - District 22)
Arizona REALTOR® Position:
Monitor

Last Action: 2/20 from House Ways and Means Committee with amendment #4290.

HB2703: FILING DEADLINES; TAXABLE YEAR 2018

Establishes income tax return filing deadlines for tax year 2018 as follows: June 15, 2019 for returns made on the basis of the calendar year, the 15th day of the 6th month following the close of the fiscal year for returns made on the basis of a fiscal year, and the 15th day of the 5th month following the close of the taxable year for partnership returns. Emergency clause.

First sponsor: Rep. Toma (R - District 22)
Arizona REALTOR® Position:
Monitor

Last Action: 2/20 from House Ways and Means Committee with amendment #4291.

HB2724: GRRC; PETITION TO REQUEST REVIEW

A person is permitted to petition the Governor's Regulator Review Council (GRRC) to request a review of an existing agency practice that involves interpreting a rule adopted by the agency, substantive policy statement, or final rule of an agency established under statute governing

campaign finance, including the Citizens Clean Elections Act, based on the person's belief that the practice, policy, or rule does not meet the requirements of the Administrative Procedures Act, exceeds the agency's statutory authority or violates the state Constitution or the U.S. Constitution. If, after a public hearing, GRRC determines that the practice, policy, action or rule does not meet these requirements, GRRC is authorized to modify, revise or declare void any practice, policy, or rule. AS PASSED SENATE.

First sponsor: Rep. Biasiucci (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 5/1 House concurred in Senate amendments and FAILED to pass on final reading 30-28.

HB2728: SHORT-TERM RENTALS; REGULATION

The list of ways in which counties and municipalities are permitted to regulate short-term rentals is expanded to include in the same manner as a business that is subject to a transient lodging classification of transaction privilege taxes. Does not subject the activities of an online lodging marketplace to the transient lodging classification.

First sponsor: Rep. Blanc (D - District 26)
Arizona REALTOR® Position:
Monitor

Last Action 2/13 referred to House Government Committee.

HB2732: PROPERTY; RECORDED DOCUMENTS; NOTICE

Beginning with documents recorded from and after December 31, 2019, the county recorder must require each person who records a document to present that person's identification that includes a photograph before recording the document and must maintain a record of the identification. The recorder is required to notify by mail the owner of any parcel of real property that is affected by any instrument recorded and is required to collect a fee of \$5 per instrument for providing notice to the owner of record.

First sponsor: Rep. Campbell (R - District 1)
Arizona REALTOR® Position:
Monitor

Last Action: 2/13 referred to House Commerce Committee, House Government Committee.

HB2734: TPT; CONTRACTORS; REFORM

Establishes a 14-member Taxation of Prime Contracting Study Committee to analyze the legal framework surrounding the taxation of prime contracting, study best practices from other states

and policy experts on the taxation of prime contracting, and study compliance elements, including ways to decrease noncompliance with the taxation of prime contracting. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by November 15, 2019, and self-repeals October 1, 2020. AS PASSED HOUSE.

First sponsor: Rep. Cobb (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action 5/27 referred to Senate rules only.

HB2748: BUDGET; CAPITAL OUTLAY; APPROPRIATIONS; 2019-20

Makes various appropriations for capital expenditures for FY2019-20, including \$393.4 million from the State Highway Fund to the Department of Transportation (DOT) for state highway construction, \$3.88 million from the general fund to the Department of Emergency and Military Affairs to construct a readiness center, \$1.25 million from the State Parks Revenue Fund for construction of a new pedestrian bridge at the Tonto Natural Bridge State Park, and \$2.4 million from the Board of Fingerprinting Fund to the Department of Public Safety for remote housing replacement. Appropriates \$6.9 million from the State Highway Fund in FY2019-20 to DOT to construct new maintenance buildings and facilities in Seligman, Williams and Wickenburg. Appropriates the following amounts from the State Highway Fund to DOT to expand Interstate 17 between Anthem and Black Canyon City: \$40 million in FY2019-20, \$45 million in FY2020-21, and \$45 million in FY2021-22. Appropriates \$10 million from the general fund in FY2019-20 to DOT for deposit in the State Aviation Fund to plan, construct develop and improve county and municipal airports as determined by the State Transportation Board, except that the Board is required to distribute at least \$1 million to the Ernest A. Love Field Airport in Prescott. Appropriates the following amounts from the general fund in FY2019-20 for the following highway projects: \$20 million for Distribution to the City of Kingman to construct new Interstate 40 traffic interchanges, \$28 million to DOT to expand U.S. Route 95 between Yuma and the Yuma proving ground, and \$18 million for Distribution to municipalities. Makes a supplemental appropriation of \$4.1 million in FY2018-19 from the Legislative, Executive and Judicial Public Buildings Land Fund to the Department of Administration to replace elevators at the House of Representatives, Senate and executive tower buildings. Also appropriates \$6.86 million from the Department of Corrections Building Renewal Fund to the Department of Corrections, \$1.04 million from the Game and Fish Fund to the Game and Fish Department, and \$13 million from the State Highway Fund to DOT for building renewal projects and expenditures. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Bowers (R - District 25)
Arizona REALTOR® Position:
Monitor

Last Action: 5/31 signed by governor. Chap. no. awaited.

HB2749: BUDGET; BRB; K-12 EDUCATION; 2019-20

Makes various policy changes pertaining to K-12 education that affect the budget. Increases the per student base level amount for basic state aid to \$4,150.43, from \$3,960.07, for FY2019-20. Increases the transportation support level per route mile funding for FY2019-20. It is the intent of the Governor and the Legislature that school districts increase the total percentage of classroom spending over the previous year's percentages in the combined categories of instruction, student support and instructional support as prescribed by the Auditor General. The reduction amount of basic state aid for districts additional assistance required by the FY2018-19 budget for FY2019-20 is lowered to \$128.7 million, from \$193.1 million. The reduction amount of charter additional assistance required by the FY2018-19 budget for FY2019-20 is lowered to \$6.81 million, from \$10.22 million. Modifies the calculations for additional state aid for education. The state equalization assistance property tax rate in tax year 2019 is \$0.4566, and the qualifying tax rates in tax year 2019 are modified. If the state equalization assistance property tax rate for the prior FY generated more funding than was needed to fund total equalization assistance for all school districts in the county for the prior FY, the state equalization assistance property tax rate for the county for the current FY is required to equal the rate that would have generated the amount needed to fund total equalization assistance for all school districts in that county for the prior FY, as determined by the Arizona Department of Education (ADE). The general budget limit for a school district that in FY2018-2019 was in a county in which state equalization assistance property tax levies exceeded total equalization assistance for all school districts in the county is increased for FY2019-2020 by a specified calculation. Expands the School Safety Program in ADE to include supporting the costs of placing school counselors and/or school social workers on a school campus. Establishes reporting requirements for schools that received monies from the Results-Based Funding Fund. Session law establishes a formula for Distribution of monies from the Fund for FY2019-20. ADE is required to allocate to charter schools that are sponsored by entities other than the State Board for Charter Schools the full amount of the small school weight prescribed in statute, including restoring any monies previously withheld based on statutory limitations. ADE is required to provide charter schools that are sponsored by entities other than the State Board for Charter Schools 67 percent of the small school weight for FY2020-21, and 33 percent of the small school weight for FY2021-22. Modifies the calculation of average daily membership for students enrolled in concurrent coursework for classes at a community college or university. For each community college or university course for which three credits are earned, one-eighth of an average daily membership (ADM) is generated. In measuring the statutory square footage per pupil requirements, the School Facilities Board is required to use the projected 100th day ADM for the current school year, instead of the most recent 40th day ADM. Monies in the Arizona Schools for the Deaf and Blind Enterprise Fund are no longer limited to being used to pay costs associated with operating facilities. The Department of Education is required to contract with a third-party administrator to assist in the financial administration of Empowerment Scholarship Accounts. Establishes the Arizona Industry Credentials Incentive Program within ADE to provide incentive awards to school districts, charter schools and career technical education districts for high school graduates who obtain a certification, credential or license that is accepted by a vocation or industry through a career technical education course or program. Establishes a process for receiving incentive awards through the Program and specifies items for which incentive awards monies may be spent. The Program terminates on July 1, 2029. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Cobb (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 5/31 signed by governor. Chap. no. awaited.

HB2750: BUDGET; BRB; HIGHER EDUCATION; 2019-20

Makes policy changes in college and university programs that affect the state budget. The Arizona Teachers Academy is expanded to include community colleges in Arizona that offer postbaccalaureate programs that lead to teacher certification and that have entered into an agreement with the Arizona Board of Regents (ABOR) relative to these programs. Makes various changes to the Arizona Teachers Academy, including to provide participating students with an annual scholarship of \$5,000 per year for undergraduate university students, \$10,000 per year for graduate university students, and \$3,000 per year for community college students, instead of with an annual waiver of tuition and fees, and to provide a one-time scholarship of \$2,500 for teachers seeking national board certification. Teachers seeking national board certification are required to agree to teach at a public school in Arizona for one additional year after completing the national board certification program. All revenues included in the operating budget adopted by ABOR for each university must be retained by each university. For FY2019-20, each dollar raised by the surcharge on student registration assessed by ABOR for the Financial Aid Trust Fund may be matched by less than \$2 appropriated by the Legislature. Repeals statute requiring Arizona State University to distribute the licensing income and other revenues derived from patents. Beginning in FY2018-19, for each university licensure agreement, royalty agreement or agreement for the sale or transfer of intellectual property developed by a university for which the "net income" (defined) for the individual agreement reaches \$1 million over its cumulative lifetime, each university is required to transfer to the State Treasurer 20 percent of the cumulative net income exceeding the \$1 million threshold minus amounts deposited in previous years. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Cobb (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 5/31 signed by governor. Chap. no. awaited.

HB2751: BUDGET; BRB; BUDGET PROCEDURES; 2019-20

Makes various changes that affect the budget across agencies. Requires any unrestricted federal monies received by Arizona in FY2019-20 to be deposited in the general fund. Increases the Capital Outlay Stabilization Fund rental rates for state-owned buildings to \$17.87/square foot for office space, from \$16.08/square foot, and to \$6.43/square foot for storage space, from \$5.79/square foot. Retroactive to July 1, 2019, increases the pro rata share of the overall cost of information technology services for all budget units and the legislative and judicial branches to .43 percent of the total payroll, from .30 percent. For FY2019-20, FY2020-21, and FY2021-22,

the Legislature is not required to appropriate monies to or transfer monies from the Budget Stabilization Fund. Monies in the State Web Portal Fund may be used for operating costs of the Government Transformation Office. Establishes the County Contributions to the Voter Registration System Fund and the Motor Vehicle Pool Consolidation Fund. A political party that is eligible to participate in the 2020 presidential preference election is authorized to opt out of participating by sending a written notice to the Secretary of State by September 16, 2019. If a political party opts out, the Secretary of State is required to notify each county recorder and officer in charge of elections and the clerk of each county board of supervisors no later than five business days after receiving the written notice from the political party that the 2020 presidential preference election for that party is canceled. Also establishes various reporting requirements. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Cobb (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 5/31 signed by governor. Chap. no. awaited.

HB2752: BUDGET; BRB; CRIMINAL JUSTICE; 2019-20

Makes policy changes pertaining to criminal justice programs that affect the budget. The highway safety fee determined by the Director of the Department of Transportation is no longer required to fully fund 110 percent of the Department of Public Safety Highway Patrol budget. Beginning July 1, 2021, the registering officer is prohibited from collecting the highway safety fee. The committed youth confinement cost sharing fee that the Department of Juvenile Corrections (DJC) annually assesses to each county is limited to counties with a population of more than 500,000 persons (Maricopa and Pima). DJC is prohibited from assessing this fee to any county for committed youth in secure care facilities in FY2019-20. The list of persons who must be excused temporarily from service as a juror is expanded to include persons employed in the correctional officer class series by the Department of Corrections, effective through January 1, 2022. Beginning from and after the effective date of this legislation, the Attorney General is prohibited from using monies from the Anti-Racketeering Revolving Fund to pay salaries for more than 16 full-time equivalent positions in the Attorney General's Office. In FY2019-20, of the monies deposited in the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Fund, after allocation of the first \$500,000 to the county sheriff of a county with a population of less than 500,000 persons but more than 300,000 persons (Pinal County), \$400,000 must be allocated to the county sheriff of a county with a population of less than 2 million persons but more than 800,000 persons (Pima County). The Department of Public Safety (DPS) is authorized to use up to \$144,900 of the amount appropriated in FY2019-20 from the GIITEM Fund for costs related to an increase in the Public Safety Personnel Retirement System employer contribution rate. DPS is authorized to use monies appropriated to DPS in FY2019-20 from the Board of Fingerprinting Fund for capital expenditures, to use monies in the State Aid to Indigent Defense Fund and the Concealed Weapons Permit Fund for operating expenses in FY2019-20, and to use monies in the Highway Patrol Fund in FY2019-20 for the Pharmaceutical Diversion and Drug Theft Task Force. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Bowers (R - District 25)
Arizona REALTOR® Position:
Monitor

Last Action: 5/31 signed by governor. Chap. no. awaited.

