



# NEW LAWS

Enacted by the 2006 Arizona Legislature

August 1, 2006

## New Laws Report

There were 1,453 bills introduced this legislative session, 438 of which were sent to Governor Napolitano. She signed 395 of the bills, vetoed 43 others and allowed 3 to become law without her signature. The League of Arizona Cities and Towns reviews all of the new laws passed during the legislative session and checks each law for potential impact to municipalities. The laws identified as having a potential impact to local governments are summarized and compiled into an annual publication, the *New Laws Report*.

This report is designed to assist municipal officials and staff with the myriad of new laws enacted each year by providing a brief summary of each law, as well as any other information specified in the bill. The bills are organized by subject and within each subject are divided into two categories. The first category contains bills we believe to be most significant to municipalities and the second category contains those that may be of interest to your city. Although every attempt is made to ensure the accuracy of the summaries, we suggest a review of the full law before enforcement or implementation.

## Obtaining copies of new laws

To obtain a copy of a new law, please visit the state's legislative website at <http://www.azleg.state.az.us>. Click on the link on the left side of the page titled "Session Laws." The laws can be accessed by chapter number or bill number (both numbers are included in each summary) or you can search for a new law by key phrase. Or, please feel free to call the League if you would like a copy of a new law.

## General effective date

The general effective date for bills is 90 days after the Legislature adjourns. This year's general effective date is **September 21, 2006**. Some new laws include an emergency clause, which means the law becomes effective when the Governor signs the bill. Bills that contain appropriations and tax or fee increases also become effective upon signature. Bills can also specify a special effective date, which can be later or earlier than the general effective date. The summaries indicate the effective date when a bill contains an emergency clause or other special effective date.

As always, please call the League if you have any questions about the information contained in this report, or if you would like to obtain a copy of a law.



## GENERAL

### Bills with Significant Impacts on Cities and Towns:

**Community Park Maintenance Districts.** Allows community park maintenance districts to be formed in areas consisting of more than one county. Requires that the district be approved by the board of supervisors in each county within the proposed district. Amends Title 48, Special Taxing Districts. H. 2496. Chapter 210.

**County Island Fire Districts; Agreement.** Allows a county island fire district to be formed by the county island residents in the Town of Gilbert and requires the Town to provide fire services to the district if a private fire service contract is not obtained. **Enacted as an emergency measure, this law became effective February 13, 2006.** Amends Titles 11, Counties and 48, Special Taxing Districts. H. 2145. Chapter 2.

- Superior Court found on 5/3/06 that the legislation was special legislation and unconstitutional. This decision is currently under appeal.

**Illegal Liquor Sales; Liability.** Permits the Director of the Department of Liquor License and Control to allow establishments with class 12 licenses that fail to maintain minimum food sales or that enter into a consent agreement to continue operating under a class 12 license. Outlines requirements by which establishments are eligible to receive this continuation. Allows the city or town 90 days to review the request and make a recommendation. Grants the State Liquor Board the final decision to award the continuation if either or both the Director and the city or town disapprove the application. Requires the Director to establish a fee for establishments that are granted permission to continue operating under a class 12 license. Caps the number of these continuations that may be issued at 15 per year for FY 06-07 and FY07-08. Specifies these continuations may not be issued after FY08-09. Prohibits the Director from requiring an establishment to submit to an audit more than once per year. Allows liquor licenses to be transferred from Pima and Maricopa counties to all other counties through December 31, 2008. Amends Title 4, Liquor. H. 2621. Chapter 383.

**Methamphetamine; Probation Ineligibility.** Prohibits a person convicted of personal use or possession of methamphetamine or paraphernalia related to methamphetamine from being released on probation. Subject to voter approval in the November general election. Amends Title 13, Criminal Code. SCR 1033.

**Ombudsman-Citizens Aide; Public Access Laws.** Expands the resources and authority of the ombudsman-citizens' aide to investigate complaints related to public access laws involving public agencies and expands the definition of agency to include cities and towns. Requires the ombudsman's office to train public officials and educate the public on the rights of the public and the responsibility of public agencies concerning public access laws. Authorizes the office to enter and review agency records pursuant to an investigation without notice. Authorizes the office to issue subpoenas if an agency fails to respond to a request from the office in a reasonable time. Requires the office to submit an annual report including the number of inquiries concerning cities and towns and the results of the investigations. Exempts certain documents from the law including sealed court records, active criminal investigation records, records associated with attorney-client privilege and tax related information. Amends Title 41, State Government. S. 1407. Chapter 370.

**Public Meetings; Minutes; Web Site.** Cities and towns with populations over 2,500 that have Internet web sites are required to post a statement showing the legal actions taken by a public body of

the city or town within three working days after the meeting and also post the approved minutes of city or town council meetings within two working days after their approval. Public bodies of cities and towns that have an internet web site are required to post all meeting notices on their web site. Failure to post a meeting does not preclude the holding of the meeting if the failure was due to a technological problem with the web site and all other public notice requirements were satisfied. Amends Title 38, Public Officers and Employees. S. 1209. Chapter 294.

**State Trust Land Reform.** Makes numerous changes to state trust land policies. Allows urban state trust land to be conveyed to cities, towns or counties for permanent conservation. Allows up to 400,000 acres of to be conveyed to the county in which the land is located for permanent conservation. Permits these conveyances to be made without advertisement or auction. Subject to voter approval in the November general election. Amends Article X, Arizona State Constitution. HCR 2045.

**Underground Facilities; Marking Procedures.** Prohibits building officials and political subdivisions from requiring the installation of sewer clean-outs for the purpose of locating an underground sewer facility. Amends Title 40, Public Utilities and Carriers. H. 2708. Chapter 235.

### **Bills of Interest to Cities and Towns:**

**Animal Welfare; Rescue; Bestiality.** States that the owner of a cruelly treated or neglected animal that is convicted of certain crimes is liable for the costs of rescuing the animal that are incurred by the state or local entities. Makes the act of bestiality a crime. Amends Title 12, Courts and Civil Proceedings; Title 13, Criminal Code. S. 1160. Chapter 295.

**Arizona Trail.** Appropriates \$350,000 for maintaining and preserving the Arizona Trail. Requires the State Parks Board to encourage counties and municipalities to adopt general plans that preserve the trail rights-of-way and to assist with the acquisition of property for the trail. Requires the State and political subdivisions to permit construction of the Trail once the property is acquired provided the trail does not conflict with existing or proposed property uses. Amends Title 41, State Government. S. 1468. Chapter 374.

**Arizona Twenty-First Century Fund.** Establishes the Arizona Twenty-First Century Competitive Initiative Fund to promote science and engineering in Arizona. Appropriates \$35 million to the Fund. Specifies how the Fund will be administered and monies will be awarded. Amends Title 41, State Government. H. 2477. Chapter 334.

**Arizona Welcome Center; Yuma; Appropriation.** Appropriates \$2 million in FY 07 for the establishment of an Arizona Welcome Center if certain requirements are met. Laws 2006. Chapter 335.

**Automobile Theft Authority; Membership; Exception.** Authorizes the two police chiefs, two sheriffs and two county attorneys appointed to the authority to be represented by designees of their choosing. Eliminates the annual reporting requirements to the automobile theft authority committee but retains the reporting requirements to other public officials including the Governor, Senate President and Speaker of the House. Amends Title 41, State Government. S. 1181. Chapter 158.

