



NEW LAWS

Enacted by the 2005 Arizona Legislature

June 20, 2005

New Laws Report

Every year the Arizona State Legislature passes hundreds of bills and sends them to the Governor. If a bill is not vetoed by the Governor, the bill is enacted into law. 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. 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 **August 12, 2005**. Some new laws include an emergency clause, which means the law becomes effective when the Governor signs the bill. 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

Excavation Markings; Underground Facilities; Procedures. Makes numerous changes to the laws regarding the regulation of underground facilities. Requires all new and active underground facilities installed after December 31, 2005, to be installed with a detectible underground location device unless the facility is detectable by an above ground electronic locating device. Requires a sewer operator to locate and mark the underground sewer facilities owned by other persons if the underground facilities are installed after December 31, 2005 and limits the marking to areas within a public street, alley or right-of-way. Stipulates that locating and marking requirements do not obligate a sewer operator to maintain, clean or unstop underground sewer facilities owned by another person. Restricts marking requests to excavating purposes only and limited to an area that can reasonably be excavated within the validity period of the markings. States a person who violates the underground facilities statutes where the violation results in damage to an underground facility is liable to the owner of the facility for all damages to the facility and all costs and expenses, including damages to third persons. Stipulates that an underground facilities operator who violates the underground facility statutes by failing to locate and mark or by incorrectly locating the underground facility becomes liable for resulting damages, costs and expenses of the injured party. Amends Title 40, Public Utilities and Carriers. H. 2256. Chapter 222.

Liquor; Omnibus. Makes numerous changes to the laws regulating the sale of alcohol. Requires the State Liquor Department to notify cities and towns of license transfer applications and enables cities and towns to protest a transfer application triggering a State Liquor Board hearing for all protests. Redefines "restaurant" by expanding the forty percent requirement of gross revenue derived from the sale of food to include food sold for consumption off-premises provided such food does not exceed fifteen percent of gross revenue. Expands and modifies the penalties and enforcement actions related to underage drinking. Adjusts the number of new licenses that can be granted based on population for both rural and urban areas. Authorizes licenses awarded in urban areas to be transferred to rural areas for a temporary period between July 1 and December 31, 2006. Increases disclosure and reporting requirements and liquor purchaser identification requirements for drive-through liquor establishments. Amends Title 4, Alcoholic Beverages. H. 2647. Chapter 284.

Eminent Domain; Attorney Fees; Clarification. Clarifies that if both parties agree to settle an eminent domain case out of court that both parties are liable for their own expenses incurred. Amends Title 12, Courts and Civil Proceedings. S. 1006. Chapter 23.

Social Security Numbers; Civil Penalty. Charges a person or entity a \$100 civil penalty per offense for intentional violation of the social security number confidentiality restrictions. Requires all money from the civil penalty to be deposited in the State General Fund. Amends Title 13, Criminal Code. H. 2470. Chapter 230.

Annexed Fire District Territory; Notification. Requires a city or town to notify a fire district in writing 30 days prior to an annexation if the territory that is to be annexed is in the fire district's boundaries. Allows the city or town and the fire district to enter into an intergovernmental agreement to mitigate any detrimental effects as a result of the annexation on fire district services to the remaining district population. Amends Title 48, Special Taxing Districts. H. 2309. Chapter 135.

Local Emergency Assistance; Medical Technicians. Includes certified emergency medical technicians in the existing statute that limits liability for emergency medical services rendered or as the result of failure to arrange for further medical treatment for the injured person. Amends Title 9, Cities and Towns. S. 1138. Chapter 37.