HB2753: BUDGET; BRB; ENVIRONMENT; 2019-20

Makes policy changes pertaining to environmental regulation that affect the state budget. Establishes the Nonnative Vegetative Invasive Species Eradication Fund consisting of legislative appropriations. The Department of Forestry and Fire Management is required to provide grants from the Fund to other state agencies, municipalities, counties, Indian tribes and other political subdivisions for nonnative vegetative invasive species eradication projects that meet specified requirements, and to establish application procedures for grants. The Dept is required to submit an annual report on Fund expenditures to the Governor and the Legislature. The Arizona State Parks Board is required to use \$692,100 from the Board's portion of the Off-Highway Vehicle Recreation Fund in FY2019-20 for repairs, maintenance and development of the Arizona portion of the Great Western Trail. The Arizona Water Protection Fund Commission is permitted to grant to the Department of Water Resources (DWR) up to \$336,000 of the unobligated balance in the Fund to pay for administrative costs of DWR in FY2019-20. DWR is authorized to increase fees in FY2019-20 for services in FY2019-20 to generate \$100,200. Notwithstanding statutory requirements, there is no general fund appropriation to the Water Quality Assurance Revolving Fund (WQARF) for FY2019-20. Appropriates \$2.8 million from the Emissions Inspection Fund, \$2.6 million from the Air Quality Fund, \$5 million from the Underground Storage Tank Revolving Fund, \$1 million from the Permit Administration Fund, and \$2.15 million from the Recycling Fund in FY2019-20 to the WQARF. The Department of Environmental Quality (DEQ) is required to charge the same fees in FY2019-20 that were charged in FY2018-19 for vehicle emissions testing conducted in Area A (Phoenix metropolitan). Allows DEQ to use up to \$6.53 million from the Underground Storage Tank Revolving Fund in FY2019-20 for administrative costs of DEQ and for remediating sewage discharge issues in Naco, Arizona and other border areas of Arizona. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Bowers (R - District 25)
Arizona REALTOR® Position:
Monitor

Last Action: 5/31 signed by governor. Chap. no. awaited.

HB2754: BUDGET; BRB; HEALTH; 2019-20

Makes various policy changes in the area of public health that affect the budget. Municipalities and counties, instead of the state, are required to pay the costs of a defendant's inpatient, in-custody competency restoration treatment. The Department of Health Services is required to license "secure" (defined) behavioral health residential facilities to provide secure 24-hour on-site supportive treatment and supervision by staff with behavioral health training for persons who

have been determined to be seriously mentally ill, who are chronically resistant to treatment for a mental disorder, and who are placed in the facility pursuant to a court order. A secure behavioral health residential facility is limited to 16 beds and may provide services only to persons placed there by court order. If a court finds that a person meets the criteria for court-ordered treatment, the court may approve the patient's placement in a secure behavioral health residential facility. The court's finding must be based on evidence that establishes a list of conditions by clear and convincing evidence. The Arizona Health Care Cost Containment System (AHCCCS) Administration is authorized to spend monies in the Seriously Mentally Ill Housing Trust Fund for rental assistance for seriously mentally ill persons. By January 31, 2022, the AHCCCS Administration is required to issue to the Governor and the Legislature a report that measures the outcomes of seriously mentally ill persons who reside in secure behavioral health residential facilities. The AHCCCS Administration is permitted to stop processing new applications for KidsCare if the AHCCCS Director determines that federal and state monies appropriated for the program are insufficient, instead of being required to immediately stop processing new applications if the state's federal medical assistance percentage for the program is less than 100 percent. By December 31, 2020, for FY2019-20, the AHCCCS Administration is required to transfer to the counties the portion, if any, as may be necessary to comply with the federal Patient Protection and Affordable Care Act. Specifies county contributions for ALTCS, and AHCCCS acute care and hospitalization and medical care for FY2019-20. For the contract year beginning October 1, 2019 and ending September 30, 2020, the AHCCCS Administration is authorized to continue the risk contingency rate setting for all managed care organizations and the funding for all managed care organizations administrative funding levels that was imposed for the contract year beginning October 1, 2010 and ending September 30, 2011. Disproportionate share hospitals (DSH) payments for FY2019-20 include \$113.8 million for a qualifying nonstate operated public hospital, \$4.2 million of which must be distributed to the Maricopa County Special Health Care districts, \$28.5 million for the Arizona State Hospital, and \$884,800 for private qualifying hospitals. After these DSH payments are made, the allocations of DSH payment must be made available first to qualifying private hospitals located outside of the Phoenix metropolitan statistical area and the Tucson metropolitan statistical area before being made available to qualifying private hospitals within those areas. The Department of Health Services is authorized to increase fees in FY2019-20 for services provided by the Bureau of Radiation Control in order to generate \$1.9 million for deposit in the Health Services Licensing Fund. Counties are authorized to meet statutory funding requirements for competency restoration treatment from any source of county revenue, including funds of any countywide special taxing districts of which the board of supervisors serves as the board of directors. County contributions for competency restoration treatment are excluded from the county expenditure limitation. Beginning January 1, 2020, the Family Caregiver Grant Program is established for individuals who have "qualifying expenses" (defined) during a calendar year due to caring for and supporting a "qualifying family member" (defined) in the individual's home. Establishes application requirements and income limits to receive a family caregiver grant. The amount of the grant is 50 percent of the qualifying expenses incurred during the calendar year, with a maximum of \$1,000 for each qualifying family member. An individual who receives a grant is not eligible to apply for a grant again for three consecutive calendar years. Establishes various reporting requirements. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Cobb (R - District 5)

Arizona REALTOR® Position:
Monitor

Last Action: 5/31 signed by governor. Chap. no. awaited.

HB2755: BUDGET; BRB; HUMAN SERVICES; 2019-20

Makes various policy changes in the areas of human services that affect the budget. The Department of Economic Security (DES) is authorized to reduce maximum income eligibility levels for child care assistance in order to manage within appropriated and available monies and must notify the Joint Legislative Budget Committee of any change within 15 days after implementation. Increases the threshold of the amount of Title IV-D support received in a federal fiscal year after which DES is required to charge certain recipients an annual fee to \$550, from \$500. Deletes the requirement for the legislature to annually adjust, according to the percentage change in the metro Phoenix consumer price index, the appropriation made in the previous FY to DES to provide services to persons with developmental disabilities whose service costs exceed the current cost-effective study rate. During FY2019-20, DES is required to screen and test each adult recipient of Temporary Assistance for Needy Families cash assistance who DES reasonable cause has to believe engages in the illegal use of controlled substances, and any recipient who tests positive for the use of a controlled substance that was not prescribed by a licensed health professional is ineligible to receive benefits for one year. House Trust Fund monies may be spent on constructing or renovating facilities and on housing assistance, including support services, for persons who have been determined to be seriously mentally ill and to be chronically resistant to treatment. Establishes reporting requirements AS SIGNED BY GOVERNOR.

First sponsor: Rep. Cobb (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 5/31 signed by governor. Chap. no. awaited.

HB2756: BUDGET; BRB; REVENUE; 2019-20

Makes various changes relating to general revenues for FY2019-20. Budget unit budget estimates are required to include a detailed estimate of the cost to the state in the next FY attributable to a county's or municipality's establishment of a minimum wage that exceeds the state minimum wage. If the legislature allocates it, the Department of Administration (DOA) is required to collect from a county or municipality an amount to reimburse the state for the cost attributable to the county's or municipality's establishment of a minimum wage that exceeds the state minimum wage. If the county or municipality fails to pay, DOA is required to notify the State Treasurer, and the State Treasurer is required to withhold the amount from any payments of state-shared revenues to that county or municipality. Monies collected from counties and municipalities to reimburse the state for the costs of a minimum wage that exceeds the state minimum wage are required to be credited to the funds in the amounts prescribed in the budget estimates. For the purpose of statutes regulating the situs of sales other than tangible personal property, the definition of "multistate service provider" is expanded to include a taxpayer that has

more than 2,000 employees in Arizona and that derives more than 85 percent of its sales from support services provided to a regionally accredited institution of higher education, including all taxpayers required to file a combined report and all members of an affiliated group included in a consolidated return. For this type of multistate service provider, the benefit of support services is deemed received at the billing address of the student to which the services relate. In FY2019-20, the Department of Gaming is required to establish and collect a regulatory assessment of 0.5 percent of the amounts wagered from each commercial racing permittee. The Department of Insurance is prohibited from revising fees or assessments in FY2019-20 for the purpose of meeting the requirement to recover between 95 and 110 percent of the Dept's appropriated budget. For FY2019-20, counties with a population of less than 250,000 are authorized to meet any county fiscal obligation from any source of county revenue designated by the county, in an amount of up to \$1.25 million. It is the intent of the Legislature that Department of Revenue administrative fees for costs of tax administration for local governments cannot exceed \$20.76 million in aggregate and that the fees are also subject to a list of specified conditions. Defines terms and modifies existing definitions relating to the Office of Manufactured Housing. A "factory-built building" excludes a panelized commercial building utilizing "open construction" (defined) and a panelized residential building utilizing open or "closed construction" (defined), instead of excluding any panelized building. By June 30 of each year, the Department of Revenue is required to report to the Joint Legislative Budget Committee and the Governor's office of Strategic Planning and Budgeting on the estimated amount of capital gains tax paid by nonresidents on real estate transactions in the prior tax year. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Bowers (R - District 25)
Arizona REALTOR® Position:
Monitor

Last Action: 5/31 signed by governor. Chap. no. awaited.

HB2757: TAX PROVISIONS; OMNIBUS

For the purpose of Title 42 (Taxation), the definition of "Internal Revenue Code" means the U.S. Internal Revenue Code in effect as of January 1, 2019. For the purpose of computing income tax pursuant to Title 43 (Taxation of Income), the definition of "Internal Revenue Code" for tax years beginning January 1, 2019 means the U.S. Internal Revenue Code in effect on January 1, 2019, including provisions that became effective during 2018 with the specific adoption of all retroactive effective dates, but excluding any changes to the code enacted after January 1, 2019. For the purpose of computing income tax pursuant to Title 43 (Taxation of Income), the definition of "Internal Revenue Code" for tax years beginning January 1, 2018 means the U.S. Internal Revenue Code in effect on January 1, 2018, including those provisions that became effective during 2017 with the specific adoption of all retroactive dates, and including provisions of the federal Bipartisan Budget Act of 2018 and the Consolidated Appropriations Act of 2018 that are retroactively effective during tax year 2018. Establishes new income tax brackets and tax rates for taxable years beginning January 1, 2019. For each taxable year beginning with 2020, the Department of Revenue is required to adjust the income dollar amount for each rate bracket according to the average annual change in the metropolitan Phoenix consumer price index published by the U.S. Department of Labor. The amounts of the optional standard deduction are