**Certificates of Foreign Birth.** Requires the State Registrar to create and provide a State of Arizona Certificate of Foreign Birth for adopted persons who meet certain requirements. Specifies these

certificates must state they are not evidence of United States citizenship. Amends Title 36, Public Health and Safety. H. 2106. Chapter 20.

**Commercial Landlords; Telecommunications Service.** Prohibits a city or town from requiring the owner of commercial rental property to accept or maintain facilities or services of one or more telecommunication services. Amends Title 33, Property. H. 2079. Chapter 17.

**Deferred Presentment; Military Service Members.** Establishes requirements for deferred presentment loans to military service members and their spouses. Prohibits military service members and their spouses from extending a deferred presentment loan. Requires the loaner to provide a written statement describing the military lending practices prior to engaging in a transaction. The loaner cannot garnish military wages. The loaner cannot conduct any collection activity while the military service member is deployed to a combat or combat support posting. The loaner must notify the military of the transaction but for informational purposes only. A loaner cannot conduct a transaction at any location prohibited by the commanding officer of the military service member. Binds a loaner to the terms of any repayment agreement that is negotiated through military counselors or third party credit counselors. Amends Title 6, Banks and Financial Institutions. S. 1006. Chapter 215.

**English as the Official Language.** States that the official language of Arizona is English. Requires that all official government action be conducted in the English language. Requires representatives of Arizona government to promote, protect and enhance the role of English as Arizona's official language. Subject to voter approval in the November general election. Amends Article XXXVIII, Arizona State Constitution. HCR 2036.

**Fire District Amendments.** Makes numerous changes to the laws regarding the formation and operation of fire districts. Establishes a process for fire districts to change boundaries in conjunction with a city or town annexation if the fire district provides service to the annexing city or town. Requires the joint petition to annex to state that the property will be under the jurisdiction of both the city or town and the fire district. Requires personnel to be merged and become part of the fire department of an annexing city or town if the annexation encompasses the entire fire district. Requires costs and reasonable attorney fees to be awarded to a defendant that prevails in a legal challenge regarding the formation of a county island fire district and authorizes a county to advance funds to the county island fire district for its legal defense. Authorizes fire districts to enter contracts and agreements with individuals and other political subdivisions for technical and administrative services and to provide fire protection outside of the district boundaries. **Enacted as an emergency measure, this law became effective June 6, 2006.** Amends Title 48, Special Taxing Districts. S. 1454. Chapter 315.

**Government Anti-Identification Theft Assessment.** Mandates all government agencies, including cities and towns, to establish commercially reasonable procedures to ensure that all identification information obtained by each agency is secure and cannot be accessed unless authorized by law. Amends Title 41, State Government. H. 2024. Chapter 117.

**Identifying Information; Code Enforcement Officer.** Adds code enforcement officers to the list of public employees that may request to have their residential address and telephone number withheld from public records requests. Amends Title 11, Counties; Title 28, Transportation; and Title 39, Public Records, Printing and Notices. H. 2220. Chapter 298.

**Ombudsman Citizens Aide; Reappointment.** Reappoints Patrick Shannahan as the ombudsman citizen aide through June 30, 2011. **Enacted as an emergency measure, this law became effective March 24, 2006.** Laws 2006. H. 2040. Chapter 6.

**Peace Officers Memorial Board; Composition.** Expands the membership of the Board to include the Department of Corrections Director, the Arizona Criminal Justice Commission Executive Director, two family members of peace officers who have lost their lives in the line of duty and two members from statewide law enforcement personnel organizations. Amends Title 41, State Government. H. 2229. Chapter 64.

**Personal Identifying Information; Recorded Documents.** Prohibits documents or records made available on an entities' website from displaying certain personal information, including more than 5 numbers of an individual's social security number and specified financial account numbers. Specifies that only the Attorney General or the County Attorney may commence a legal action for these provisions. Specifies a civil penalty of no more than \$500 per violation. Excludes persons or entities that transmit the document for recording but did not create it. **Delayed effective date of December 31, 2006.** Amends Title 44, Trade and Commerce. S. 1219. Chapter 183.

**Personal Identifying Information Records; Disposal.** Prohibits an entity, including cities and towns, from knowingly disposing of paper documents without redacting or destroying the documents if they contain certain personal identifying and financial account information. Specifies only the Attorney General or the county attorney may commence a legal action for these provisions. Creates civil penalties of \$500 for a first offense, \$1000 for a second offense and \$5000 for a third offense. **Delayed effective date of September 30, 2006.** Amends Title 44, Trade and Commerce. H. 2484. Chapter 208.

**Personal Information; Security Breach; Notification.** Requires a city or town, among many others, to determine if personal information has been breached and if so, notify the individuals affected if certain requirements are met. Creates requirements for how the notification must occur. Requires law enforcement, prosecuting agencies and the courts to establish their own notification methods. Exempts information that is already made publicly available by local entities. Repeals one year after the Federal Personal Data Privacy and Security Act becomes effective. Amends Title 44, Trade and Commerce. S. 1338. Chapter 232.

**Planned Communities; Utility Vehicle Parking.** Requires homeowners' associations to allow municipal utility vehicles to park on a driveway or street in the community if the driver is employed by the utility and the vehicle is required for emergency or maintenance deployment. Amends Title 33, Property. H. 2205. Chapter 173.

**Project Review; Coordination; Cooperation.** Allows an industrial development authority (IDA), the governing bodies that approve the formation of an IDA, and specified state agencies involved in the review of bond issuances, to cooperate in the review of an IDA project if it is for a nonprofit nursing home, rest home, skilled nursing facility or life care facility. Laws 2006. S. 1211. Chapter 218.

**Public Programs; Citizens.** Prohibits non-residents or persons in the United States illegally from receiving certain government services. Subject to voter approval in the November general election. Amends Title 15, Education; Title 46, Welfare. SCR 1031.

**Rental Agreements; Emergency; Tenant Safety.** Prohibits a residential rental agreement from denying the right of any person to summon law enforcement or emergency services in response to an emergency and prohibits penalization for taking such actions. Amends Title 33, Property. H. 2124. Chapter 237.

**Substance Abuse Treatment; Appropriations.** Creates the Addiction Reduction and Recovery Fund, appropriates \$2.5 million general fund revenues to the fund and designates the Regional Behavioral

Health Authorities as the fund recipients and implementers of the fund's drug and alcohol abuse services and prevention programs. Appropriates \$500,000 to the Department of Health Services for methamphetamine abuse prevention services. Appropriates \$3 million to the Arizona Criminal Justice Commission for increased drug enforcement efforts. Appropriates \$2 million to the Department of Economic Security for substance abuse treatment services through the Arizona Families F.I.R.S.T. program. **Enacted as an emergency measure, this law became effective June 21, 2006.** Amends Title 36, Public Health and Safety. H. 2554. Chapter 337.

**Telephone Usage; Interference During Emergencies.** Makes preventing or interfering with a person's use of a party line telephone in an emergency situation a class 2 misdemeanor. Specifies that a person is not required to allow a person into her/her home or place of residence. Amends Title 13, Criminal Code. S. 1147. Chapter 248.

**Underground Facilities; Landlords.** Expands blue stake marking requirements for the landlords of apartment complexes and mobile home parks. Prohibits a homeowner or tenant from being liable for any expenses resulting from damage to underground facilities owned by the homeowner or tenant if they did not cause the damage or refused to grant access to ascertain the location of underground facilities. Further clarifies liability for operators, owners, and excavators. Authorizes underground facilities operators to commence action to stop violations of the blue stake requirements for facilities not owned by the operator. Establishes civil procedures for awarding attorney fees and damages for violations of the blue stake laws. Exempts facilities installed under pools, permanent pool decking or a permanent building within a single-family residential property from the detectable underground location device requirements. **Delayed effective date of January 1, 2007.** Amends Title 33, Property and Title 40, Public Utilities and Carriers. H. 2222. Chapter 258.