Forest Health. Modifies a number of statutes relating to the Healthy Forests legislation from 2004, specifically the statutes relating to tax credits. Requires the Department of Commerce (Commerce) to implement a program that encourages cities, towns and counties to provide local incentives to businesses that promote forest health. Reduces fuel taxes for motor vehicles that transport forest products from 26 cents per gallon to 13 cents per gallon and specifies procedures in order to receive the fuel reduction refund. Changes the definition of a qualifying project in order to receive tax credits. States that 75% of the qualifying forest products must be from a source within Arizona and allows 30% to be nonqualifying products within the project. Requires a business that receives a tax credit for transporting qualifying products to certify that it is transporting products that were harvested in Arizona. Requires businesses that receive tax credits to employ at least three employees and furnish tax information to Commerce. Specifies reporting requirements for businesses that qualify for healthy forest-related tax incentives. Limits Commerce certification to one year and requires businesses to be recertified each year and allows Commerce to examine records and inspect facilities to determine compliance. Adds or modifies definitions for “harvesting,” “initial processing,” “qualifying equipment” and “qualifying product.” Classifies new property or any new improvements on property owned by a qualifying forest health business as class 6 property at a 5% valuation, if it is classified in the years 2005 to 2010 and limits the classification to five years. Requires that a position be full time and work 1,550 hours a year, unless the hours are shortened due to forest closures or weather condition, in order to receive an income tax credit for employment. Modifies the health insurance requirements that businesses must meet in order to qualify for the income tax credit. Clarifies that taxes must be paid back only in situations when the qualification is terminated or revoked. Amends Title 9, Cities and Towns; Title 11, Counties; Title 28, Transportation; Title 41, State Government; Title 42, Taxation and Title 43, Taxation of Income. S. 1283. Chapter 278.

Procurement; Professional and Construction Services. Makes numerous changes to the statutes governing cities, towns and counties’ authority to procure professional services. Allows cities, towns and counties to procure and award multiple contracts from a single solicitation for professional services from a technical registrant and limits the terms of the contracts to five years. Outlines the process to be used in soliciting multiple contracts for professional services. Modifies the requirements for selection committees in the procurement process. Eliminates the requirement for cities, towns and counties using construction manager at risk, design-build and job order contracting procurement methods to submit an annual report to the Secretary of State. Adds requirements in a city, town or county’s public notice of a request for qualifications in the procurement of professional services. Requires a city, town or county to include the full street or physical address where construction will be performed in a construction services contract. Sets new requirements for the amount of performance bonds. Makes other changes to statutes relating to construction manager at risk, design-build and job order contracting construction services contracts. Makes changes to statutes governing procurement for the Arizona Department of Transportation and to the State Procurement Code. Effective date: April 20, 2005. Amends Title 28, Transportation; Title 34, Public Buildings and Improvements and Title 41, State Government. H. 2579. Chapter 162.

Community Facilities Districts; Specific Benefit. Limits the definition of “public infrastructure” in the community facilities districts statutes to infrastructure that will result in a beneficial use principally to land within the district’s geographical limits and allows it to include a portion of improvements if a district’s board determines that the portion is equal to the beneficial use within the district. Requires a district board to pass a resolution to affirm that the improvements or portion of improvements will result in beneficial use to land within the district. Restricts the amount of fees and other charges assessed by a city, town or county related to the district’s administration to the actual expenses incurred. Amends Title 48, Special Taxing Districts. S. 1505. Chapter 263.

Aliens; Work Centers; Prohibition. Prohibits a city, town or county from building or maintaining a work center if any part of the center is used to facilitate the knowing employment of an illegal alien. Amends Title 9, Cities and Towns and Title 11, Counties. H. 2592. Chapter 285.

Domestic Violence Fatality Review Teams. Allows political subdivisions to create a domestic violence fatality review team for the purpose of studying domestic violence related fatalities and offering recommendations to the Attorney General on prevention. States that the review team cannot review a fatality until the criminal investigation is completed. Allows the political subdivision to determine the review team membership. States that the review team meetings are closed to the public and are not subject to the statutes pertaining to open meetings if they are reviewing individual domestic violence fatality cases. Allows all other review team meetings to be open to the public. Stipulates that anyone who violates the confidentiality requirements is guilty of a Class 2 misdemeanor. Requires the review team to return all information and records regarding the victim and the family to the agency that provided the information after the review is complete. Requires the review teams to make annual reports to the State regarding the outcome of the findings. Amends Title 41, State Government. S. 1071. Chapter 87.

Overdimensional Permit Council; Rules. Increases the membership of the Overdimensional Permit Advisory Council (OPAC) from seven to nine members by adding a member from a municipal law enforcement agency from a city or town with less than 100,000 people and a fourth motor carrier representative (currently the OPAC has three). Requires the directors of the Arizona Departments of Transportation and Public Safety and the Chair of the OPAC to jointly issue a report on overdimensional and overweight permit rulemaking and issuance, including issues related to the uniformity of permit requirements across political subdivisions. Requires the OPAC to submit the joint report to the Governor, Senate President and Speaker of the House of Representatives on or before November 30, 2005. Increases the maximum length allowable, for the purposes of obtaining a special permit, of the cargo carrying unit of a vehicle combination consisting of a truck, semitrailer and two trailers from 92 feet to 95 feet. Provides a definition of "cargo carrying unit." Amends Title 28, Transportation. S. 1325. Chapter 280.