increased to \$12,200 for a single person or a married person filing separately, from \$4,050, and to \$18,350 for a head of household and \$24,400 for a married couple filing jointly, from \$8,100. For taxable years beginning with 2019, the standard deduction must be increased by the amount equal to 25 percent of the total amount of a taxpayer's charitable deductions that would have been allowed if the taxpayer elected to claim itemized deductions. Personal income tax exemptions are eliminated. Establishes an income tax credit for each dependent of a taxpayer. For taxpayers whose federal adjusted gross income is less than \$200,000 for a taxpayer who is a single person, a married person filing separately or a head of household, or is less than \$400,000 for a married couple filing a joint return, the amount of the credit is \$100 for each dependent who is under 17 years of age at the end of the taxable year, and \$25 for each dependent who is at least 17 years of age at the end of the taxable year. For taxpayers whose federal adjusted gross income is more than those thresholds, the amount of the credit is reduced 5 percent for each \$1,000, or fraction thereof, by which the taxpayer's federal adjusted gross income exceeds the applicable threshold. Additionally, any person that conducts business in an activity classified under transaction privilege tax (TPT) classifications with purchasers in Arizona is engaging or continuing in business in Arizona, is subject to and is required to pay TPT if the person meets any of the following criteria in the previous or current calendar year: if the person is a remote seller, the gross proceeds of sales or gross income derived from the remote seller's business with customers in Arizona that is not facilitated by a marketplace facilitator is more than \$200,000 in calendar year 2019, \$150,000 in calendar year 2020, and \$100,000 in calendar year 2021 and after; if the person is a marketplace facilitator, the gross proceeds of sales or gross income derived from the marketplace facilitator's business on its own behalf or on behalf of at least one marketplace seller with customers in Arizona is more than \$100,000. For the purposes of determining whether a person meets any of these criteria, all affiliated persons must be aggregated. A marketplace facilitator is required to report the TPT due from transactions facilitated on behalf of marketplace sellers and is permitted to report the TPT due with the TPT collected from transactions made directly by the marketplace facilitator on a combined tax return or on a separate return. These provisions supersede all municipal ordinances or other local laws relating to the taxation of business activities classified under these provisions. The municipal tax rate for businesses selling tangible personal property at retail for marketplace facilitators is the municipal tax rate in effect in the municipality for businesses selling tangible personal property at retail on September 30, 2019, until the city or town changes the tax rate. Some exceptions. A marketplace facilitator is not liable for failing to pay the correct amount of transaction privilege tax for a marketplace seller's sales through the marketplace facilitator's marketplace if the marketplace facilitator and the marketplace seller are not "affiliated persons" (defined) and if the marketplace facilitator demonstrates that the failure was due to incorrect information given to the marketplace facilitator by the marketplace seller, or that the failure was due to an error other than an error in sourcing the sale. A remote seller is not liable for failing to pay the correct amount of transaction privilege tax if failure to pay the correct amount was due to an error other than an error in sourcing the sale. The liability relief provided under either of these circumstances is limited to 5 percent of the total TPT due for calendar year 2019, 3 percent of the total TPT due for calendar year 2020, and 0 percent for calendar year 2021 and after. The list of exemptions from the retail classification of TPT is expanded to include sales of tangible personal property by a marketplace seller that are facilitated by a marketplace facilitator in which the marketplace facilitator has remitted or will remit the applicable tax to the Department of Revenue. Municipalities are authorized to levy a transaction privilege tax on the gross proceeds of sales or

gross income derived from the sale of a motor vehicle to a nonresident or enrolled member of an Indian tribe if specified conditions are met. Municipalities are authorized to continue to levy an existing transaction privilege tax that was levied on or before May 1, 2019 on the gross proceeds of sales or gross income derived from the sales of livestock and poultry feeds and specified additives. This authorization is removed on January 1, 2020 for municipalities with a population of more than 50,000 and on July 1, 2021 for municipalities with a population of 50,000 persons or less. Contains a legislative intent section and provides for applicability. Specified sections apply retroactively. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Toma (R - District 22)
Arizona REALTOR® Position:
Monitor

Last Action: 5/31 signed by governor. Chap. no. awaited.

HB2758: EMPOWERMENT SCHOLARSHIPS; QUALIFIED SCHOOL

A student who is enrolled in an Arizona Empowerment Scholarship Account (ESA), who resides within the boundaries of an Indian reservation in Arizona and who paid tuition to a nongovernmental primary or secondary school or a preschool for students with disabilities that is located in an adjacent state and that is within two miles of the border between that state and Arizona may continue to use ESA monies to pay tuition at that school until July 1, 2020 and is not required to repay the Department of Education for any monies previously spent for tuition at that school. Retroactive to July 1, 2017.

First sponsor: Rep. Petersen (R - District 12)
Arizona REALTOR® Position:
Monitor

Last Action: 6/6 signed by governor. Chap. 276, Laws 2019. message

HB2759: APPROPRIATIONS; DIRECT SERVICES; REFERRALS

Appropriates \$2.5 million from the general fund in FY2019-20 to the Department of Health Services for a Family Health Pilot Program. The Dept is required to distribute the monies to a nonprofit organization to implement a statewide system to provide specified services to the biological or adoptive parents of children under two years of age, including unborn children. The purpose of the statewide system is to encourage healthy childbirth, support childbirth as an alternative to abortion, promote family formation, aid successful parenting and increase families' economic self-sufficiency. The statewide system services must be available to all Arizona residents in both urban and rural areas. Monies are prohibited from being used for abortion referral services and from being distribute to entities that promote, refer or perform abortions. The nonprofit organization is required to submit to the Dept a quarterly report of the services and referrals provided, and information that must be included in the report is specified. AS PASSED HOUSE.

First sponsor: Rep. Udall (R - District 25)
Arizona REALTOR® Position:
Monitor

Last Action: 5/27 substituted in Senate for identical SB1547 and FAILED to pass 15-14.

HB2760: LEGISLATORS; MILEAGE RATE; DISTRICTANCE

Modifies the per diem rates for legislators. For a member whose permanent residence is within Maricopa County, the amount is 50 percent of the annual average federal per diem rate for Maricopa County as determined by the U.S. General Services Administration. For a member whose permanent residence is outside Maricopa County, the amount is 100 percent of the annual average federal per diem rate for Maricopa County as determined by the U.S. General Services Administration. After the first 120 days of a regular session, the per diem rates are 50 percent of those amounts. The statutory maximum long-term subsistence allowance does not apply to legislators.

First sponsor: Rep. Campbell (R - District 1)
Arizona REALTOR® Position:
Monitor

Last Action: 5/27 from House Appropriations Committee do pass. From House rules okay. House COW approved. See SB1558.

HCR2005: INITIATIVE; REFERENDUM; SIGNATURES; LEGISLATIVE DISTRICTRICTS

The 2020 general election ballot is to carry the question of whether to amend the state Constitution to require statewide initiative measures that amend statute to collect signatures from 10 percent of the qualified electors from each legislative district, statewide initiative measures that amend the state Constitution to collect signatures from 15 percent of the qualified electors from each legislative district, and statewide referendum measures to collect signatures from 5 percent of the qualified electors from each legislative district, instead of from those percentages of the qualified electors statewide.

First sponsor: Rep. Kavanagh (R - District 23)
Arizona REALTOR® Position:
Monitor

Last Action: 5/8 retained on House COW calendar.

HCR2018: PROPERTY RIGHTS; SUPPORTING PROTECTIONS

The members of the Legislature express their strong support of and commitment to protecting the fundamental, constitutional human right to individual private property in Arizona and in our great nation. AS SENT TO SECRETARY OF STATE.

First sponsor: Rep. Griffin (R - District 14)
Arizona REALTOR® Position:
Support

Last Action: 5/21 passed Senate 16-13; to secretary of state.

HCR2020: STATE INCOME TAX; REPEAL

The 2020 general election ballot is to carry the question of whether to amend the state Constitution to declare that the income of individuals, corporations and other legal entities is not subject to taxation by the state, counties, municipalities or other political subdivisions beginning January 1, 2031.

First sponsor: Rep. Rivero (R - District 21)
Arizona REALTOR® Position:
Monitor

Last Action: 2/18 referred to House Appropriations Committee.

HCR2023: CONSTITUTIONAL PROPERTY TAX EXEMPTIONS

The 2020 general election ballot is to carry the question of whether to amend the state Constitution to consolidate and reorganize provisions relating to exemptions from property taxation. Sections of the state Constitution relating to property tax exemptions are repealed and replaced. Impossible to determine new provisions without a line by line comparison.

First sponsor: Rep. Biasiucci (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 2/5 referred to House Ways and Means Committee.

HCR2024: TPT AND USE TAX; EDUCATION

The 2020 general election ballot is to carry the question of whether to amend the state Constitution to levy a separate 1 percent transaction privilege tax beginning July 1, 2021 for the purpose of raising revenues for education. The net revenues derived from the tax are appropriated as follows: 70 percent for primary and secondary classroom education purposes, 20 percent for maintaining an in-state tuition rate that is consistent with the state Constitutional requirement for tuition to be as nearly free as possible, 5 percent for community college trade and workforce development programs, and 5 percent for oversight and accountability.

First sponsor: Rep. Udall (R - District 25)
Arizona REALTOR® Position:
Oppose

Last Action: 2/19 from House Education Committee with Amendment Committee #4250.

HJR2002: COLORADO RIVER DROUGHT CONTINGENCY PLAN

The State of Arizona, by and through the Director of the Department of Water Resources (Director), is authorized to forbear its rights and claims by entering agreements in substantial conformance with the draft Agreement Concerning Colorado River Drought Contingency Management and Operations and the draft Lower Basin Drought Contingency Plan Agreement if federal legislation is enacted directing the U.S. Secretary of the Interior to execute and implement the agreements and all parties other than the U.S. and the State of Arizona have authorized the execution of the agreements. The State of Arizona, by and through the Director, is authorized to enter into an agreement in substantial conformance with the draft Drought Contingency Plan Contributions and Intentionally Created Surplus Accumulation Limits Sharing Agreement. The authority granted to the Director does not extend to any future agreements for the sharing of Drought Contingency Plan contributions and separate resolutions are required. The Director is required to promptly notify the Legislature and the Governor and provide a written report to specified legislative committees on any agreement entered into under the authority granted by this joint resolution. The authority granted to the Director to enter into any agreement under this joint resolution expires on August 31, 2019. Emergency clause.

First sponsor: Rep. Bowers (R - District 25)
Arizona REALTOR® Position:
Support

Last Action: 1/31 see SJR1001.

SB1030: REMOTE ONLINE NOTARIZATION; REGISTRATION

By July 1, 2020, the Secretary of State (SOS) is required to adopt rules to facilitate "remote online notarizations" (defined), which must include sufficient forms of notarial certificates and standards for communication technology, credential analysis, identity proofing and retention of an audio and visual recording. Establishes requirements for electronic records of remote online notarizations, the use of electronic signatures and electronic seals, and remote online notarization procedures. Establishes information a notary public is required to record in an electronic journal for a remote online notarial act. Effective July 1, 2020. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Leach (R - District 11)
Arizona REALTOR® Position:
Support

Last Action: 4/10 signed by governor. Chap. 56, Laws 2019.

SB1031: REGISTRAR OF CONTRACTORS; ARBITRATION; REPEAL

Repeals statute allowing the Registrar of Contractors to refer to arbitration a complaint disputing the Registrar's corrective work order if the cost of repairs is five thousand dollars or less.

First sponsor: Sen. Leach (R - District 11)
Arizona REALTOR® Position:
Monitor

Last Action: 5/27 referred to Senate rules only.

SB1033: PROPERTY TAX STATEMENTS; MORTGAGED PROPERTY

The county treasurer is required to mail a statement of property taxes due on a mortgaged property to the mortgagor, instead of being required to do so on request. If a mortgagee requests a statement of taxes due on a mortgaged property, the county treasurer is allowed to send the statement in any form. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Leach (R - District 11)
Arizona REALTOR® Position:
Support

Last Action: 5/3 signed by governor. Chap. 167, Laws 2019.

SB1080: TPT; USE TAX; EDUCATION

Establishes a required Distribution formula for all monies collected from a new article in the state Constitution. Requires monies generated from the tax to be paid in monthly installments as follows: 73 percent to the Classroom Site Fund, 22 percent to the Arizona Board of Regents to be distributed proportionally to each university based on the number of students who receive in-state tuition to maintain an in-state tuition rate that is consistent with the state Constitutional requirement for tuition to be as nearly free as possible, and 5 percent for community college trade and workforce development programs. Repeals the additional transaction privilege tax rate increment of 0.6 percent imposed from July 1, 2022 through June 30, 2041 that would have been distributed for specified education purposes, and repeals statute specifying the Distribution of those revenues. Repeals the individual income tax credit for increased transaction privilege or excise taxes paid for education. Modifies the purposes for which monies from the Classroom Site Fund must be spent to remove class size reduction and add voluntary full-day kindergarten, the cost of additional school days, student support services and school resource officers. Deletes the requirement for school districts and charter schools to allocate 40 percent of the monies received from the Classroom Site Fund for teacher compensation increases based on performance and employment related expenses, 20 percent of the monies for teacher base salary increases and employment related expenses, and 40 percent of the monies for maintenance and operation purposes. Conditionally enacted effective July 1, 2021 if the state Constitution is amended by a vote of the people at the 2020 general election by passage of an unspecified House Concurrent Resolution (blank in original). [Capitol Reports Note: The new article in the state Constitution referred to in this legislation is established by SCR1001.]

First sponsor: Sen. S. Allen (R - District 6)

Arizona REALTOR® Position:
Oppose

Last Action: 3/4 Senate COW approved with amendment #4004 and floor amendment #4574.