**Utility Assistance Fund; Administration.** Changes the financial eligibility for all recipients to 150% of the federal poverty level. Increases the annual amount of assistance an individual may receive from \$900 to \$2,000. Amends Title 46, Welfare. H. 2810. Chapter 214.

## FINANCE

### Bills with Significant Impacts on Cities and Towns:

**Contractor Sales Tax; Development Fees.** Exempts state and local development and impact fees from state and municipal transaction privilege tax. Adds a legislative intent clause stipulating that the provisions of the bill are not intended to affect and may not be considered in the interpretation of statute or city tax code for taxable periods prior to the bill's effective date. **Becomes effective August 31, 2006.** Amends Title 42, Taxation. S. 1068. Chapter 386.

**Enterprise Zone; Reauthorization.** Reauthorizes the use of enterprise zones through July 1, 2011. Adds 'small commercial printers' to the list of eligible businesses. Amends Title 41, State Government and Title 42, Taxation. S. 1074. Chapter 387.

**General Revenues; Budget Reconciliation.** Appropriates \$727,677,400 in FY 2008-2009 from the state General fund for deposit in the Urban Revenue Sharing Fund (\$10,549,800 of that total is repayment for a reduction to the State Shared Income tax percentage in FY '03 and FY '04 from 15% to 14.8%. The distribution will be based upon the same population distribution that existed during those two fiscal years.). This appropriation is intended to 'hold cities harmless' during the first year of the state income tax rate cuts. Appropriates \$850,000 in FY 2006-2007 to the Department of

Revenue (DOR) for distribution to towns with a population of 1,500 persons or less. Specifies that up to \$18 million of lottery funds are to be deposited in the Local Transportation Assistance Fund (LTAF) only after the state General Fund receives \$37 million of those funds. Amends Title 15, Education; Title 36, Public Health and Safety and Title 42 Taxation. H. 2871. Chapter 351.

**State Highway Fund Bonds.** Removes the \$1.3 billion allowable cap on the total principal amount of outstanding HURF parity bonds issued by the State Transportation Board. Increases the minimum amount of monies subject to pledge for payment of state Transportation Board issued bonds for the previous 12-month period from two to three times the highest annual principle and interest payments on all outstanding bonds to be issued for the highest one-year period during the life of those bonds. Amends Title 28, Transportation. H. 2206. Chapter 284.

**Licensing Procedures; Cable Television.** Changes definitions related to cable licensing including the definition of a “cable television system” and “gross revenues” which is primarily limited to subscription-related services and excludes commercial advertising revenues. Limits the assessment of fees and taxes on cable operators to license fees, transaction privilege tax, reasonable costs associated with damage to public infrastructure and fines for breaching the terms of a license. Limits the combined total of license fees and transaction privilege taxes to no more than 5% of gross revenue. Mandates that any reduction in the amount paid by a cable operator as a result of this law must be passed on to the subscribers. Limits the ability to require in-kind services to two channels of public, educational or governmental access programming in the basic service tier, two channels of noncommercial governmental programming in the digital programming tier and free basic service to the offices and facilities of the licensing authority. Stipulates that all existing licenses that are extended or renewed prior to July 1, 2007 are not subject to the provisions of the new law. If a license is renewed or extended between July 1, 2007 and December 31, 2007, a formula to phase-in the new requirements over three years is established. Amends Title 9, Cities and Towns. H. 2812. Chapter 3.

**Local Government Levy Limits; Rebase.** Resets the levy limit base year to 2005. Subject to voter approval in the November general election. Amends Article IX, Arizona State Constitution. HCR 2056.

**Local Warrant Payment; Definitions.** Stipulates that cities, towns and counties shall agree with a servicing bank on the method of delivery for a warrant, substitute check or voucher. Defines “substitute check” as a paper reproduction of an original warrant created from an electronic image. This definition clarifies that cities, towns and counties are authorized to process warrants electronically. Amends Title 9 Cities and Towns and Title 11, Counties. H. 2348. Chapter 24.

**Municipal Debt; Capacity.** Places on the 2006 General Election ballot the question of amending the Arizona Constitution to shift projects concerning public safety, law enforcement, fire and emergency service facilities, streets and transportation facilities out of the 6% of assessed valuation debt cap and into the 20% cap. HCR. 2001.

**Omnibus Tax Relief Act.** Reduces both income tax rates and local property tax capacity. Beginning in 2006, reduces the individual income tax rate by 10% over a two-year period. For tax year 2006, requires municipalities, counties and community college districts to set their primary property levies at the lesser of their constitution levy limit or their 2005 primary property tax levy, exclusive of new construction, and allowing an inflation factor of 2%. **(This requirement is retroactively effective as of June 30, 2006.)** Changes the name of the county equalization assistance for education tax rate to the state equalization assistance property tax rate. For tax years 2006 through 2008, sets the state equalization assistance for education rate at zero and for tax years beginning 2009, the rate will be the adjusted TNT rate from the 2005 tax year. **Beginning July 1, 2007**, requires secondary taxes for bonds, overrides and other special district taxes to only be conducted at the November general

election. **Beginning January 1, 2007**, modifies the information that is provided in the information pamphlet for bonds, overrides and other secondary taxes as follows:

- Eliminates the requirement to show the tax impact on a \$100,000 home and the average assessed value for residential, commercial and agricultural property.
- Requires the political subdivision show the impact of the estimated debt service for a \$250,000 home and a commercial or industrial property valued at \$2.5 million.
- The tax impact will assume the assessed value of the home or business will remain constant over the term of the bonds.
- The impact will be shown per year, the total number of years of the bond and total cost.

Amends Title 9, Cities and Towns; Title 11, Counties; Title 15, Education; Title 16, Elections and Electors; Title 35, Public Finances; Title 41, State Government; Title 42, Taxation; Title 43, Taxation of Income and Title 48, Special Taxing Districts. H. 2876. Chapter 354.

**Verification Of Class Three Property.** Allows the County Assessor's office to enter into intergovernmental agreements with DOR for a coordinated and comprehensive review of information regarding identification of properties that may be misclassified as class 3 (owner-occupied residential) instead of class 4 (rented residential). Requires DOR to monitor and review procedures and practices used by the county for the verification of class 3 properties and propose suggested improvements for uniform processes among the counties. Requires DOR to issue a report by November 15 each year to the Governor and Legislature on the processes and procedures used by each county in their verification program. Allows DOR to require the reclassification of property. Allows DOR to require information from the county assessor and county treasurer to verify compliance of procedures used to identify misclassified properties. Amends Title 42, Taxation. H. 2474. Chapter 322.

**Water Infrastructure Finance; Payment Approval.** Allows a city or town of less than 50,000 persons to pledge city owned utility systems revenues to repay a repayment agreement to the Water Infrastructure Finance Authority without an election if the revenues are not already dedicated to secure outstanding bonds and the action does not violate any covenant pertaining to the system. Amends Title 9, Cities and Towns; Title 48, Special Taxing Districts. H. 2159. Chapter 239

### **Bills of Interest to Cities and Towns:**

**Donated Food; Tax Exemption.** Exempts food, drinks or condiments donated by a restaurant to a nonprofit that regularly serves meals to the needy on a regular basis at no cost from the tax base of the restaurant for the calculation of transaction privilege tax. Amends Title 42, Taxation. S. 1506. Chapter 225.