State Library; Recovery Of Costs. Requires all government units of the State, including political subdivisions, to notify the Arizona State Library, Archives and Public Records of any required reports or documents that are posted on an Internet web site and requires those units to pay any associated fees for the Library to obtain copies of required reports if the unit refuses to supply a copy. Requires a fee schedule to be established for costs associated with acquiring any required reports. Amends Title 35, Public Finances and Title 41, State Government. H. 2187. Chapter 151.

Massage Therapy; Examination; License; Renewal. Makes several changes to the massage therapy licensure requirements. States that licensure applicants who have graduated from an in-state accredited massage therapy school are not required to pass the national exam to be licensed by the Board of Massage Therapy. Requires applicants who graduated from an unaccredited school or one not in Arizona to pass the national exam in order to be licensed. The licensing components of this legislation are retroactive to December 1, 2004. Effective date: April 20, 2005. Amends Title 32, Professions and Occupations. H. 2521. Chapter 160.

Energy Efficient Appliances; Sales. Specifies new energy efficiency requirements for certain types of appliances sold, offered for sale or installed in the State, including traffic signals. Lists and defines the appliances subject to the energy efficiency requirements, beginning in 2008, which includes traffic signals. Requires the Arizona Department of Commerce Energy Office to review and assess the energy efficiency requirements and report its findings to the Legislature. Requires manufacturers to certify in writing to the Energy Office that their products meet the energy efficient requirements. Classifies a violation as a deceptive trade practice with a maximum civil penalty of \$500 and allows the Attorney General to investigate and enforce the requirements. Amends Title 44, Trade and Commerce. H. 2390. Chapter 226.

Emergency Workers; Liability. Grants emergency workers the same compensation benefits and immunity from liability that applies to officers, agents or employees of political subdivisions or the State when engaged in emergency functions. Exempts political subdivisions and the State from liability for claims based on an emergency worker's performance of or failure to perform a discretionary function when engaged in emergency functions. Defines "emergency worker" as a person registered and certified by the local or state emergency management organization to engage in authorized emergency management activities or perform emergency functions or an officer, agent or employee of a political subdivision or the State called on to perform or support emergency functions. Requires political subdivisions or state agencies that supervise or control emergency workers to be responsible for providing liability coverage and legal defense of an emergency worker who is acting within the course and scope of their duties except for actions of willful misconduct, gross negligence or bad faith. States that emergency workers from other states rendering aid in this state are not liable on account of acts or omissions in good faith while engaged in an emergency. Requires the Division of Emergency Management to adopt rules for the procedures of registering emergency workers and exempts the Division from rule making requirements for one year. Amends Title 26, Military Affairs and Emergency Management. H. 2599. Chapter 233.

Omnibus; Flood Control. Makes numerous changes to both county flood control district and flood prevention district laws. Allows corporations, partnerships, trustees, administrators of estates and guardians of minors who own real property within the boundaries of a flood prevention district to register and cast votes as qualified electors and serve as directors of a division. Allows a county flood control district to inspect development on properties located in a floodplain, allows a district to enter into contracts to implement flood control enhancement solutions and modifies the definition of development as it relates to management of floodplains and watercourses. Amends Title 48, Special Taxing Districts. S. 1318. Chapter 257.

Municipal Social Workers; Licensure Exemption. Exempts social workers employed by a municipality from behavioral health licensure requirements if they do not practice psychotherapy or treat mental or emotional disorders. Amends Title 9, Cities and Towns. S. 1104. Chapter 50.

Noncommercial Historic Vehicles; Equipment. Exempts historic fire engines used for hobby or display purposes from the law that forbids a person from driving a non-emergency vehicle with a red or blue light on their vehicle. Requires the fire engine to have a historic vehicle license plate and to have the lights and siren covered and not activated when driving to or from a parade. Allows the lights and siren to be activated only in a parade, an authorized assemblage of historic vehicles or for testing purposes. Amends Title 28, Transportation. H. 2207. Chapter 247.