SB1085: ASSOCIATION HEALTH PLANS

An association qualifies as a path 1 bona fide association if the association meets currently specified statutory requirements for a bona fide association. An association qualifies as a path 2 bona fide association if the association meets specified requirements of federal law. An insurer electing to offer health benefits plans through a bona fide association to small employer groups of one is not required to make health benefits plans available as required by specified statute to small employer groups of one if the small employer is not seeking a health benefits plan through a bona fide association. Does not limit or prohibit the issuance of self-funded health benefits plans in Arizona through a bona fide association if the association is established and operating in compliance with applicable provisions of the federal Employee Retirement Income Security Act of 1974. By January 1, 2020, the Dept is required to post information on the Dept's public website that summarizes applicable state law and any other pertinent information related to association health plans. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Brophy McGee (R - District 28)
Arizona REALTOR® Position:
Support

Last Action: 5/8 signed by governor. Chap. 194, Laws 2019.

SB1098: HOUSING ASSISTANCE PILOT PROGRAM; APPROPRIATION

Establishes a Housing Assistance Pilot Program to provide grants to assist individuals who are transitioning off of public assistance or seriously mentally ill persons in specified settings in securing housing. Establishes a 4-member Housing Assistance Advisory Board to administer the Program. The Board is required to establish criteria and an application process for housing assistance grants, and award housing assistance grants to qualified applicants. The Board is required to submit a report on the Program to the Governor and the Legislature by December 15, 2022. Appropriates \$5 million from the general fund in FY2019-20 to the Board for the purposes of this legislation. The Program and the Board self-repeal October 1, 2023. Additionally, the Arizona Health Care Cost Containment System Administration is required to issue a request for proposals for a third-party entity to conduct a program study that measures outcomes of seriously mentally ill residents in community living homes and behavioral health residential facilities that meet other specified requirements. By January 1, 2020, the Department of Health Services is required to adopt rules to allow a behavioral health residential facility to be a secure facility if the behavioral health residential facility is the least restrictive environment that meets the resident's treatment needs and the resident is an incapacitated person who meets other specified requirements. AS PASSED SENATE.

First sponsor: Sen. Carter (R - District 15)

Arizona REALTOR® Position:
Monitor

Last Action: 4/1 from House Health and Human Services Committee with amendment #4914.

SB1143: CONFORMITY; INTERNAL REVENUE CODE; RATES

For the purpose of computing income tax for tax year 2018, the definition of "Internal Revenue Code" would have been updated to mean the U.S. Internal Revenue Code in effect on January 1, 2018. For tax year 2018, the Department of Revenue would have been required to reduce the income tax rates provided in statute by 0.11 percentage points. Would have applied retroactively to tax years beginning January 1, 2018. AS VETOED BY GOVERNOR. In his veto message, the Governor stated that any bill with a fiscal impact should be considered as part of budget discussions.

First sponsor: Sen. Mesnard (R - District 17)
Arizona REALTOR® Position:
Support

Last Action: 2/1 VETOED message.

SB1147: TOBACCO PRODUCTS; VAPOR PRODUCTS (~~MUNICIPAL ECONOMIC DEVELOPMENT; SALE; LEASE~~)

The governing body of a municipality is authorized to sell or lease for "economic development activities" (defined elsewhere in statute) land or buildings owned by or under the control of the municipality only pursuant to the requirements of this legislation. The governing body of the municipality is required to appoint an experienced, independent appraiser to determine the sale or lease valuation of any land or building valued at more than \$50,000. The governing body is required to give notice of a proposed sale or lease by publication, once each week for four consecutive weeks before executing any sale or lease, in a newspaper of general circulation in the municipality and to make the notice available to the public on the governing body's website. Information that must be included in the notice is specified. Contains a purpose statement. Applies to any agreement made on or after the effective date of this legislation. AS PASSED SENATE.

First sponsor: Sen. Leach (R - District 11)
Arizona REALTOR® Position:
Monitor

Last Action: 5/15 House COW approved with amendment #4911 and floor amendment #5096.
NOTE SHORT TITLE CHANGE.

SB1156: TRAUMA TREATMENT SERVICES; CONTRACT REQUIREMENTS (~~TECH CORRECTION; WATER PROTECTION~~)

Appropriates \$450,000 from the general fund in FY2019-20 to the Department of Veterans' Services to provide grants to contractors who provide trauma treatment service training to a specified list of licensed health professionals. AS PASSED SENATE.

First sponsor: Sen. Gowan (R - District 14)
Arizona REALTOR® Position:
Monitor

Last Action: 4/1 from House Health and Human Services Committee do pass.

SB1159: FIRE DISTRICTS; FINANCIAL REPORTS; ALTERNATIVES

Within 60 days after submittal of a written fire district financial report that states the fire district is likely to violate statutory fire district budgeting requirements or that indicates an adverse impact on the ongoing operations or liquidity of the fire district, the district is required to complete a study of merger, consolidation or joint operating alternatives. The fire district is required to hold a special public meeting to present the findings of the study. Within 5 days after the special public meeting, the fire district board chairman is required to submit the findings of the study to the county treasurer and county board of supervisors. Also, separate legal entities formed by counties, municipalities and fire districts for fire and/or emergency medical services are authorized to use the titles fire authority, fire and medical authority, fire and emergency medical services authority, fire and ambulance authority or ambulance authority to identify the entity. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Borrelli (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 4/22 signed by governor. Chap. 117, Laws 2019.

SB1166: CONFORMITY; INTERNAL REVENUE CODE; EXCEPTIONS

For the purpose of computing income tax for tax year 2018, the definition of "Internal Revenue Code" is updated to mean the U.S. Internal Revenue Code in effect on January 1, 2018. For tax year 2018, in computing Arizona adjusted gross income for a taxpayer that elects to itemize deductions, specified amounts are required to be added to Arizona gross income. In computing taxable income for tax year 2018, at the election of the taxpayer and in lieu of the standard deduction, the taxpayer may take itemized deductions as allowed by statute and may also deduct a list of specified amounts. Other additions and subtractions to taxable income for tax year 2018 are specified. Retroactive to tax years beginning January 1, 2018. Emergency clause.

First sponsor: Sen. Mesnard (R - District 17)
Arizona REALTOR® Position:
Monitor

Last Action: 2/14 from Senate Finance Committee do pass.

SB1178: TECH CORRECTION; WATER RESOURCES

Minor change in Title 45 (Waters) related to the Department of Water Resources. Apparent striker bus.

First sponsor: Sen. S. Allen (R - District 6)
Arizona REALTOR® Position:
Monitor

Last Action: 1/24 referred to Senate rules only.

SB1194: CORPORATE TAX FREEZE; EDUCATIONAL OUTCOMES

In lieu of the statutory income tax rates for corporations, a tax is levied on the entire Arizona taxable income of every corporation, unless specifically exempt by law, in an amount of 4.9 percent of net income or \$50, whichever is greater, unless the Superintendent of Public Instruction determines that the statewide high school graduation rate for the preceding school year was at least 95 percent. Applies to tax years beginning January 1, 2020.

First sponsor: Sen. Mendez (D - District 26)
Arizona REALTOR® Position:
Monitor

Last Action 1/28 referred to Senate Finance Committee, Education Committee.

SB1196: ENERGY MEASURING; CONTAINERS; PROHIBITION; REPEAL

Repeals statutes prohibiting counties and municipalities from requiring an owner, operator or tenant of a business, commercial building or multifamily housing property to measure and report energy usage and consumption, from imposing a tax, fee, assessment, charge or return deposit on a consumer or an owner, operator or tenant of a business, commercial building or multifamily housing property for "auxiliary containers" (defined as reusable bags, disposable bags, boxes, beverage cans, bottles, cups and containers that are made from specified materials and that are used for transporting merchandise), and from regulating the sale, use or disposition of auxiliary containers by an owner, operator or tenant of a business, commercial building or multifamily housing property.

First sponsor: Sen. Mendez (D - District 26)
Arizona REALTOR® Position:
Oppose

Last Action: 1/28 referred to Senate Government Committee, Commerce Committee.

SB1198: WATER INFRASTRUCTURE FINANCE AUTHORITY; APPROPRIATION

Appropriates \$30 million from the general fund in FY2019-20 to the Water Infrastructure Finance Authority.

First sponsor: Sen. Mendez (D - District 26)
Arizona REALTOR® Position:
Monitor

Last Action 1/28 referred to Senate Water and Agriculture Committee, Appropriations Committee.

SB1204: AFFORDABLE HOUSING; TAX ASSESSMENT

The initial appraised value of "community land trust property" (defined) in the year the property first qualifies for classification as "affordable housing" (defined) is the initial investment basis for property tax purposes. In subsequent valuations by the county assessor, the value of the community land trust property cannot exceed the sum of the market value of the property and the initial investment basis.

First sponsor: Sen. Mendez (D - District 26)
Arizona REALTOR® Position:
Monitor

Last Action: 1/28 referred to Senate Finance Committee.

SB1213: ASRS; RETURN TO WORK (~~TAX CREDITS; AFFORDABLE HOUSING~~)

An Arizona State Retirement System (ASRS) employer is not required to pay contributions at an alternate contribution rate on behalf of a retired member that returns to work with the employer in a position that is currently filled by an employee who is an active ASRS member and for which the employer is currently required to pay and is paying contributions on behalf of the active member in that same position. An ASRS employer is permitted to pay contributions at an alternate contribution rate for a retired member who meets the requirements for an exemption. For contributions made beginning July 1, 2019, if ASRS and the employer determine that the "alternative" contribution rate does not apply to a member for whom the employer has paid contributions at the alternate contribution rate, the employer is permitted to request an employer credit, not including interest, for those contributions within 90 days after the end of the fiscal year in which the contributions were paid. If ASRS determines that an employer credit is not feasible, ASRS is required to issue a refund to an employer in a form determined by ASRS. For the purpose of the Elected Officials' Retirement Plan, any pension payments received by a member, who retired on or after July 1, 2009, while holding the same office from which the member retired within one full term after the date of retirement are considered overpayments and are subject to repayment up to the maximum of only the amount received during that term. For the purpose of the Public Safety Personnel Retirement System (PSPRS) and the Corrections Officer Retirement Plan (CORP), any pension payments received by the retired member who retired on or after July 1, 2009 during a period of reemployment are considered overpayments, with some exceptions. If the PSPRS Board determines that the retired member's reemployment

during the 12-month period and the failure of the employer or local board to suspend the member's pension were not intentional, the pension payments received by the retired member after reemployment are subject to repayment up to only the amount received between the date of the member's reemployment and the expiration of the 12-month period. If a retired PSPRS or CORP member who retired on or after July 1, 2009 and who is reemployed terminates employment, the retired member may be subsequently reemployed with the same employer and resume receiving pension payments after a period of 12 months, less the period of time the member was not reemployed with the same employer after retirement, if at least 60 days of the 12 months are consecutive. AS PASSED HOUSE.

First sponsor: Sen. Livingston (R - District 22)
Arizona REALTOR® Position:
Support

Last Action: 6/7 signed by governor. Chap. no. awaited.

SB1216: UNIFORM RECEIVERSHIP ACT; COMMERCIAL PROPERTY

Establishes a new chapter in Title 33 (Property) regulating commercial real estate receivership. Applies to a receivership for an interest in commercial real property and any personal property related to or used in operating the real property and does not apply to a receivership for an interest in real property improved by one to four dwelling units unless a list of specified conditions is met. Grants the court that appoints a receiver exclusive jurisdiction to direct the receiver and determine any controversy related to the receivership or receivership property. Establishes conditions under which the court may appoint a receiver, prohibits the court from appointing a person as a receiver if the person has specified interests or specified relationships with a party, and requires a receiver to post a bond with the court. Specifies powers and duties of a receiver and of an owner. More. Does not apply to a receivership for which the receiver was appointed before the effective date of this legislation. AS PASSED HOUSE.

First sponsor: Sen. Livingston (R - District 22)
Arizona REALTOR® Position:
Monitor

Last Action: 6/6 signed by governor. Chap. 278, Laws 2019.

SB1218: BENEFICIARY DEEDS; SEPARATE PROPERTY; NONLAPSE

Unless the beneficiary deed provides otherwise, the interest in real property conveyed by a beneficiary deed is the separate property of the named grantee beneficiary and is not community property. Unless the beneficiary deed provides otherwise, if there are no grantee beneficiaries named in the beneficiary deed who survive the owner, the beneficiary deed is void. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Leach (R - District 11)
Arizona REALTOR® Position:

Monitor

Last Action: 3/22 signed by governor. Chap. 19, Laws 2019.