**Fleet Requirements; Tax Incentives; Biodiesel.** Creates a fleet fuel credit that counts toward the state mandate of alternative and clean burning fuel vehicle use. Allows federal, state, municipal or school district vehicle fleets in Arizona to earn credits toward the state mandate of alternative and clean burning fuel vehicle use by purchasing biodiesel, diesel substitute or an ethanol or methanol blend. Amends Title 9, Cities and Towns; Title 15, Education; Title 41, State Government; Title 42, Taxation; Title 49, The Environment. S. 1346. Chapter 388.

**Municipal Tax Exemption; Fairs.** Prohibits a city or town from charging a transaction privilege tax on the gross proceeds of sales or gross income retained by the Arizona Exposition and State Fair Board from ride ticket sales at the annual Arizona State Fair. Retroactive to July 1, 1999. Amends Title 42, Taxation. H. 2132. Chapter 171.

**Prime Contracting; Exemption; Waste Disposal.** Stipulates that the portion of gross proceeds of sales or gross income attributable to operating a landfill or a solid waste disposal facility is not subject to taxation under the prime contracting classification of the TPT, including filling, compacting and creating vehicle access to cell sites within the landfill. Contains an intent clause that excludes the state TPT exemption from affecting the interpretation of the Model City Tax Code. (However, it is expected that industry will ask that the same language be adopted into the Model City Tax Code.) Amends Title 42, Taxation. S. 1411. Chapter 168.

**Property Tax Exemption; Educational Institutions.** Exempts educational institutions and low income housing properties from property tax requirements if certain requirements are met. Amends Title 42, Taxation. S. 1481. Chapter 392.

**Property Tax Exemption; Healthcare.** Exempts non-profit healthcare facilities from property tax payments retroactive to Jan 1, 2000. Specifies the county treasurer is entitled to a credit in the amount of the refund from each taxing jurisdiction in the next tax accounting. Amends Title 42, Taxation. H. 2175. Chapter 327.

**Rio Nuevo; Shared Revenue.** Extends the diversion of 50 percent of state TPT revenues generated at the multipurpose facility site or in the construction of the facility to the county stadium district, from 10 years to 40 years. Establishes a new baseline year beginning in the eleventh year of the district for the purposes of determining the amount of TPT revenues diverted to the district. Eliminates the authority for the district to use district funds or TPT revenues to acquire land by eminent domain. Relates to the City of Tucson's downtown redevelopment project. Amends Title 42, Taxation and Title 48, Special Taxing Districts. H. 2702. Chapter 376.

**Tax Decisions; Distributions.** Establishes numerous requirements for tax decisions to be distributed and made publicly available. Requires a city or town to provide redacted tax decisions to the Law Libraries of Maricopa County, the Arizona State University College of Law, the University of Arizona College of Law, the State Law Library and the State Library and Archives. Requires a city or town to post redacted tax decisions on their website. **Delayed effective date of October 1, 2006.** Amends Title 12, Courts and Civil Proceedings; Title 42, Taxation. H. 2712. Chapter 244.

**Tax Exemption; Active Duty Pay.** Extends the income tax exemption for military active duty pay. Amends Title 43, Taxation of Income. H. 2795. Chapter 342.

**Tax Exemption; Food; School Districts.** Deducts sales of prepared and unprepared food to a school district, private school or charter school for consumption at a public school, private school or charter school during school hours from the restaurant classification tax base, retroactive to January 1, 2000. Expands the use tax exemption to include food acquired by or provided to a school district, private school or charter school to be served at a public school, private school or charter school during school hours, retroactive to January 1, 2000. Requires any claims for refunds be filed with the Department of Revenue (DOR) by December 31, 2006. The burden of proof is placed on the taxpayer to provide evidence to the amount of taxes paid. Limits the aggregate amount of the refund to \$100,000. DOR is required to proportionately reduce all refunds for claims exceeding \$100,000. Prohibits interest from accruing or compounding on any refunds paid before July 1, 2007. (This deduction has a minimal effect on the State General Fund and therefore will have a corresponding minimal effect on state-shared sales tax.) Amends Title 42, Taxation. H. 2360. Chapter 321.

**Tax Exemption; Government Owned Property.** Exempts, from property taxes, permanent improvements constructed on property owned and leased by agricultural improvement districts. Amends Title 42, Taxation. H. 2717. Chapter 323.

**Tax Exemption; Liquid Natural Gas.** Exempts natural gas used in the process of converting natural gas into liquefied natural gas from transaction privilege and use tax. Amends Title 42, Taxation. S. 1433. Chapter 371.

## **WATER**

### **Bills with Significant Impacts on Cities and Towns:**

**Drinking Water Systems; Equipment.** Requires drinking water system components installed and used after January 1, 1993 to conform with National Sanitation Foundation standards unless approved by the Department of Environmental Quality as an alternative to the standards. Defines “drinking water system components.” Amends Title 49, Environment. S. 1144. Chapter 115.

**Small Water Systems; Interim Operators.** Authorizes the Water Infrastructure Finance Authority, if designated by the Department of Environmental Quality, to administer the Small Water Systems Fund and provide emergency grants to interim operators of small water systems. The grants are permitted if recommended by the Corporation Commission and if immediate financial assistance is needed to repair or rehabilitate a public water system to prevent or correct an interruption of water service. **Enacted as an emergency measure, this law became effective April 24, 2006..** Amends Title 49, Environment. H. 2521. Chapter 194

**Water; Wastewater; Sewer; Service Rates.** Requires any proposed water or wastewater rate or rate component, fee or service charge adjustment or increase to be just and reasonable. Amends Title 9, Cities and Towns. S. 1044. Chapter 45.

### **Bills of Interest to Cities and Towns:**

**Affidavit of Disclosure; Water Service.** Requires information regarding water supply to be included in the affidavit of disclosure that must be provided by the sellers of five or fewer parcels of land. Amends Title 33, Property. H. 2431. Chapter 96.

**Arizona Water Settlements Act; Implementation.** Authorizes the Arizona Water Banking Authority to act as the agent of the State for the purposes of implementing the State’s obligations to deliver water to certain Indian Nations during times of shortage and clarifies the funding and water resources available to the Water Banking Authority to implement the requirements. Amends Title 45, Waters. H. 2835. Chapter 114.

**Domestic Wastewater Improvement Districts; Wastewater.** Allows a water improvement district to provide wastewater services if the board of supervisors that the public interest or convenience requires such service. Amends Title 48, Waters. S. 1409. Chapter 57.

**Emergency Water; Transfers; Drought.** Temporarily authorizes the transportation of groundwater away from a groundwater basin that is outside an active management area under specific emergency circumstances and if certain requirements are met including an emergency declaration by the Governor, the approval of the Department of Water Resources Director and the consent of a city or town if the groundwater is being withdrawn from a well within its jurisdiction. Limits the transfers to six months with the authority of the Department of Water Resources Director to extend the request an additional six months. **Limits the authority to one year, with a retroactive effective date of April 30,**

**2006 and an April 30, 2007 repeal date.** Similar legislation passed in 2000 and 2003. H. 2436. Chapter 97.

**Gray Water Use; Incentives.** Requires the Department of Water Resources to adopt rules regarding gray water and gray water collection systems for assured water supply determinations. Requires Central Arizona Groundwater Conservation District membership to receive an assured water supply certificate that includes gray water. Limits the authority of cities, towns and counties to place further restrictions on the use of gray water permitted by the Department of Environmental Quality (DEQ). Authorizes DEQ to consider gray water reuse systems when calculating sewage treatment facility capacity for subdivisions. Amends Title 45, Waters and Title 49, Environment. H. 2518. Chapter 228.