Theme Park; Support Facility District. Allows a joint theme park and vehicle support facility district in a city with a population greater than 1,000,000 (Phoenix) and in a county with a population greater than 125,000 but less than 150,000 (Coconino). Requires the district to levy a transaction privilege tax (TPT) at a rate of nine percent on business activity within the district and authorizes the district to issue \$1 billion in negotiable revenue bonds to provide sufficient monies for theme park and vehicle support facility purposes. Includes all stipulations and provisions for this process. Prohibits the district's board of directors from issuing bonds unless the district receives irrevocable and legally enforceable financial participation commitments from private nongovernmental entities for theme park and vehicle support facility purposes in an amount equal to one-half of the bond issue's principal amount. Repeals the law if the bonds fail to be issued by December 31, 2008. Amends Title 36, Public Officers and Employees and Title 48, Special Taxing Districts. H. 2365. Chapter 248.

Human Cloning; Public Funding; Prohibition. Prohibits the use of local, state or Federal public monies from being used for the purpose of human cloning. Amends Title 35, Public Finances. H. 2221. Chapter 180.

Agriculture Department; 2005 Omnibus Act. Preempts cities, towns and counties from regulating seeds, seed labeling and seed usage. Makes numerous other changes to agricultural law. Amends Title 3, Agriculture and Title 41, State Government. S. 1282. Chapter 173.

Computer Spyware. Makes it unlawful for a person to transmit computer software to a computer they do not own or operate in order to modify, through intentionally deceptive means, computer software or settings or to collect personally identifiable information of the computer owner or operator. Supercedes and preempts all local regulation pertaining to the issue and allows civil damages to be sought for violation of the statute. Amends Title 44, Trade and Commerce. H. 2414. Chapter 136.

Schools; Arizona Gun Safety Program. Allows school districts and charter schools in Arizona to offer a one-semester elective course in firearm marksmanship. Gives authority for creating the curriculum to the Arizona Game and Fish Commission, the Department of Public Safety and private firearms organizations. Stipulates course requirements including the rules of gun safety, the basic operation of firearms and practice time at a shooting range resulting in a demonstrated competency of firearm usage. Requires instructors to be certified by the Arizona Game and Fish Department. Amends Title 15, Education. S. 1271. Chapter 58.

FINANCE

Development Fees; Cities and Towns. Requires a municipality that assesses development fees to produce an annual report that outlines the collection and use of the fees and prohibits a municipality from collecting development fees until the report is filed. Specifies what the report must contain, including the amount of fees assessed, the balance of each fund for each type of development fee, the amount of interest or other earnings on the funds, the amount of fees used to repay bonds and monies advanced for capital improvement projects and the amount of development fees spent on capital projects and other projects. Requires the report to be completed within 90 days of the end of each fiscal year and a copy to be kept on file with the city or town clerk and copies to be made available to the public upon request. Amends Title 9, Cities and Towns. H. 2066. Chapter 215.

Municipal Sales Tax Incentives; Restrictions. Requires a city or town council to make a finding before entering into a retail development tax incentive agreement that the proposed tax incentive is anticipated to raise more revenue than the amount of the incentive within the duration of the agreement and that the retail business or a similar retail business would not locate in the municipality in the same time, place or manner without the tax incentive. Requires the finding to be verified by an independent third party before the city or town enters into the incentive agreement and prohibits the entity receiving the tax incentive from financing the verification or having input regarding the third party verifier. Prohibits a municipality from entering into a tax incentive agreement if the proposed tax incentive raises less revenue than the amount of the incentive. Requires a public report of the revenues and expenses associated with the tax incentive every two years for the duration of the agreement. Excludes tax incentives given to a business in a redevelopment area from the findings requirement. Requires the city or town to adopt a notice of intent to enter into a tax incentive agreement at least 14 days before adoption of the tax incentive agreement. Prohibits the use of an emergency measure on tax incentive decisions made by the governing body. Requires a 2/3 vote of the council to grant an incentive if the city or town is in or within 25 miles of a metropolitan area containing more than two million people. Amends Title 9, Cities and Towns. S. 1274. Chapter 200.

Municipal Business Incentives; Referendum. Prohibits a city or town from the use of an emergency clause when passing development agreements or approving expenditures for economic development plans including tax incentives. Amends Title 9, Cities and Towns. S. 1287. Chapter 105.

Taxation; Corporations; Property; Budget. Reduces the assessment ratio for class one properties from 25% to 20% of full cash value over ten years with a one half of one percent reduction every calendar year from 2006 to 2015. Partially offsets the increased tax liability on owner-occupied residential properties by increasing the "Homeowner's Rebate" from 35% of the primary school tax rate to 40% over five years and increasing the rebate cap from \$500 to \$600 over the same period. Amends Title 15, Education, Title 41, State Government, Title 42, Taxation and Title 48, Special Taxing Districts. H. 2779. Chapter 302.