SB1221: IRRIGATION GRANDFATHERED RIGHT; CONTAINERIZED PLANTS

The use of groundwater to water plants in containers on or above the surface of the ground is a non-irrigation use in an Active Management Area (AMA). In an initial AMA, a person who holds a certificate of irrigation grandfathered right is permitted to withdraw groundwater and use it to water plants in containers on or above the surface of the "certificated acres" (defined) if the plants are grown for sale or human consumption or for use as feed for livestock, range livestock or poultry. Establishes requirements for the use of groundwater under these conditions.

First sponsor: Sen. Kerr (R - District 13)

Arizona REALTOR® Position:

Monitor

Last Action: 2/19 stricken from Senate consent calendar by Mendez. From Senate rules okay. Senate COW approved. See HB2484.

SB1227: COLORADO RIVER DROUGHT CONTINGENCY AMENDMENTS

Establishes the Arizona System Conservation Fund to be administered by the Director of the Department of Water Resources (Director) and appropriates \$30 million from the general fund in FY2019-20 to the Fund. The Director is authorized to spend monies from the Fund to contract with Colorado River water users in Arizona that hold entitlements to Colorado River water under the decree in Arizona v. California to forgo water deliveries or diversions for the purpose of creating system conservation. System conservation created through the use of the Fund is required to provide for Colorado River water to be conserved in Lake Mead through a verified reduction in existing consumptive use in order to decrease the likelihood of lake elevations dropping to levels that could result in reductions to Arizona's Colorado River allocation. Beginning July 1, 2021 and each July 1 after, the Director is required to submit a report to the Governor and the Legislature on expenditures from the Fund during the previous fiscal year and the volume of water that was conserved in Lake Mead. The Fund self-repeals April 1, 2027. Prohibits a water banking fee from being levied in the Pinal Active Management Area (AMA) during calendar years 2020 through 2026. In the Pinal AMA during calendar years 2020 through 2026, the Director is required to set the annual groundwater withdrawal fee in an amount of up to \$2.50 per acre-foot per year for groundwater and irrigation efficiency projects. Monies from this fee are required to be used only to finance projects for the construction and rehabilitation of wells and related infrastructure for the withdrawal and efficient delivery of groundwater by irrigation districts in the Pinal AMA. Monies from this fee are deposited in the newly established Temporary Groundwater and Irrigation Efficiency Projects Fund (TGIEP Fund), and requirements for the TGIEP Fund are established. Appropriates \$7 million from the general fund in FY2018-19 to the TGIEP Fund. The TGIEP Fund self-repeals April 1, 2028. Establishes requirements for recovery of water that was effluent stored at a managed underground storage facility that qualifies as an "existing effluent managed underground storage facility" (defined)

that has not been designated as a facility that could add value to a national park, national monument or state park. Long-term water storage credits may be used to demonstrate an assured water supply or an adequate water supply only if the managed underground storage facility qualifies as an existing effluent managed underground storage facility and the long-term storage credits were accrued before the effective date of this legislation. By December 31, 2019, the Arizona Water Banking Authority is authorized to enter into agreements to exchange long-term water storage credits accrued or purchased in one AMA with monies collected from specified groundwater withdrawal fees for long-term storage credits held by other persons in another AMA, on request of the Director, if the Director determines that the exchange is beneficial to water management in Arizona and that the exchange will not substantially impair the Authority's ability to meet its firming obligation to firm Indian settlement water. The term of any agreement entered into under this authorization is prohibited from extending beyond December 31, 2026. The Authority is permitted to distribute or extinguish long-term storage credits obtained by exchange. An exchange of long-term storage credits under this authorization is exempt from any fee established by the Dept for an assignment of long-term storage credits. A \$2 million appropriation in FY2018-19 is redirected from the Dept to the TGIEP Fund, and a \$2 million appropriation in FY2019-20 is redirected from the Dept to the Augmentation and Conservation Assistance Fund. Requires the Director to report to the Governor and the Legislature on agreements related to drought contingency plans. Contains a legislative intent section. Severability clause. Emergency clause. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Fann (R - District 1)
Arizona REALTOR® Position:
Support

Last Action: 1/31 substituted in House for identical HB2545 and passed 59-0; ready for governor. Signed by governor. Chap. 1, Laws 2019.

SB1236: TAX LIENS; FEES; CERTIFICATE EXPIRATION

Any outstanding fees attached to a parcel are added to the amount for which a real property tax lien may be sold.

First sponsor: Sen. Mesnard (R - District 17)
Arizona REALTOR® Position:
Monitor

Last Action: 5/27 passed House 60-0; ready for governor.

SB1248: PROPERTY TAXES; VALUATION; PROPERTY MODIFICATIONS

The list of circumstances in which the limited property value is required to be established at a level or percentage of full cash value that is comparable to that of other properties of the same or a similar use or classification is modified so that for property that has been modified by construction, destruction or demolition, the requirement applies only if the total value of the modification is equal to or greater than 15 percent of the full cash value. AS PASSED HOUSE.

First sponsor: Sen. Leach (R - District 11)
Arizona REALTOR® Position:
Monitor

Last Action: 5/24 Senate concurred in House amendments and passed on final reading 17-9;
ready for governor.

**SB1249: ANTIDISCRIMINATION; EMPLOYMENT; HOUSING; PUBLIC
ACCOMMODATIONS**

The list of attributes for which a person cannot be discriminated against in employment practices, various housing related statutes, and in places of public accommodation is expanded to include "sexual orientation" and "gender identity" (both defined).

First sponsor: Sen. Brophy McGee (R - District 28)
Arizona REALTOR® Position:
Support

Last Action: 5/27 referred to Senate rules only.

SB1257: AQUATICS FACILITY MAINTENANCE DISTRICTS

Adds a new chapter to Title 48 (Special Taxing Districts) providing for the establishment and regulation of "aquatics facility" (defined) maintenance Districts, which may be created only in a county with a population of less than 100,000 persons. Powers and duties of Districts are specified. Districts are governed by a 5-member board of directors, and procedures for the election of board members are established. On approval of the voters of the District, the board may levy a secondary property tax at a rate of up to \$1.80 per \$100 of net assessed valuation. Establishes requirements for the District to adopt an annual budget. The District board is authorized to charge and collect fees, rentals and service charges for any service performed or property furnished by the District. Conditionally repealed on December 31, 2023 unless the qualified electors of an aquatics facility maintenance District approve a tax levy at an election called for that purpose. Also, for any person, including a private nonprofit corporation, desiring to propose creation of an aquatic's facility maintenance District, the board of supervisors must require that the person demonstrate that it has received sufficient legally binding written commitments for donations to pay at least \$5.6 million of the estimated costs of the initial acquisition and construction of the aquatic's facility. AS PASSED SENATE.

First sponsor: Sen. Pratt (R - District 8)
Arizona REALTOR® Position:
Monitor

Last Action: 5/15 referred to House rules only.

SB1271: PURCHASER DWELLING ACTIONS; NOTICE; COMPLAINTS

Various changes relating to dwelling actions filed by a purchaser. A seller who receives a written notice of the basis of a dwelling action is required to forward a copy of the notice by certified mail, return receipt requested, to the last known address of each construction professional who the seller reasonably believes is responsible for an alleged defect that is specified in the notice. The seller's construction professional is added to the process for the right to repair and replace a construction defect. Subject to Arizona rules of court, the identified construction professionals must be joined as third-party defendants, if feasible. Subject to Arizona rules of court, for each construction defect found to exist, the trier of fact in any dwelling action is required to first determine if a construction defect exists and the amount of damages caused by the defect and identify each seller or construction professional whose conduct may have caused, in whole or in part, any construction defect. The purchaser has the burden of proof to demonstrate the existence of a construction defect and the amount of damages caused. The trier of fact is required to determine the relative degree of fault of any defendant or third-party defendant and is required to allocate the pro rata share of liability based on relative degree of fault. The seller has the burden to prove the pro rata share of liability of any third-party defendant. The determination of whether a construction defect exists, the amount of damages caused by the defect, and who may have caused the construction defect must be bifurcated from and take place in a separate phase of the trial or alternative dispute resolution process from the determination of the relative degree of fault of any defendant or third-party defendant, unless the court finds that bifurcation is not appropriate. In a contested dwelling action, the court or tribunal is authorized to award the prevailing party reasonable attorney fees and taxable costs. An award of attorney fees is limited to the amount of fees actually and reasonably incurred with respect to the contested issue and factors the court or tribunal must consider when determining whether the fees are reasonable are listed. Also, a covenant, clause or understanding in, collateral to or affecting a "construction contract" or "architect-engineer professional service contract" (both defined) involving a dwelling that purports to insure, to indemnify or to hold harmless the promisee from or against liability for loss or damage is against the public policy of this state and is void to the extent that it purports to do so. Some exceptions. Retroactive to July 1, 2019, the repeal date of the Construction Liability Apportionment Study Committee is moved to October 1, 2020, from July 1, 2019. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Fann (R - District 1)

Arizona REALTOR® Position:

Monitor. We will be working with the sponsor to address any areas that we oppose. This bill deals with indemnification and has the possibility to open up the construction defect legislation from last session.

Requested a bill position change to Support on 3/12/2019 as a result of the amendment which will be offered in the House.

Last Action: 4/10 signed by governor. Chap. 60, Laws 2019.

SB1300: LOW-INCOME HOUSING; TAX EXEMPTION

The requirements for property used exclusively for affordable rental housing to qualify for exemption from taxation are modified. The list of entities that may own and operate the property is expanded to include a single purpose entity that is wholly owned by one or more "eligible

nonprofit corporations" (defined). The amount of rent of the occupants cannot exceed the amount prescribed by deed restrictions or by regulatory agreements pursuant to the financing or financial assistance terms. The property cannot exceed 200 units, instead of 200 residents. AS PASSED SENATE.

First sponsor: Sen. Brophy McGee (R - District 28)
Arizona REALTOR® Position:
Oppose

Last Action: 5/27 passed House 40-20; ready for governor.

SB1333: REAL ESTATE APPRAISAL

Various changes to statutes related to real estate appraisal. The Superintendent of Financial Institutions is required to adopt standards for appraisal practice that at a minimum are equivalent to the "standards of professional appraisal practice" (defined as the uniform standards of professional appraisal practice promulgated by the Appraisal Standards Board of the Appraisal Foundation). The Superintendent is required to investigate and assess potential law or order violations and discipline, suspend, terminate or deny registration renewals of appraisal management companies that violate laws or orders. The superintendent is required to report violations of appraisal-related laws or orders and disciplinary and enforcement actions to the Appraisal Subcommittee. Appraisal management companies are no longer authorized to remove an appraiser from its appraiser panel within the first 60 days after the appraiser is first added to the panel without notifying the appraiser in writing of the reasons for removal. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Mesnard (R - District 17)
Arizona REALTOR® Position:
Monitor

Last Action: 3/22 signed by governor. Chap. 22, Laws 2019.

SB1367: CLASS ACTION SETTLEMENTS; ATTORNEY GENERAL (~~RECONSTRUCTION CONTRACTING; LOCAL TAX; EXEMPTION~~)

Attorney General is required to protect Arizona residents from consumer "class action" (defined) settlement abuse and is authorized to protect Arizona's interest in preventing consumer class action settlement abuse. When the Attorney General believes that a "proposed consumer class action settlement" (defined) does not provide fair, reasonable and adequate restitution or other relief for "class members" (defined), or unlawfully or unfairly compensates class counselor named class members over unnamed class members, the Attorney General is authorized to file a motion to intervene in the proceedings in the name of the state to represent the interests of Arizona and class members in Arizona by seeking an order that rejects or amends the proposed settlement. Inaction by the Attorney General in connection with a particular consumer class action settlement does not affect the rights of this state or the Attorney General's ability to act

under statute, including the ability to bring a case and seek all available relief. Contains a legislative intent section. AS PASSED HOUSE.

First sponsor: Sen. Mesnard (R - District 17)
Arizona REALTOR® Position:
Monitor

Last Action: 5/27 House COW approved with amendment #4895 and floor amendment #5163. NOTE SHORT TITLE CHANGE. Passed House 31-29; ready for Senate action on House amendments. Senate concurred in House amendments and FAILED to pass on final reading 13-15.

SB1368: WATER; WELL METERING; NONEXEMPT WELLS

A person who withdraws groundwater from any nonexempt well, instead of only those in active management areas, is required to use a water measuring device approved by the Department of Water Resources, unless another statutory exemption applies.

First sponsor: Sen. Mendez (D - District 26)
Arizona REALTOR® Position:
Oppose

Last Action: 2/4 referred to Senate Water and Agriculture Committee.