**Multispecies Conservation Programs; Fees.** Clarifies that Colorado River water users who make payments to the Central Arizona Water Conservation District for participation in the Lower Colorado River Multispecies Conservation Program are not assessed additional fees by the Department of Water Resources for participation in the Program. Amends Title 45, Waters. S. 1256. Chapter 54.

**Navigable Stream Adjudication Commission; Continuation.** Continues the Commission through June 30, 2008. **Enacted as an emergency measure, this law became effective March 31, 2006.** Amends Title 37, Public Lands. S. 1161. Chapter 34.

**Water Improvement Districts; Notice; Commission.** Requires a petition to form a water improvement district to state if the proposed boundaries are wholly or partially within the boundaries of an existing or proposed service territory of a public service corporation that provide domestic water or wastewater services. Requires the board of supervisors to give the Corporation Commission 20 days written notice of a hearing to consider such a petition. Amends Title 48, Special Taxing Districts. S. 1249. Chapter 52.

**Water; Monitoring Assistance Program.** Expands the Department of Environmental Quality monitoring assistance program to include testing for nitrates. The program is required for all public water systems that serve 10,000 people or less. Testing for all contaminants not included in the program are the responsibility of the individual public water system. Amends Title 49, Environment. S. 1140. Chapter 32.

**Water Service Providers; Corporate Dissolution.** Authorizes the Corporation Commission to transfer the assets of a dissolved domestic water or wastewater service provider to a domestic water or wastewater improvement district, a city or a town provided the initial service provider has been dissolved for three years. Requires the district or municipality to submit a written request to acquire the assets. Preempts a provider whose assets have been transferred from applying for reinstatement. Amends Title 10, Corporations and Associations. H. 2428. Chapter 95.

**Well drilling; time extension.** Allows the Director of Water Resources to approve a period of time longer than 1 year to a well to be completed, not to exceed 5 years if certain conditions are met. Amends Title 45, Waters. S. 1334. Chapter 56.

## CRIMINAL JUSTICE

### **Bills with Significant Impacts on Cities and Towns:**

**Firearms; Possession; Storage.** Prohibits any entity other than the Legislature from enacting or implementing any law, rule or ordinance related to the possession or storage of a firearm. Specifies this prohibition does not apply to enforcing laws prohibiting weapons in public establishments or events if the operator makes reasonable request to remove the weapon and provides storage or to ordinances requiring businesses to hold second hand guns for no more than 10 days before resale. Amends Title 13, Criminal Code. H. 2649. Chapter 288.

**Weapons; Misconduct; Storage; Map Pocket.** Requires an operator of a public establishment or the sponsor of a public event to provide temporary and secure storage for a deadly weapon if that operator or sponsor requests the weapon be removed before entering. Establishments or events with any liquor license are exempted. States that the operator, sponsor, agent or employee of the operator or sponsor is not liable for actions related to this law unless grossly negligent. Allows a person to carry a firearm within a map pocket of a vehicle without a concealed weapons permit. Amends Title 13, Criminal Code. H. 2076. Chapter 313.

### **Bills of Interest to Cities and Towns:**

**Arizona Criminal Justice Commission; Duties.** Permits the Commission to accept and expend grant monies to investigate, prosecute and adjudicate any crime and to implement statutory provisions related to the commission. Amends Title 41, State Government. S. 1038. Chapter 28.

**Chop Shops; Vehicle Theft.** Establishes theft of any vehicle engine or transmission, regardless of worth, a Class 4 felony. Also makes the act of buying, selling, transferring or possessing a motor vehicle part knowing that the VIN has been removed a Class 4 felony. Expands the definition of vehicle to include any device that could transport people or property on highways, waterways or airways. Amends Title 13, Criminal Code. S. 1027. Chapter 73.

**Civil Liability; Presumptions; Police Tools.** Creates presumptions that apply to any civil liability action or claim if a court finds by a preponderance of evidence that a plaintiff is harmed while committing or attempting to commit a felony criminal act. Presumes that a police tool, such as a Taser, is not defective and the manufacturer is not negligent if the product meets certain requirements. Amends Title 12, Courts and Civil Proceedings. S. 1072. Chapter 254.

**Commercial Driver Licenses; Motor Carriers.** Requires the court to impose a fine of at least \$1,100 but not more than \$2,700 for a commercial driver that fails to comply with an out-of-service order. Requires the court to impose a fine of at least \$2,700 but not more than \$11,000 for a carrier that fails to comply with, or permits or requires a driver to violate an out-of-service order. Amends Title 28, Transportation. H. 2345. Chapter 205.

**Concealed Weapons; Firearms Safety Training.** Exempts a law enforcement officer with a firearms proficiency certificate from taking the firearms safety training course to obtain a concealed weapons permit. Amends Title 13, Criminal Code. H. 2584. Chapter 70.

**Concealed Weapons; Training Requirement; Renewal.** Expands the requirements to recognize “carry a concealed weapon” (CCW) permits from other states. Repeals the refresher training requirement for CCW renewals. Amends Title 13, Criminal Code. H. 2074. Chapter 121.

**Crime Victims; Free Police Reports.** States that a victim of a criminal offense that is a Part I crime under the Statewide Uniform Crime Reporting Program has the right to receive one copy of the police report from the investigation law enforcement agency at no charge. Specifies that an immediate family member of the victim has a right to the report if the victim is killed or incapacitated. Amends Title 39, Public Records, Printing and Notices. S. 1386. Chapter 167.

**DUI; Prior Offenses.** Expands from 60 months to 84 months the length of time between offenses that are considered repeat DUI offenses. Specifies that a person commits aggravated DUI when a third or subsequent DUI violation of any type occurs within 84 months, rather than 60 months, of the previous DUI offenses. Requires DUI repeat offenders to perform at least 30 hours of community restitution in addition to other penalties. Amends Title 28, Transportation. S. 1560. Chapter 395.

**Firearms; Possession; Persons Adjudicated Delinquent.** Allows the court to prohibit a juvenile adjudicated delinquent of a crime equal to a misdemeanor as an adult, from carrying a firearm while the juvenile is under the jurisdiction of juvenile corrections or the juvenile court. Specifies that if a juvenile is adjudicated delinquent of a crime equal to a felony as an adult and possesses or carries a firearm in the proceeding 10 year period, the juvenile is guilty of a class 5 felony for a first offense and a class 4 felony for a second or third offense. Amends Title 8, Children; Title 13, Criminal Code; Title 41, State Government. S. 1339. Chapter 221.

**Hit and Run; Mitigating; Aggravating.** Requires juries to consider a violation of hit-and-run laws as an aggravating circumstance for the purpose of increasing the sentence of any felony offense. Requires the courts to consider compliance with the hit-and-run laws as a mitigating circumstance for the purpose of reducing a presumptive sentence for any felony offense. Amends Title 13, Criminal Code. H. 2083. Chapter 104.