Transportation Excise Tax; Bonds. Removes the \$25 million cap on the amount of bonds that may be issued by the board of directors of the Pima County regional transportation authority and allows the bonds to be issued in any amount. Amends Title 48, Special Taxing Districts. H. 2157. Chapter 125.

Municipal Sales Tax; Refunds. Adds new sections of law addressing refunds of municipal transaction privilege tax (TPT) for the 12 cities not in the state collection system. Specifies the requirements for a claim for tax credit or refund from a municipality and requires a tax collector to process a claim if it meets the requirements. Prohibits a claim refund from being conditional upon the claimant's remittance of the credit or refund to customers. States that interest on the claim or refund of overpaid municipal TPT must be paid to the claimant at the Federal short-term rate, plus three percentage points. Requires a tax collector that denies a claim to provide written notice stating why the claim was denied and allows an administrative review hearing. Prohibits a tax collector from requesting information that is not required to be maintained under the Model City Tax Code and limits information requests to information substantiating the claim. Allows the court to order reasonable fees and costs for appeals to a claimant that is entitled to a credit or refund if the tax collector's position cannot be substantially justified or was brought for the purpose of harassing the claimant or delaying the refund. States that the new sections of law apply if there are any discrepancies between the new sections and the Model City Tax Code. Prevents the new refund provisions from being cited or considered in the interpretation of municipal tax credit or refund provisions in the Model City Tax Code that were in effect before October 1, 2005. Effective date: September 30, 2005. Amends Title 42, Taxation. H. 2055. Chapter 116.

Municipal Tax Code Commission; Continuation. Continues the Municipal Tax Code Commission until July 1, 2015. Sets a repeal date for the Commission on January 1, 2016. Amends Title 41, State Government. S. 1080. Chapter 33.

Income Tax: Corporate Sales Factor. Allows multi-state corporations that commit to over \$1 billion in capital investment in Arizona to utilize an alternative formula to determine corporate income tax liability to be phased-in over three years. The new option potentially reduces liability by placing greater formula weight on the sales factor defined as the ratio of in-state sales to total sales and less on Arizona payroll and property valuation. Effective date: January 1, 2008. Amends Title 43, Taxation of Income. H. 2139. Chapter 289.

Community Facilities Districts; Assessment; Collection. Allows a community facilities district and the county treasurer from the county where the district is located to enter into an agreement for the county treasurer to collect the district's special assessment in the same way that the treasurer collects general taxes. Permits a county treasurer to impose and collect a fee to cover costs related to the collection of the community facilities district special assessment. Amends Title 11, Counties and Title 48, Special Taxing Districts. S. 1277. Chapter 201.

General Revenues; Budget. Reallocates the revenue collected from multi-state lottery games for FY 2006 if collections are less than \$37 million. No revenue will be allocated to the Local Transportation Assistance Fund II (LTAF II) if collections are under \$37 million and LTAF II funding will be reduced dollar for dollar for any amount collected over \$31 million. Continues to require that no less than 31.6% of total annual revenues from the sale of multi-state lottery tickets be deposited in the State Lottery Fund. Amends Title 42, Taxation. H. 2770. Chapter 288.

State Automation; Telecommunications; Budget. Establishes a fund for the Arizona Department of Administration to support the Department's Automation Operation Center. Revenue sources for the fund include monies derived from political subdivisions as payment for services provided by the Center. Amends Title 41, State Government. H. 2777. Chapter 301.

Special Districts; Assessments; Reallocation. Specifies the procedure for reallocating assessments in municipal improvement districts, county improvement districts and sanitary districts. Requires notification to be sent to all property owners affected by the reallocation and sets a three-week period for objections. Allows for a hearing of the district's governing body for objections. Permits the governing body to rule on the objections, make changes to the reallocation based on comments and approve the reallocation. Requires the reallocated assessment to be publicly recorded and that the total amount assessed before and after the reallocation must be the same. Allows the governing body to require property owners to pay the cost of the reallocation. Amends Title 48, Special Taxing Districts. H. 2281. Chapter 72.

Highway Expansion And Extension Loans. Extends the State Transportation Board's authority to issue Board Funding Obligations for no more than \$200 million annually until FY 2019-2020 and requires a four year maturation after delivery. Repeals the Highway Expansion and Extension Loans Advisory Committee and the Board Funding Obligation statutes after December 31, 2024. Amends Title 28, Transportation. H. 2123. Chapter 150.