SB1369: WATER ADEQUACY REQUIREMENTS; STATEWIDE APPLICABILITY

County boards of supervisors are required, instead of permitted, to adopt regulations requiring all subdivisions to either have a determination of an adequate water supply from the Department of Water Resources or obtain a written commitment of water service for the subdivision from a municipal or private water company designated as having an adequate water supply by the Dept.

First sponsor: Sen. Mendez (D - District 26)
Arizona REALTOR® Position:
Monitor

Last Action: 2/4 referred to Senate Water and Agriculture Committee.

SB1397: REGISTRAR OF CONTRACTORS OMNIBUS

Various changes to statutes relating to the Registrar of Contractors (ROC) and the regulation of licensed contractors. The list of persons not required to be licensed as a contractor is modified. A joint venture or other combination of persons or organizations is not required to obtain a separate contractor's license in its own name if at least one member holds a contractor's license in good standing with the ROC and other specified conditions are met. While engaged as the qualifying party for a licensee, the qualifying party is responsible for any violation of ROC statutes by the licensee. If a person who qualified for a license ceases to be connected with the licensee, both the

licensee and the qualifying party are required to notify the ROC in writing within 15 days after the disassociation. The licensee must requalify through another person within 60 days after the date of a disassociation or the license is automatically suspended by operation of law until the licensee qualifies through another person. A person applying for a contractor license or for renewal of a contractor license to engage in residential contracting is required to pay an assessment of up to \$600 during the biennial license period for deposit in the Residential Contractors' Recovery Fund (RCR Fund). Statute governing eligibility for awards from the RCR Fund are repealed and replaced. An award from the RCR Fund is limited to residential real properties. The RCR Fund is prohibited from exceeding the actual damages suffered by the claimant as a direct result of a contractor's violation, and the maximum individual award from the RCR Fund is \$30,000. An action for a judgment that may subsequently result in an order for collection from the RCR Fund cannot be commenced later than two years after the date of the commission of the act by the contractor that is the cause of the injury or from the date of occupancy. If a contractor license has been revoked or suspended as a result of an order to remedy a violation of statute, the ROC is permitted to order payment from the RCR Fund to remedy the violation. The ROC is authorized to issue cease and desist orders or a citation for contracting practicing or transacting that constitutes a violation of statute or rule. Establishes civil penalties for violations. Contains a legislative intent section. A billing or estimate for a progress payment is required to be submitted on a 30-day billing cycle unless the construction contract and each page of the plans specifically identifies a different billing cycle in a clear and conspicuous manner. More. AS SIGNED BY GOVERNOR. In his signing statement, the Governor expressed his belief that a balance between the responsibilities of contractors and consumers should be maintained in relation to prompt pay, and his expectation that any language to change that balance be construed as narrowly as possible.

First sponsor: Sen. Mesnard (R - District 17)
Arizona REALTOR® Position:
Monitor

Last Action: 4/29 signed by governor. Chap. 145, Laws 2019. message

SB1437: CRIMINAL HISTORY; REQUIRED DISCLOSURE; LIMITATIONS

Employers with 15 or more employees and state agencies are prohibited from inquiring about, considering or requiring disclosure of the criminal conviction record of an applicant for employment during the hiring process, except during or after an "interview" (defined), or if there is no interview, after the applicant has received a conditional offer of employment. An inquiry about, consideration of or requirement of disclosure of an applicant's criminal conviction record is limited to the seven most recent consecutive years preceding the date the employer considers a certain criminal conviction would directly relate to the employment position. Does not apply to employment positions that require a valid fingerprint clearance card, positions requiring an applicant to submit fingerprints for a state and criminal records check, employment positions with law enforcement, probation, prosecutor agencies, emergency medical services transport or employment as a certified court security officer or fire fighter. AS PASSED SENATE.

First sponsor: Sen. Quezada (D - District 29)

Arizona REALTOR® Position:
Oppose

Last Action: 3/12 referred to House Judiciary Committee.

SB1447: SINGLE USE PLASTICS; REQUEST; CHARGE

A person that sells at retail groceries, food or beverages for use or consumption offsite or onsite is permitted to provide single-use straws, cutlery, plates or drink stirrers only if specifically requested by the customer, and is permitted to provide single-use bags for use in transporting the purchased items away from the point of sale only if specifically requested by the customer and after payment of an additional charge of 5 cents per bag to the seller. Repeals statutes prohibiting counties and municipalities from imposing a tax, fee, assessment, charge or return deposit on a consumer or an owner, operator or tenant of a business, commercial building or multifamily housing property for "auxiliary containers" (defined as reusable bags, disposable bags, boxes, beverage cans, bottles, cups and containers that are made from specified materials and that are used for transporting merchandise), and from regulating the sale, use or disposition of auxiliary containers by an owner, operator or tenant of a business, commercial building or multifamily housing property.

First sponsor: Sen. Mendez (D - District 26)
Arizona REALTOR® Position:
Oppose

Last Action: 2/5 referred to Senate Commerce Committee.

SB1449: AFFORDABLE HOUSING; PRIVATE INVESTMENT; FUND

Establishes the Affordable Housing Private Investment Matching Fund, to be administered by the Department of Housing and used to provide matching contributions for private investments in affordable housing projects that further the objectives and programs of the Dept. Appropriates \$5 million from the general fund in FY2019-20 to the Fund.

First sponsor: Sen. Bradley (D - District 10)
Arizona REALTOR® Position:
Monitor

Last Action: 2/5 referred to Senate Appropriations Committee.

SB1453: AFFORDABLE HOMEOWNERSHIP SPECIAL PLATE

The Department of Transportation is required to issue affordable homeownership special license plates if a person pays \$32,000 in start-up costs by December 31, 2019. Of the \$25 annual fee, \$8 is an administrative fee and \$17 is an annual donation to be deposited in the Affordable Homeownership Special Plate Fund. The Dept is required to allocate monies from the Fund to a charitable organization that seeks to bring people together to build home, communities and hope,

advocates for affordable housing, and that meets other specified requirements. Effective October 1, 2019. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Rios (D - District 27)
Arizona REALTOR® Position:
Monitor

Last Action: 4/30 signed by governor. Chap. 161, Laws 2019.

SB1460: TPT; DIGITAL GOODS & SERVICES

For the purpose of transaction privilege and use taxes and local excise taxes, the gross income, gross receipts, gross proceeds, purchase price or sales price from selling, leasing, licensing, purchasing or using "digital services" (defined) is excluded from tax. Does not apply to an online lodging marketplace. Establishes the digital goods classification of transaction privilege taxes, which is comprised of the business of selling, leasing or licensing the use of "prewritten computer software" or providing "specified digital goods" (both defined). Establishes a list of exemptions from the digital goods classification. Levies an excise tax on using or consuming prewritten computer software and specified digital goods in Arizona as a percentage of the acquisition price, which applies to any purchaser that purchases these items for resale but that subsequently uses or consumes the items. Some exceptions. Prewritten computer software and specified digital goods must be sourced to the seller's business location if the seller receives the order at a business location in Arizona and the items are to be used in Arizona, and to the purchaser's location in Arizona if the seller receives the order at a business location outside Arizona but the items are to be used in Arizona. Contains a legislative intent section. Applies to taxable periods beginning on or after the first day of the month following the effective date of this legislation.

First sponsor: Sen. Ugenti-Rita (R - District 23)
Arizona REALTOR® Position:
Support

Last Action: 2/26 from Senate rules okay.

SB1475: DNA IDENTIFICATION DATABASE; REQUIREMENTS

The Department of Public Safety is required to establish and maintain a deoxyribonucleic acid (DNA) identification database to retain "DNA ID" (defined) collected, which must be associated with the person's name, date of birth, last known address and social security number, if available. DNA ID is required to be collected from a person who is required by law to submit fingerprints for purposes of identification for any reason, from a deceased person, from a person who is ordered by a court of competent jurisdiction to submit DNA ID for purposes of proving or disproving familial relationships, and from a person who voluntarily requests to include the person's DNA ID in the database. A collecting agency is authorized to collect a fee of up to \$250 from a person who submits biological samples for the database. The database is not a public record and may be accessed or searched only by the Dept or a list of authorized persons, including by law enforcement personnel for legitimate criminal justice purposes. Due to a

potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage and becomes effective on signature of the Governor.

First sponsor: Sen. Livingston (R - District 22)
Arizona REALTOR® Position:
Oppose

Last Action: 2/21 from Senate Transportation and Public Safety Committee with amendment #4298.

SB1478: MUNICIPALITIES; COUNTIES; WILDFIRE HAZARD REMOVAL

Counties and municipalities that contain a "wildland-urban interface area" (defined) are required, by ordinance, to compel the owner or occupant of private property located in the wildland-urban interface area to remove from the property any hazardous vegetation, other natural fuels, trash or other accumulation that constitutes a wildfire hazard. Provisions that must be included in the ordinance are listed. Counties and municipalities are authorized to establish a local wildfire hazard removal matching fund to aid in the removal of wildfire hazards, and to apply for a dollar-for-dollar state matching grant from the newly established Wildfire Hazard Removal Matching Fund. Appropriates \$1 million from the general fund in FY2019-20 to the Fund.

First sponsor: Sen. Otondo (D - District 4)
Arizona REALTOR® Position:
Monitor

Last Action: 2/5 referred to Senate Government Committee, Appropriations Committee.

SB1480: CONDOMINIUMS, HOMEOWNERS' ASSOCIATIONS; DECLARATION AMENDMENTS

Various changes relating to condominium associations and planned community homeowners' associations. If there has been a material change to the plan under which a subdivision is offered for sale or lease and an amendment to the public report is required, after units or parcels have been sold or leased to anyone other than the subdivider or its subsidiaries, the subdivider is required to obtain written consent to the proposed amendment to the public report from all current owners or lessees before submitting the amendment to the State Real Estate Commissioner for review and approval if a list of specified conditions exist. An amendment to a declaration is permitted to apply to fewer than all of the units or less than all of the property that is bound by the declaration, and such an amendment is deemed to conform to the general design and plan of the community, if specified conditions apply. Increases the statute of limitations for an action to challenge the validity of an amendment adopted by the association to four years after the amendment is recorded, from one year, with some exceptions. While under the period of declarant control, the voting powers that are specified in the declaration are maintained and an amendment cannot be proposed without the written consent of the declarant. Establishes a list of

actions that an amendment to a declaration cannot take without unanimous consent of the community members.

First sponsor: Sen. Otondo (D - District 4)
Arizona REALTOR® Position:
Monitor

Last Action: 2/5 referred to Senate Government Committee.

SB1496: HOUSING; EVICTION PREVENTION; FUND

Establishes the Eviction Prevention Fund, to be administered by the Department of Housing. The Dept is required to distribute monies in the Fund to eviction-vulnerable tenants to provide emergency financial assistance and to community-based public or nonprofit organizations to enable the organizations to provide assistance to eviction-vulnerable tenants. Appropriates \$1 million from the general fund in FY2019-20 to the Fund.

First sponsor: Sen. Alston (D - District 24)
Arizona REALTOR® Position:
Monitor

Last Action: 2/5 referred to Senate Appropriations Committee.

SB1497: HOUSING TRUST FUND; UNCLAIMED PROPERTY

The amount of proceeds from the sale of abandoned property that are deposited in the Housing Trust Fund each fiscal year is changed to 55 percent of the proceeds, instead of \$2.5 million.

First sponsor: Sen. Carter (R - District 15)
Arizona REALTOR® Position:
Monitor

Last Action: 2/5 referred to Senate Appropriations Committee.

SB1515: DIGITAL GOODS & SERVICES; TAXATION

For the purpose of transaction privilege and use taxes, the definition of "tangible personal property" which is subject to taxation is expanded to include prewritten "computer software" and "digital goods" (both defined). The gross receipts from leasing digital goods must be apportioned to the location of the user of the digital goods. A legislative intent section states that this act is to clarify statutory intent and ratify historical administrative interpretation, and not to provide any substantive change in the law.

First sponsor: Sen. Quezada (D - District 29)
Arizona REALTOR® Position:
Monitor

Last Action: 2/6 referred to Senate Finance Committee.

SB1517: INTERNAL REVENUE CODE; CONFORMITY

For the purpose of Title 42 (Taxation), the definition of "Internal Revenue Code" is updated to mean the U.S. Internal Revenue Code in effect as of January 1, 2019. For the purpose of Title 43 (Taxation of Income), the definition of "Internal Revenue Code" for tax years beginning January 1, 2019 means the U.S. Internal Revenue Code in effect on January 1, 2019. For the purpose of Title 43 (Taxation of Income), the definition of "Internal Revenue Code" for tax year 2018 includes those provisions of the federal Bipartisan Budget Act of 2018 and the Consolidated Appropriations Act of 2018 that are retroactively effective during tax year 2018.