**Ignition Interlock Devices.** States that a person is guilty of Aggravated Driving Under the Influence if the person is subject to an Ignition Interlock Device requirement and the person either: (1) refuses to submit to a law enforcement officers request for a Blood Alcohol Concentration test, or (2) commits an Extreme Driving Under the Influence or Driving Under the Influence violation. Amends Title 28, Transportation. S. 1274. Chapter 312.

**Illegal Aliens; Serious Felonies; Bail.** Requires law enforcement agencies to determine a person’s country of citizenship if they intend to incarcerate that person. Once citizenship is determined, the agency must notify that person’s country of citizenship of the person’s detention. Makes it a Class 2 felony to smuggle a person under the age of 18 who is not accompanied by a family member over the age of 18. Contains a conditional enactment clause that prohibits the bill from being enacted if the Constitution is not amended at the next General Election to prevent a person from being eligible for bail if they are charged with a serious felony offense and that person is in the U.S. illegally. Amends Title 13, Criminal Code. H. 2580. Chapter 380.

**Indecent Exposure; Breast-Feeding.** Clarifies that indecent exposure does not include the act of breast-feeding by a mother. Specifies that a mother is entitled to breast-feed in any area of a public place or place of public accommodation where the mother is lawfully present. Amends Title 13, Criminal Code and Title 41 State Government. H. 2376. Chapter 135.

**Mexico; Entry; Minors.** Authorizes cities, towns and counties to adopt ordinances authorizing their law enforcement officials to stop Arizona residents under the age of 18, who are unaccompanied or do not have written consent from a parent or guardian, from entering the Republic of Mexico. Amends Title 9, Cities and Towns and Title 11, Counties. H. 2387. Chapter 174.

**Motor Vehicle Accidents; Unlawful Operations.** Creates additional penalties for a driver that violates certain traffic laws and causes serious injury or death. Defines “causing serious physical injury or death by a moving violation” and specifies that it is a class 3 misdemeanor, except if the violation results in death, the maximum fine that can be imposed is \$1000. Requires the court to notify the Arizona Department of Transportation if a driver is convicted of “causing serious physical injury or death by a moving violation” and allows the court to direct the Department to revoke the driver’s license for no more than 90 days (if the violation results in serious injury) and no more than 180 days (if the violation results in death). Requires the court to order the prosecution dismissed if the injured party comes before the court to acknowledge receipt of satisfaction for the injury. Limits the restitution allowed for violations under this section to no more than \$10,000. Defines “causing death by use of a vehicle” and specifies that it is a class 4 felony. Defines “causing serious injury by use of a vehicle” and specifies that it’s a class 5 felony. Repeals after December 31, 2011. Amends Title 28, Transportation. H. 2208. Chapter 297.

**Prostitution; Jail Time.** Creates additional sentencing requirements for persons convicted of prostitution. Specifies that a city or town may enact and enforce an ordinance relating to prostitution that is at least as stringent as requirements outlined in the bill. Amends Title 13, Criminal Code. H. 2307. Chapter 259.

**Sentencing; Third Felony Offenses.** Requires any person convicted of three violent or aggravated felonies on separate occasions to be imprisoned for life. Stipulates that the two earlier convictions must have occurred within fifteen years of the third. Also stipulates that the first conviction must be imposed prior to the action that caused the second conviction and the same timeline must also occur between the second conviction and third action. Persons sentenced under this law are not eligible for suspension of sentence, probation, pardon or release but are eligible for a commutation after 35 years. Defines “violent or aggravated felony” including a list of 24 offenses. Authorizes a judge to impose a life term of probation for a sex offender who fails to register. Amends Title 13, Criminal Code. S. 1444. Chapter 177.

**Sex Offender Registration; Homeless Offenders.** Requires a sex offender with no address or permanent place of residence to register as a transient with the Sheriff in the county in which the offender is physically present at least every 90 days. Amends Title 13, Criminal Code. S. 1229. Chapter 184.

**Sex Offenders; Address Verification.** Requires the Motor Vehicle Department (MVD) to provide daily address updates on registered sex offenders to the Department of Public Safety (DPS). Requires sex offenders to sign or affix an electronic fingerprint to a statement when registering with DPS. When a person from another jurisdiction is registering as a sex offender in Arizona, the sheriff must obtain a DNA sample and transmit it to DPS. If a sex offender fails to reregister, the law enforcement agency where the person last resided must perform an investigation and report on the findings. Increases the penalty for not reregistering every year from a Class 1 misdemeanor to a Class 6 felony. Amends Title 13, Criminal Code. S. 1230. Chapter 160.

**Sex Offenders; GPS Monitoring; Appropriations.** For all convictions of a dangerous crime against children starting in November, 2006 that impose a term of probation, the courts shall require Global Position System monitoring devices for the duration of the probation. Establishes interference with the proper operation of a monitoring device as a class 4 felony. Appropriates state general fund revenue

to the Department of Corrections for funding the electronic monitoring of sex offenders. Creates a joint legislative study committee to review implementation. **Enacted as an emergency measure, this law became effective June 21, 2006.** Amends Title 13, Criminal Code and Title 41, State Government. S. 1371. Chapter 368.

**Signs; Covering; School Bus.** Changes the penalties for a driver that unlawfully overtakes a school bus. Exempts school buses from covering their signs in certain situations. Amends Title 28, Transportation. H. 2389. Chapter 276.

**Victim's Right to Refuse Interview.** Allows a parent or legal guardian of a minor to refuse to submit to an interview if he or she is exercising victim's rights on behalf of the minor child. Amends Title 8, Children and Title 13, Criminal Code. S. 1126. Chapter 50.

**Voyeurism; Surreptitious Viewing.** Establishes the crime of voyeurism defining it as the knowing invasion of a person's privacy without the knowledge of that person for the purpose of sexual stimulation. Classifies voyeurism and the distribution of recorded materials made in the act of voyeurism as a Class 5 felony. In the event that the victim is recognizable, the distribution of recorded materials is classified as a Class 4 felony. Amends Title 13, Criminal Code. S. 1039. Chapter 146.

## PERSONNEL

### Bills of Interest to Cities and Towns:

**ASRS; Benefit Election; Spousal Notification.** Requires spousal notification when changing beneficiaries, the annuitant, or annuitant options if the current spouse is a beneficiary or annuitant. Amends Title 38, Public Officers and Employees. H. 2082. Chapter 103.

**ASRS; Deferred Retirement; Repeal.** Repeals ARS 38-748, which authorizes a deferred retirement program for eligible employees in the ASRS system. Amends Title 38, Public Officers and Employees. H. 2340. Chapter 12.

**ASRS; Federal Conforming Changes.** Modifies the ASRS contribution requirements for employers regarding employees who are ordered into active military service. Modifies the requirements for ASRS members to name beneficiaries and authorizes members to change beneficiaries at any time. Amends Title 38, Public Officers and Employees. S. 1168. Chapter 157.

**ASRS; Local Termination Incentive Program.** Changes the term "retirement incentive program" to "termination incentive program." Amends Title 38, Public Officers and Employees. H. 2103. Chapter 106.

**ASRS; Optional Forms of Retirement.** Limits the ability of future retired members of the Arizona State Retirement System to alternate between retirement benefit options. Amends Title 38, Public Officers and Employees. Conditional enactment pending ruling by the Internal Revenue Service. S. 1167. Chapter 309.

**Law Enforcement Agencies; Retirement Credentials.** Requires a law enforcement agency to issue a photographic identification to a law enforcement officer that has retired honorably from the agency. Specifies the chief law enforcement officer makes the determination of honorable retirement and this decision is not subject to review. Specifies the agency is not obligated to revoke or modify the

identification based on actions of the officer after retiring honorably. Amends Title 13, Criminal Code. S. 1258. Chapter 37.