Use Tax Percentage Based Reporting. Allows the director of the Arizona Department of Revenue (DOR), through an authorization letter, to permit a taxpayer to use a percentage based reporting method to determine the amount of use tax due. Allows the director to categorize the taxpayer's transactions when determining the amount of use tax due. States that an authorization letter is valid for a maximum of four years and allows an authorization letter to be revoked if certain conditions apply. Allows DOR to audit taxpayers who are authorized to use a percentage based reporting method and limits the audits to whether or not the use tax was calculated properly. Applies to taxable periods beginning on June 30, 2005 for taxpayers that pay use tax directly to DOR and to taxable periods beginning on June 30, 2007 for all other taxpayers subject to the use tax. Amends Title 42, Taxation. S. 1185. Chapter 196.

Transient Lodging Sales Tax; Application. Exempts a business from the transporting and amusement classifications of the transaction privilege tax (TPT) if the business arranges transportation or amusement activity as a convenience or service to its customers and if the business is not otherwise engaged in the trade of transporting persons, freight or property for hire or operating or conducting an amusement themselves or through others. Makes the exemption retroactive to June 30, 1993. Clarifies that a transient lodging business is subject to the telecommunications classification of TPT if it provides telephone, fax or Internet to its customers at an additional charge and with a separate listing on the invoice. States that the telecommunications tax change is not intended to affect or cannot be made applicable to any businesses prior to the effective date of the bill. Lists several exemptions to the tax base for the transient lodging classification, and makes the exemptions retroactive to June 30, 1993. Requires any retroactive refund claim to be submitted before January 1, 2006. Places the burden of proof on the taxpayer to demonstrate that a refund is owed for the retroactive exemptions. Limits the aggregate amount of refunds to \$100,000 for all taxable periods. States that the refund provisions are nonseverable. Amends Title 42, Taxation. S. 1439. Chapter 62.

Surcharges; Rental Equipment. Defines “heavy equipment property” and requires that a one and one half percent surcharge on the rental of such property be assessed and used to pay the personal property tax on the equipment. Amends Title 44, Trade and Commerce. S. 1413. Chapter 259.

Taxation; Managed Audit Agreements. Creates a new section of law allowing a taxpayer to enter into a managed audit agreement with the Arizona Department of Revenue (DOR). Defines a managed audit agreement (agreement) as a written agreement between the DOR director and the taxpayer that consists of an audit plan that requires the taxpayer to review selected revenue and expense records to determine the proper filing method and to calculate the taxpayer’s tax liability for luxury privilege taxes, transaction privilege and excise taxes, local excise taxes and corporate income tax. Grants the DOR director the discretion of whether or not to enter into an agreement with a taxpayer and allows the director to consider several listed factors in making this decision. Allows a taxpayer to request that the agreement include city and town excise taxes and requires DOR to notify cities and towns in which the taxpayer conducts business. Prohibits a city or town from auditing a taxpayer for 42 months from the end of the last tax period that is covered by the managed audit agreement if the city or town does not agree to the agreement. Requires the taxpayer or taxpayer’s representative to provide written findings of the audit to DOR and requires DOR to review the findings and examine records and perform other reviews that are necessary to verify the audit covered the terms of the agreement. Requires the director to accept or reject the findings and sets a procedure for an appeal if the director rejects the findings. Sets guidelines for assessing penalties and interest from managed audit agreement findings. Allows applications for agreements starting after December 31, 2005, except for applications for corporate income tax audits, which are applicable after December 31, 2006. Amends Title 42, Taxation. S. 1171. Chapter 95.

Military Reuse Zone Incentives; Extension. Extends the duration of military reuse zone designations and designation renewals each from five to ten years. Establishes separate eligibility and certification requirements for transaction privilege, income and property tax incentives offered within a military reuse zone. Amends Title 41, State Government and Title 42, Taxation. H. 2626. Chapter 249.