First sponsor: Sen. Alston (D - District 24)

Arizona REALTOR® Position:

Monitor

Last Action: 2/6 referred to Senate Finance Committee.

SB1519: FLOOD CONTROL DISTRICTS; PROCEDURES

Various changes to statutes relating to flood control districts. The procedures for the adoption and enforcement of flood control district rules are modified. districts are prohibited from submitting a rule to the district board of directors that is substantially different from the proposed rule contained in the notice of proposed rulemaking, and factors that must be considered in determining a substantial difference are specified. Establishes requirements for incorporation by reference in district rules. Any person is authorized to petition the district to make, amend or repeal a rule or review an existing district practice or policy statement, and a process for responding to the petition is specified. Any person who is or may be affected by a rule may obtain a judicial declaration of the validity of the rule by filing an action for declaratory relief in the superior court. A district is prohibited from adopting any new rule that would increase existing regulatory restraints or burdens on the free exercise of property rights or the freedom to engage in an otherwise lawful business or occupation, with some exceptions. Also, for any floodplain use permit considered by a district, the district is required to consider any "adverse impact" (defined), except that the district cannot consider an adverse impact on private property unless that adverse impact has a direct impact on a district-owned property or is an imminent threat to public health and safety. More.

First sponsor: Sen. Kerr (R - District 13)

Arizona REALTOR® Position:

Monitor

Last Action: 2/25 from Senate Water and Agriculture Committee with amendment #4351.

SB1531: HOAS; ASSESSMENTS; COSTS

Various changes relating to condo associations and planned community associations (HOAs). A lien for unpaid HOA assessments is extinguished unless proceedings to enforce the lien are instituted within six years, increased from three years, after the full amount of the assessments becomes due. For a delinquent account for unpaid assessments or for charges related to unpaid assessments, the HOA is required to provide a specified written notice to the unit owner or member at least 30 days before authorizing an attorney or a collection agency that is not the HOA's managing agent to begin collection activity on behalf of the HOA. Beginning January 1, 2020, an HOA with more than 50 units or lots that contracts with a third party to perform management services is required to provide a statement of account in lieu of a periodic payment book to the unit owner or member with the same frequency that assessments are provided for in the declaration. Information that must be included in the statement is specified. An agent for an HOA is authorized to collect assessments on behalf of the HOA directly from a unit owner and to charge a convenience fee that is approximately the amount charged to the agent by a third-party service provider. AS SIGNED BY GOVERNOR.

First sponsor: Sen. D. Farnsworth (R - District 16)
Arizona REALTOR® Position:
Monitor

Last Action: 5/8 signed by governor. Chap. 200, Laws 2019.

SB1541: IRRIGATION DISTRICTS; QUALIFIED ELECTORS; DEFINITIONS

For an irrigation and water conservation district established in a county with a population of more than 200,000 that has the Colorado River as a boundary (Mohave County), "land" or "real property" in irrigation and water conservation district statutes means all real property regardless of its use or designation and is not limited to agricultural land. These definitions apply to any instance in which holding ownership of land or real property is a requirement for voting in or holding office in a district or signing a related petition.

First sponsor: Sen. Borrelli (R - District 5)
Arizona REALTOR® Position:
Monitor

Last Action: 2/6 referred to Senate Water and Agriculture Committee.

SB1544: WATER CONSERVATION; LANDSCAPING; RENT; NOTICE

Any covenant, restriction or condition contained in any deed, contract, security agreement or other instrument affecting the transfer or sale of real property that effectively prohibits the installation or use of a water saving device or indoor or outdoor water conservation practice is void and unenforceable. HOAs cannot prohibit a water saving device or indoor or outdoor water conservation practice. Also, before a tenant's lease terminates, a landlord is required to give written notice to the tenant of an increase in rent. At least 30 days' notice is required for a rent increase of 10 percent or less, and at least 60 days' notice is required for a rent increase of more than 10 percent.

First sponsor: Sen. Mendez (D - District 26)
Arizona REALTOR® Position:
Monitor

Last Action: 2/6 referred to Senate Commerce Committee.

SB1548: BUDGET; GENERAL APPROPRIATIONS ACT; 2019-20

The "feed bill" for FY2019-20, containing appropriations for state agencies and programs. Provisions include: Appropriates \$3.8 billion in FY2019-20 for basic state aid to school districts for maintenance and operations funding, which includes an increase of \$164.7 million that the Legislature and Governor intend to be used for teacher salary increases and that are in addition to teacher salary increases provided for FY2018-19. Continues deferment of \$930.7 million in basic state aid payments to schools until FY2020-21. Appropriates \$30 million from the general fund in FY2021-22 to the Superintendent of Public Instruction for basic state aid to eliminate the K-12 rollover for school districts with a student count of less than 1,350 students. Makes a supplemental appropriation of \$25 million from the general fund in FY2018-19 to the School Facilities Board for building renewal grants. Appropriates \$35 million from the general fund in FY2019-20 to the three state universities for capital improvements or operating expenditures. Makes supplemental appropriations from the Federal Child Care and Development Fund Block Grant in FY2018-19 of \$7.4 million to the Department of Child Safety and \$48.4 million to the Department of Economic Security (DES) for child care subsidies to increase the number of children served and to increase maximum reimbursement levels. Makes a supplemental appropriation of \$10.4 million from the general fund, \$1 million from the Health Services Lottery Monies Fund and \$24 million from developmental disabilities Medicaid expenditure authority in FY2018-19 to DES for division of developmental disabilities program expenses. Appropriates \$271.1 million from the general fund in each of FY2018-19 and FY2019-20 to the Budget Stabilization Fund. Deposits \$7.32 million received in FY2019-20 from vehicle license taxes in the general fund instead of the State Highway Fund. Appropriates the following amounts from the general fund in FY2019-20 to the Department of Administration (DOA) for Distribution to counties for maintenance of essential county services: \$7.15 million for Distribution to counties with a population of less than 900,000, \$500,000 for Distribution to a county with a population of more than 30,000 and less than 40,000 (Graham County), and \$3 million to supplement the normal cost plus an amount to amortize the unfunded accrued liability in the Elected Officials' Retirement Plan, which DOA is required to allocated equally among all counties with a population of less than 300,000 persons. Appropriates \$190 million from the general fund in FY2019-20 to DOA to retire the lease-purchase agreements for state owned facilities entered into pursuant to the FY2010-11 budget. Appropriates \$53.7 million from the general fund in FY2019-20 to DOA for debt service payments on the sale and leaseback of state buildings. Appropriates specified amounts to specified state agencies in FY2019-20 for employee salary increases and specifies the positions that the legislature intends to receive the salary increases. Makes various supplemental appropriations for FY2018-19. Requires various reports and makes various fund transfers.

First sponsor: Sen. Fann (R - District 1)

Arizona REALTOR® Position:
Monitor

Last Action: 5/27 Senate COW approved with floor amendment #5168. See HB2747.

SB1550: BUDGET; BRB; BUDGET PROCEDURES; 2019-20

Makes various changes that affect the budget across agencies. Requires any unrestricted federal monies received by Arizona in FY2019-20 to be deposited in the general fund. Increases the Capital Outlay Stabilization Fund rental rates for state-owned buildings to \$17.87/square foot for office space, from \$16.08/square foot, and to \$6.43/square foot for storage space, from \$5.79/square foot. Increases the pro rata share of the overall cost of information technology services for all budget units and the legislative and judicial branches to .43 percent of the total payroll, from .30 percent. For FY2019-20, FY2020-21, and FY2021-22, the Legislature is not required to appropriate monies to or transfer monies from the Budget Stabilization Fund. Monies in the State Web Portal Fund may be used for operating costs of the Government Transformation Office. Establishes the County Contributions to the Voter Registration System Fund and the Motor Vehicle Pool Consolidation Fund. Establishes various reporting requirements.

First sponsor: Sen. Fann (R - District 1)
Arizona REALTOR® Position:
Monitor

Last Action: 5/27 See HB2751.

SB1551: BUDGET; BRB; K-12 EDUCATION; 2019-20

Makes various policy changes pertaining to K-12 education that affect the budget. Increases the per student base level amount for basic state aid to \$4,150.43, from \$3,960.07, for FY2019-20. Increases the transportation support level per route mile funding for FY2019-20. It is the intent of the Governor and the Legislature that school districts increase the total percentage of classroom spending over the previous year's percentages in the combined categories of instruction, student support and instructional support as prescribed by the Auditor General. The reduction amount of basic state aid for district additional assistance required by the FY2018-19 budget for FY2019-20 is lowered to \$128.7 million, from \$193.1 million. The reduction amount of charter additional assistance required by the FY2018-19 budget for FY2019-20 is lowered to \$6.81 million, from \$10.22 million. Modifies the calculations for additional state aid for education. The state equalization assistance property tax rate in tax year 2019 is \$0.4566, and the qualifying tax rates in tax year 2019 are modified. If the state equalization assistance property tax rate for the prior FY generated more funding than was needed to fund total equalization assistance for all school district in the county for the prior FY, the state equalization assistance property tax rate for the county for the current FY is required to equal the rate that would have generated the amount needed to fund total equalization assistance for all school districts in that county for the prior FY, as determined by the Arizona Department of Education (ADE). The general budget limit for a school district that in FY2018-2019 was in a county in which state equalization assistance property tax levies exceeded total equalization assistance for all school

districts in the county is increased for FY2019-2020 by a specified calculation. Expands the School Safety Program in ADE to include supporting the costs of placing school counselors and/or school social workers on a school campus. Establishes reporting requirements for schools that received monies from the Results-Based Funding Fund. Session law establishes a formula for Distribution of monies from the Fund for FY2019-20. ADE is required to allocate to charter schools that are sponsored by entities other than the State Board for Charter Schools the full amount of the small school weight prescribed in statute, including restoring any monies previously withheld based on statutory limitations. ADE is required to provide charter schools that are sponsored by entities other than the State Board for Charter Schools 67 percent of the small school weight for FY2020-21, and 33 percent of the small school weight for FY2021-22. Establishes the Arizona Industry Credentials Incentive Program within ADE to provide incentive awards to school districts, charter schools and career technical education districts for high school graduates who obtain a certification, credential or license that is accepted by a vocation or industry through a career technical education course or program. Establishes a process for receiving incentive awards through the Program and specifies items for which incentive awards monies may be spent. The Program terminates on July 1, 2029. Establishes a 3-year Arizona Community Schools Pilot Program in ADE to assist public elementary and middle schools in developing and implementing community school plans. Requirements for Pilot Program grants are established.

First sponsor: Sen. Fann (R - District 1)
Arizona REALTOR® Position:
Monitor

Last Action: 5/27 Senate COW approved with floor amendment #5169. See HB2749.

SB1552: BUDGET; BRB; HIGHER EDUCATION; 2019-20

Makes policy changes in college and university programs that affect the state budget. The Arizona Teachers Academy is expanded to include community colleges in Arizona that offer postbaccalaureate programs that lead to teacher certification and that have entered into an agreement with the Arizona Board of Regents (ABOR) relative to these programs. Makes various changes to the Arizona Teachers Academy, including to provide participating students with an annual scholarship of \$5,000 per year for university students and \$3,000 per year for community college students, instead of with an annual waiver of tuition and fees. All revenues included in the operating budget adopted by ABOR for each university must be retained by each university. For FY2019-20, each dollar raised by the surcharge on student registration assessed by ABOR for the Financial Aid Trust Fund may be matched by less than \$2 appropriated by the Legislature.

First sponsor: Sen. Fann (R - District 1)
Arizona REALTOR® Position:
Monitor

Last Action: 5/27 Senate COW approved with floor amendment #5170. See HB2750.