**Public Retirement Plans; Administration Amendments.** Makes numerous administrative changes to the statutes governing the Elected Officials' Retirement Plan (EORP), the Public Safety Personnel Retirement System (PSPRS) and the Corrections Officer Retirement Plan (CORP). Provides transfer of service credits provisions between municipal retirement systems and PSPRS and CORP. Changes the current institutional investments requirement for investment management of the Arizona State Retirement System (ASRS). Amends Title 38, Public Officers and Employees. S. 1359. Chapter 264.

## ELECTIONS

### **Bills with Significant Impacts on Cities and Towns:**

**Election Law Revisions.** An emergency measure that makes changes to election law statutes relating to registration forms, election process, publicity pamphlets, election dates, ballots and electioneering. Specifies that elections for candidates, except for recall elections and special elections to fill vacancies, in a city or town with a population of 175,000 persons or more may occur only on the September or November consolidated election dates. (According to the 2000 U.S. census, the following cities have a population of 175,000 persons or more: Phoenix, Tucson, Mesa, Glendale, Scottsdale and Chandler.) Establishes the councilmember or mayor's term of office for those cities begins on or after the second Tuesday in January. Specifies, effective July 1, 2006, that the publicity pamphlets for the bond elections must be mailed at least 35 days prior to the elections. Requires, effective July 1, 2006, the publicity pamphlets for bond elections in political subdivisions to be mailed to every household within the political subdivision that contains a registered voter, rather than the residence of each registered voter. Prohibits electioneers at the polls on election day from constructing temporary or permanent structures in public areas and parking lots or the blocking or other impairment of access to parking space for voters. Prescribes it is a class 2 misdemeanor for anyone other than voters, selected election officials, party representatives and challengers to remain in the 75-foot limit of a polling place when the polls are open on election day or to display political or electioneering material within the 75-foot limit. Provides an exception allowing the removal of a ballot box from a polling place or the opening of a ballot box before the polls are closed because of an emergency in which the polling place no longer functions as a polling place because law enforcement or other emergency personnel have ordered that the polling place be evacuated, or as determined by the election officer to allow voting to continue while awaiting an official evacuation order. Allows a locked ballot box to be moved in an emergency and prescribes the manner in which it must be done. Sets the parameters and process for opening a locked ballot box if the ballot box cannot accommodate additional ballots. **Enacted as an emergency measure, this law became effective April 5, 2006.** Amends Title 15, Education; Title 16, Elections and Electors and Title 48, Special Taxing Districts. S. 1041. Chapter 44.

### **Bills of Interest to Cities and Towns:**

**Election Reform; Manual Count.** Gives the Secretary of State the authority to provide in the Instructions and Procedures Manual, the maximum allowable wait time for any election and provide for a method to reduce voter wait time at the polls. It also changes the date by which you must file your computer election programs with the Secretary of State from two weeks to ten days before the election. Any electronic voting system must provide a paper document that the voter can use to verify his or her choices. This paper document can be spoiled by the voter if it does not reflect the voter's choices so that the voter can vote a new ballot. This document is to be used in manual audits and recounts. Charges the election marshal with checking on wait times at the polling place and directs them to notify the election official if the wait is 30 minutes or more and request more voting machines,

booths and board workers. Not directly impacting city/town elections but perhaps delaying results when you consolidate on countywide or statewide ballots, the county election official must do a manual hand count of at least 2% of the precincts or two precincts whichever is greater. This requirement does not apply to city and town elections. **Enacted as an emergency measure, this law became effective June 28, 2006.** Amends Title 16, Elections. S. 1557. Chapter 394.

**Elections; Canvass Deadline.** Allows the appointment of persons between the ages of 16 and 18 who are not yet eligible to vote to serve on election boards. There are specified requirements for such a person to serve including supervision by an adult, written permission from a parent or guardian and attendance at election board training. This new law also gives you more time to canvass an election extending the current deadline of 15 days following the election to 20 days. Amends Title 16, Elections. S. 1037. Chapter 145.

## COURTS

### Bills of Interest to Cities and Towns:

**Lawsuits; Public Participation in Government.** Enables a defendant in any legal action involving that party's right to petition the government to file a motion to dismiss the action within 90 days and requires the court to determine if the lawsuit was brought to deter the defendant from exercising their constitutional rights, to harass the defendant, cause unnecessary delay or will result in a needless increase to the cost of litigation. Establishes procedures for the awarding of costs and attorneys fees in these types of cases. Amends Title 12, Courts and Civil Proceedings. H. 2440. Chapter 234.

**Public Records; Declaratory Action.** Authorizes the Courts to award attorney fees and other legal costs in an action of denial of access to records if the individual seeking the records has substantially prevailed. Removes the limitation that attorney fees can only be awarded if the court finds that the public body acted in bad faith or in an arbitrary or capricious manner. Amends Title 39, Public Records, Printing and Notices. S. 1225. Chapter 249.

**Traffic Ticket Enforcement Assistance Program.** Allows the Arizona Department of Transportation to refuse to renew a vehicle's registration if a registered owner is delinquent in paying the monetary obligation associated with a civil or criminal traffic violation, if the court or municipality gives proper notification to the Department. Specifies that the court or municipality must make at least 2 attempts to collect the monies owed. Allows the Department to charge a court or municipality that opts to participate in the program a fee to cover the cost of document processing. Amends Title 28, Transportation. S. 1242. Chapter 296.

## PLANNING AND ZONING

### Bills with Significant Impacts on Cities and Towns:

**Building Construction; Procedures.** Specifies that the design and construction of buildings funded by voter-approved bonds be authorized in accordance with Title 34. Requires the notice of intention to receive bids and contract for proposed work by advertising in a newspaper of general circulation within the county the municipality is located for 2 consecutive publications (weekly) or 6-10 days apart (daily). Amends Title 34, Public Buildings and Improvements and 35, Public Finances. H. 2136. Chapter 129.

**Community Facilities Districts; Counties.** Expands the authority of counties to create community facilities districts to provide enhanced municipal services. Petitions to form a district by a county must be signed by the property owners of all the land in the proposed district. If the proposed district is in a county island, approval by all of the cities and towns that form the island must also be acquired. Amends Title 48, Special Taxing Districts. H. 2236. Chapter 132.

**Municipal Annexation; Waiting Period.** Prohibits a city or town from filing an annexation petition that includes territory from an unsuccessful annexation attempt by that same city or town until at least forty-five days after the completion of the unsuccessful attempt. Enables property owners involved in the unsuccessful annexation to waive the forty-five day waiting period. **Enacted as an emergency measure, this law became effective April 5, 2006.** Amends Title 9, Cities and Towns. H. 2212. Chapter 63.

**Residential Rental Property Inspections.** Authorizes municipalities to adopt ordinances establishing residential rental inspection programs after a public hearing process and notification of all residential rental property owners within the municipality. Prohibits a municipal licensing or registration requirement for residential rental properties. Authorizes cities and towns to conduct interior inspections if an exterior inspection identifies certain conditions and the municipality has the consent of the owner or a warrant prior to conducting the interior inspection. Limits inspection fees to follow-up inspections where the violations have not been corrected within an adequate time period. Requires building code violations that impact health and safety to be cited and repaired immediately. Requires county assessors to provide the most current list of registered rental property owners to cities and towns when requested. Authorizes cities and towns to impose a civil penalty on a residential property owner who fails to register with the county assessor. Authorizes cities and towns to take certain measures, such as requiring the owner to hire a property management firm, if a residential rental property has been designated as slum or has conditions that affect the health and safety of the residents. Amends Title 9, Cities and Towns, Title 33, Property and Title 42, Taxation. H. 2221. Chapter 285.

**School Buildings; Development Partnerships.** Prohibits a city or town from requiring, as part of a land use approval, that a landowner provide any donation or gift to the school district. Prohibits a city or town from requiring, as part of a land use approval, that a landowner located in the geographic region of the school site provide any donation or gift to the school district. Amends Title 15, Education. H. 2592. Chapter 382.

**Sexually Oriented Business; Location; Penalty.** Prohibits an adult oriented business from being located within ¼ mile of a child care facility, school, public playground, public recreational facility, residence, or place of worship. Allows cities, towns and counties to enact and enforce ordinances regulating the location of adult oriented businesses. Violations are classified as a Class 1 misdemeanor and each day of a violation is a separate offense. Exempts all existing adult oriented business in compliance with existing laws from the new location restrictions. Also specifies that an adult oriented business will not violate the location restrictions if one of the protected facilities locates within ¼ mile of the existing business. **Enacted as an emergency measure, this law became effective April 26, 2006.** Amends Title 13, Criminal Code. H. 2490. Chapter 227.

**Utility Development; Advance Planning.** Allows an electric or natural gas utility to engage in advanced planning with any city or town. Requires the city or town to cooperate and work with the utility if this advanced planning is engaged in. Requires the city or town to include the location and nature of the planned facilities in the general plan if a utility develops and delivers a facilities plan to the city or town. Does not obligate the utility to construct facilities as submitted in the facilities plan.

Does not modify the right of the city or town to determine the location and nature of utility facilities. Amends Title 40, Public Utilities and Carriers. H. 2080. Chapter 91.

### **Bills of Interest to Cities and Towns:**

**Earth Fissure Maps.** Requires earth fissure maps to be made available to the public and updated every five years. Provides the Arizona Geological Survey and Land Department with appropriations to implement. Amends Title 27, Minerals, Oil and Gas, Title 32, Professions and Occupations and Title 37, Public Lands. H. 2639. Chapter 339.

**Flood Control Districts.** Authorizes the District Board of Directors for a Flood Control District to adopt and enforce civil penalties for violations of its regulations and ordinances through an administrative process. Amends Title 48, Special Taxing Districts. H. 2316. Chapter 273.

**Lot Splits; Fissures; Recorded Disclosure.** Requires the seller of real property to disclose is subject to fissures or expansive soils. Amends Title 33, Property. S. 1255. Chapter 36.

**Military Airport Disclosure; Residential Property.** Requires the seller of real property provide a written disclosure to the purchaser prior to the transfer of title if the property is located in the territory in the vicinity of a military airport or ancillary military facility. This disclosure is not required if it is provided in a public report as outlined in 3202183 or 32-2195.05. **Delayed effective date of December 31, 2006.** Amends Title 28, Transportation. H. 2060. Chapter 90.

**Restricted Air Space; Notification.** Requires any public report issued after December 31, 2006 and is applicable to property located under restricted airspace, as delineated by the restricted airspace map prepared by the State Land Department, to include disclosure that the property is located under restricted airspace and information on where the maps can be obtained. Limits a subdivider's liability for any act or failure to act in the disclosure of property located under restricted airspace. Amends Title 32, Professions and Occupations. H. 2814. Chapter 113.

**Single Solicitation; Construction Services.** Prohibits a city or town from procuring multiple construction manager at risk and design build services for horizontal construction contracts in a single solicitation. Amends Title 34, Public Buildings and Improvements. S. 1292. Chapter 163.

## **PUBLIC HEALTH AND SAFETY**

### **Bills of Interest to Cities and Towns:**

**Arizona Department of Homeland Security.** Establishes the Arizona Department of Homeland Security and outlines the powers and duties of the Department. Establishes the Arizona Department of Homeland Security Coordinating Council and outlines its duties and membership. Establishes the Joint Legislative Committee on Homeland Security and outlines its duties and membership. Establishes the Arizona Department of Homeland Security Regional Advisory Councils and outlines their duties and membership. Terminates the Department after July 1, 2016. Repeals the Department after December 31, 2016. Amends Title 41, State Government. S. 1264. Chapter 317.

**Prostitution; House Abatement.** Authorizes city attorneys to initiate abatement proceedings for nuisances related to lewdness or prostitution. Previous authority was limited to county attorneys. Amends Title 12, Courts and Civil Proceedings. S. 1260. Chapter 162.

## TRANSPORTATION

### Bills with Significant Impacts on Cities and Towns:

**Escort Vehicle.** Requires a city or town to provide all current ordinances and rules relating to excess size and weight special permits to the Arizona Department of Transportation via electronic submission. Prohibits law enforcement from issuing a citation to a motor carrier for not obtaining a permit if the carrier is on a local street or roadway and the local jurisdiction does not issue such permits, the carrier is operating only on the local roadways and is complying with all related local ordinances and department rules. Amends Title 28, Transportation. S. 1218. Chapter 219.

**Photo Enforcement; Signage.** Requires a city or town using a photo enforcement system to adopt standards and specifications to indicate to a driver that a photo enforcement system is present and operational. These standards must include 2 signs placed prior to the system (one approximately 300 ft. before and one farther than 300ft before). The signs must include a yellow warning notice and correlate as closely as possible to the signage standards adopted by ADOT. The signs must be removed or covered when the system is not in use. Allows the courts to dismiss tickets issued as a result of photo enforcement if the signs are not present. Requires mobile photo enforcement vehicles to be marked as such from the rear, unless the vehicle is enforcing an area with a posted speed limit of 40 mph or less. Excludes existing projects on state highways from these provisions. Redefines photo enforcement system. Amends Title 28, Transportation. H. 2174. Chapter 188.

**Private Contractors; Vehicle Parking; Enforcement.** Allows a city or town to utilize a private contractor to enforce local ordinances relating to parked and standing vehicles. Specifies that the private contractor may not a relative of any employee or elected official of the city or town issuing the contract. Amends Title 28, Transportation. S. 1269. Chapter 231.

### Bills of Interest to Cities and Towns:

**Motorized Electric; Gas Powered Bicycles.** Exempts motorized gas or electric bicycles or tricycles from vehicle registration and exempts the operator from licensing requirements. Specifies local entities may adopt ordinances regulating or prohibiting such vehicles if the ordinance does not require registration and licensing. Amends Title 28, Transportation. H. 2796. Chapter 292.

**School Crossing; Traffic Violation; Assessment.** Doubles the fines for violating traffic laws in school zones when signs are present. Requires signs to alert drivers that the fines are doubled. Specifies that the additional penalty is not subject to surcharges. Requires the court to collect the additional assessment at the time the penalty is collected and requires the court to treat failure to pay the additional assessment in the same manner as failing to pay the penalty. Requires the court to transmit the additional assessment to the City Treasurer. Requires the City Treasurer to deposit the monies in a fund to pay for the costs of administering the process contained in this bill. Amends Title 28, Transportation. H. 2615. Chapter 286.

**Stopping Vehicles on Highways.** Allows a public transportation vehicle (owned or contracted by a public entity) to stop on a state highway or state route if certain conditions are met. Amends Title 28, Transportation. S. 1166. Chapter 34.