SB1553: BUDGET; BRB; HEALTH; 2019-20

Makes various policy changes in the area of public health that affect the budget. Municipalities and counties, instead of the state, are required to pay the costs of a defendant's inpatient, in-custody competency restoration treatment. The Department of Health Services (DHS) is required to license "secure" (defined) behavioral health residential facilities to provide secure 24-hour on-site supportive treatment and supervision by staff with behavioral health training for persons who have been determined to be seriously mentally ill, who are chronically resistant to treatment for a mental disorder, and who are placed in the facility pursuant to a court order. A secure behavioral health residential facility is limited to 16 beds and may provide services only to persons placed there by court order. If a court finds that a person meets the criteria for court-ordered treatment, the court may approve the patient's placement in a secure behavioral health residential facility. The court's finding must be based on evidence that establishes a list of conditions by clear and convincing evidence. The Arizona Health Care Cost Containment System (AHCCCS) Administration is permitted to stop processing new applications for KidsCare if the AHCCCS Director determines that federal and state monies appropriated for the program are insufficient, instead of being required to immediately stop processing new applications if the state's federal medical assistance percentage for the program is less than 100 percent. By December 31, 2020, for FY2019-20, the AHCCCS Administration is required to transfer to the counties the portion, if any, as may be necessary to comply with the federal Patient Protection and Affordable Care Act. Specifies county contributions for ALTCS, and AHCCCS acute care and hospitalization and medical care for FY2019-20. For the contract year beginning October 1, 2019 and ending September 30, 2020, the AHCCCS Administration is authorized to continue the risk contingency rate setting for all managed care organizations and the funding for all managed care organizations administrative funding levels that was imposed for the contract year beginning October 1, 2010 and ending September 30, 2011. Disproportionate share hospitals (DSH) payments for FY2019-20 include \$113.8 million for a qualifying nonstate operated public hospital, \$4.2 million of which must be distributed to the Maricopa County Special Health Care district, \$28.5 million for the Arizona State Hospital, and \$884,800 for private qualifying hospitals. After these DSH payments are made, the allocations of DSH payment must be made available first to qualifying private hospitals located outside of the Phoenix metropolitan statistical area and the Tucson metropolitan statistical area before being made available to qualifying private hospitals within those areas. The Department of Health Services (DHS) is authorized to increase fees in FY2019-20 for services provided by the Bureau of Radiation Control in order to generate \$1.9 million for deposit in the Health Services Licensing Fund. Establishes various reporting requirements.

First sponsor: Sen. Fann (R - District 1)
Arizona REALTOR® Position:
Monitor

Last Action: 5/27 Senate COW approved with floor amendment #5172. See HB2754.

SB1554: BUDGET; HUMAN SERVICES; BRB; 2019-20

Makes various policy changes in the areas of human services that affect the budget. The Department of Economic Security (DES) is authorized to reduce maximum income eligibility levels for child care assistance in order to manage within appropriated and available monies and must notify the Joint Legislative Budget Committee of any change within 15 days after implementation. Deletes the requirement for the legislature to annually adjust, according to the percentage change in the metro Phoenix consumer price index, the appropriation made in the previous FY to DES to provide services to persons with developmental disabilities whose service costs exceed the current cost-effective study rate. During FY2019-20, DES is required to screen and test each adult recipient of Temporary Assistance for Needy Families cash assistance who DES reasonable cause has to believe engages in the illegal use of controlled substances, and any recipient who tests positive for the use of a controlled substance that was not prescribed by a licensed health professional is ineligible to receive benefits for one year. House Trust Fund monies may be spent on constructing or renovating facilities and on housing assistance, including support services, for persons who have been determined to be seriously mentally ill and to be chronically resistant to treatment. Establishes reporting requirements.

First sponsor: Sen. Fann (R - District 1)
Arizona REALTOR® Position:
Monitor

Last Action: 5/27 see HB2755.

SB1555: BUDGET; BRB; REVENUE; 2019-20

Makes various changes relating to general revenues for FY2019-20. Budget unit budget reports are required to include a detailed estimate of the cost to the state in the next FY attributable to a county's or municipality's establishment of a minimum wage that exceeds the state minimum wage. If the legislature allocates it, the Department of Administration (DOA) is required to collect from a county or municipality an amount to reimburse the state for the cost attributable to the county's or municipality's establishment of a minimum wage that exceeds the state minimum wage. If the county or municipality fails to pay, DOA is required to notify the State Treasurer, and the State Treasurer is required to withhold the amount from any payments of state-shared revenues to that county or municipality. For the purpose of statutes regulating the situs of sales other than tangible personal property, the definition of "multistate service provider" is expanded to include a taxpayer that has more than 2,000 employees in Arizona and that derives more than 85 percent of its sales from support services provided to a regionally accredited institution of higher education, including all taxpayers required to file a combined report and all members of an affiliated group included in a consolidated return. For this type of multistate service provider, the benefit of support services is deemed received at the billing address of the student to which the services relate. In FY2019-20, the Department of Gaming is required to establish and collect a regulatory assessment of 0.5 percent of the amounts wagered from each commercial racing permittee. The Department of Insurance is prohibited from revising fees or assessments in FY2019-20 for the purpose of meeting the requirement to recover between 95 and 110 percent of the Dept's appropriated budget. For FY2019-20, counties with a population of less than 250,000

are authorized to meet any county fiscal obligation from any source of county revenue designated by the county, in an amount of up to \$1.25 million. It is the intent of the Legislature that Department of Revenue administrative fees for costs of tax administration for local governments cannot exceed \$20.76 million in aggregate and that the fees are also subject to a list of specified conditions.

First sponsor: Sen. Fann (R - District 1)
Arizona REALTOR® Position:
Monitor

Last Action: 5/27 see HB2756.

SB1556: BUDGET; ENVIRONMENT; APPROPRIATION; 2019-20

Makes policy changes pertaining to environmental regulation that affect the state budget. Establishes the Nonnative Vegetative Invasive Species Eradication Fund consisting of legislative appropriations. The Department of Forestry and Fire Management is required to provide grants from the Fund to other state agencies, municipalities, counties, Indian tribes and other political subdivisions for nonnative vegetative invasive species eradication projects that meet specified requirements, and to establish application procedures for grants. The Dept is required to submit an annual report on Fund expenditures to the Governor and the Legislature. The Arizona State Parks Board is required to use \$692,100 from the Board's portion of the Off-Highway Vehicle Recreation Fund in FY2019-20 for repairs, maintenance and development of the Arizona portion of the Great Western Trail. The Arizona Water Protection Fund Commission is permitted to grant to the Department of Water Resources (DWR) up to \$336,000 of the unobligated balance in the Fund to pay for administrative costs of DWR in FY2019-20. DWR is authorized to increase fees in FY2019-20 for services in FY2019-20 to generate \$100,200. Notwithstanding statutory requirements, there is no general fund appropriation to the Water Quality Assurance Revolving Fund (WQARF) for FY2019-20. Appropriates \$3.8 million from the Emissions Inspection Fund, \$4.6 million from the Air Quality Fund, \$1 million from the Water Quality Fee Fund, \$2 million from the Permit Administration Fund, and \$2.15 million from the Recycling Fund in FY2019-20 to the WQARF. The Department of Environmental Quality (DEQ) is required to charge the same fees in FY2019-20 that were charged in FY2018-19 for vehicle emissions testing conducted in Area A (Phoenix metropolitan). Allows DEQ to use up to \$6.53 million from the Underground Storage Tank Revolving Fund in FY2019-20 for administrative costs of DEQ and for remediating sewage discharge issues in Naco, Arizona.

First sponsor: Sen. Fann (R - District 1)
Arizona REALTOR® Position:
Monitor

Last Action: 5/27 see HB2753.

SB1557: BUDGET; BRB; CRIMINAL JUSTICE; 2019-20

Makes policy changes pertaining to criminal justice programs that affect the budget. Caps the amount of the highway safety fee determined by the Director of the Department of Transportation at the following amounts for a vehicle registration beginning in the following calendar years: \$26 in 2020, \$20 in 2021, \$15 in 2022, and \$10 in 2023. Beginning January 1, 2024, the registering officer is prohibited from collecting a highway safety fee. Beginning July 1, 2020, monies collected from the highway safety fee must be deposited in the newly established Highway Safety Fee Fund. The committed youth confinement cost sharing fee that the Department of Juvenile Corrections (DJC) annually assesses to each county is limited to counties with a population of more than 500,000 persons (Maricopa and Pima). DJC is prohibited from assessing this fee to any county for committed youth in secure care facilities in FY2019-20. The list of persons who must be excused temporarily from service as a juror is expanded to include persons employed in the correctional officer class series by the Department of Corrections, effective through January 1, 2022. Beginning from and after the effective date of this legislation, the Attorney General is prohibited from using monies from the Anti-Racketeering Revolving Fund to pay salaries for additional full-time equivalent positions in the Attorney General's Office and other related programmatic costs that are expected, ongoing yearly costs. In FY2019-20, of the monies deposited in the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Fund, after allocation of the first \$500,000 to the county sheriff of a county with a population of less than 500,000 persons but more than 300,000 persons (Pinal County), \$400,000 must be allocated to the county sheriff of a county with a population of less than 2 million persons but more than 800,000 persons (Pima County). The Department of Public Safety (DPS) is authorized to use up to \$144,900 of the amount appropriated in FY2019-20 from the GIITEM Fund for costs related to an increase in the Public Safety Personnel Retirement System employer contribution rate. DPS is authorized to use monies appropriated to DPS in FY2019-20 from the Board of Fingerprinting Fund for capital expenditures, to use monies in the State Aid to Indigent Defense Fund and the Concealed Weapons Permit Fund for operating expenses in FY2019-20, and to use monies in the Highway Patrol Fund in FY2019-20 for the Pharmaceutical Diversion and Drug Theft Task Force.

First sponsor: Sen. Fann (R - District 1)
Arizona REALTOR® Position:
Monitor

Last Action: 5/27 see HB2752.

SB1558: LEGISLATORS; MILEAGE RATE; DISTRICTANCE

Modifies the per diem rates for legislators. For a member whose permanent residence is within Maricopa County, the amount is 50 percent of the annual average federal per diem rate for Maricopa County as determined by the U.S. General Services Administration. For a member whose permanent residence is outside Maricopa County, the amount is 100 percent of the annual average federal per diem rate for Maricopa County as determined by the U.S. General Services Administration. After the first 120 days of a regular session, the per diem rates are 50 percent of

those amounts. The statutory maximum long-term subsistence allowance does not apply to legislators.

First sponsor: Sen. Livingston (R - District 22)
Arizona REALTOR® Position:
Monitor

Last Action: 6/7 VETOED message.

SCR1001: EDUCATION; TPT; USE TAX

The 2020 general election ballot is to carry the question of whether to amend the state Constitution to levy a separate 1 percent transaction privilege tax beginning July 1, 2021 for the purpose of raising revenues for education. The net revenues derived from the tax are appropriated as follows: 73 percent for primary and secondary classroom education purposes, 22 percent for maintaining an in-state tuition rate that is consistent with the state Constitutional requirement for tuition to be as nearly free as possible, and 5 percent for community college trade and workforce development programs.

First sponsor: Sen. S. Allen (R - District 6)
Arizona REALTOR® Position:
Oppose

Last Action: 3/4 Senate COW approved with floor amendment #4576.

SCR1011: TPT AND USE TAX; EDUCATION

The 2020 general election ballot is to carry the question of whether to amend the state Constitution to levy a separate 1 percent transaction privilege tax beginning July 1, 2021 for the purpose of raising revenues for education. The net revenues derived from the tax are appropriated as follows: 70 percent for primary and secondary classroom education purposes, 20 percent for maintaining an in-state tuition rate that is consistent with the state Constitutional requirement for tuition to be as nearly free as possible, 5 percent for community college trade and workforce development programs, and 5 percent for oversight and accountability.

First sponsor: Sen. Brophy McGee (R - District 28)
Arizona REALTOR® Position:
Oppose

Last Action: 2/19 Senate Education Committee no action.

SJR1001: COLORADO RIVER DROUGHT CONTINGENCY PLAN

State of Arizona, by and through the Director of the Department of Water Resources (Director), is authorized to forbear its rights and claims by entering agreements in substantial conformance with the draft Agreement Concerning Colorado River Drought Contingency Management and

Operations and the draft Lower Basin Drought Contingency Plan Agreement if federal legislation is enacted directing the U.S. Secretary of the Interior to execute and implement the agreements and all parties other than the U.S. and the State of Arizona have authorized the execution of the agreements. The State of Arizona, by and through the Director, is authorized to enter into an agreement in substantial conformance with the draft Drought Contingency Plan Contributions and Intentionally Created Surplus Accumulation Limits Sharing Agreement. The authority granted to the Director does not extend to any future agreements for the sharing of Drought Contingency Plan contributions and separate resolutions are required. The Director is required to promptly notify the Legislature and the Governor and provide a written report to specified legislative committees on any agreement entered into under the authority granted by this joint resolution. The authority granted to the Director to enter into any agreement under this joint resolution expires on August 31, 2019. Emergency clause. AS SIGNED BY GOVERNOR AND SENT TO SECRETARY OF STATE.

First sponsor: Sen. Fann (R - District 1)
Arizona REALTOR® Position:
Support

Last Action: 1/31 substituted in House for identical HJR2002 and passed 60-0; ready for governor. Signed by governor; to secretary of state. Chap. 2, Laws 2019.