WATER

Water Providers; Community System Plans. Adds new sections of law with additional reporting requirements for community water systems. Defines “community water system.” Requires community water systems to submit a system water plan to the Arizona Department of Water Resources (ADWR) that includes water supply, drought preparedness and water conservation components. Specifies reporting dates based on the number of people that a community water system serves. Outlines the specific areas that are required to be addressed by the water supply, drought preparedness and water conservation components. Exempts community water systems with an assured water supply from the water supply portion of the report. Requires the ADWR director to review the plan and give written notice if there is a determination that the plan does not comply. Requires the ADWR director to work cooperatively with the Corporation Commission and the Department of Environmental Quality to establish report forms to facilitate the reporting of similar information that is required by each agency. Amends Title 45, Water. H. 2277. Chapter 223.

Exempt Wells. Prohibits the drilling of an exempt well within 100 feet of a water distribution system located in an Active Management Area established prior to July 1, 1994 if the water provider has an Assured Water Supply as determined by the Arizona Department of Water Resources (ADWR). Establishes conditions for which ADWR must provide exemptions including well owners that have been denied municipal water service, replacement wells that do not increase the number of operable exempt wells on the property and wells to be used for remediation purposes. Effective date: January 1, 2006. Amends Title 45, Waters and Title 48, Special Taxing Districts. S. 1190. Chapter 254.

Rural Water Legislative Study Committee. Establishes an eighteen-member study committee and includes one member from a rural municipality to be appointed by the Speaker of the House. Requires the study to evaluate information related to rural water supplies, evaluate rural water use, determine the most effective reclamation methods, review alternative water supply options including reuse, identify needed resources to enhance available supplies and infrastructure, review information regarding evaporation and transpiration of rural water, review measures to enhance rural water rights and identify conservation opportunities. Requires the committee report to be completed by December 31, 2006. S. 1336. Chapter 281.

Arizona Water Settlements Act. Codifies in state legislation the Gila River and San Xavier reservation portions of the Arizona Water Settlements Act enacted by Congress. Establishes specific protection zones along the southern boundary of the Gila River Indian Reservation and prescribes replenishment requirements, including requirements for municipal providers and makes numerous other changes relating to the Gila River settlement agreement. Adds new requirements in the Tucson Active Management Area for the director of the Arizona Department of Water Resources to analyze the impacts that a proposed new nonexempt well will have on water levels at the San Xavier Reservation boundaries. Amends Title 45, Water. H. 2728. Chapter 143.

CAGR D Omnibus; Water. Makes changes to statutes governing the Central Arizona Groundwater Replenishment District (CAGR D). Prohibits a municipal water provider from offering service if it does not make arrangements to pay all outstanding conservation district replenishment taxes that were unpaid by a previous provider that terminated service. Stipulates that a municipal water provider must agree to pay all unpaid replenishment taxes assessed to its predecessor, plus interest, in order to qualify as a member of CAGR D. Specifies CAGR D's authority in situations when a municipal provider is delinquent for more than 90 days in paying its replenishment tax. Requires a municipal provider and any subsequent providers to continue to comply with assured water supply goals, even if the provider's assured water supply designation lapses or terminates. Requires the CAGR D to levy a water activation fee for subdivisions to be used to acquire water rights and develop the infrastructure necessary to perform replenishment obligations. Outlines the process that the CAGR D is required to use to calculate replenishment reserve targets for the Phoenix, Tucson and Pinal active management areas. Amends Title 32, Professions and Occupations; Title 45, Water and Title 48, Special Taxing Districts. S. 1235. Chapter 198.

Tax Credits; Water Conservation Systems. Starting in tax year 2006, creates a five-year period where individual tax credits can be claimed for 25% of the cost of installing a water conservation system with a maximum credit amount of \$1,000. Authorizes \$200 tax credits for homeowners who have purchased homes that were developed with water conservation systems installed prior to the transfer of title. Defines "water conservation systems." Effective date: January 1, 2007. Amends Title 43, Taxation of Income. H. 2323. Chapter 292.

WIFA; Primacy Designation. Designates the Department of Environmental Quality as the state agency with primary responsibility for administration of the State's public water system supervision program and the lead agency in establishing assistance priorities for projects and programs regarding the Safe Drinking Water Act. Amends Title 49, Environment. S. 1458. Chapter 64.

WIFA; Emergency Assistance. Allows the Water Infrastructure Finance Authority (WIFA), through its Board, to enter into short-term emergency loan agreements with political subdivisions or Indian tribes under the following conditions: the loan term is less than one year; it does not exceed \$250,000 per borrower per event; it is used in designing, engineering, or constructing water or wastewater systems that have failed as the result of a disaster that was declared an emergency by the State or Federal government. Requires WIFA, subject to Board approval, to execute binding legal agreements with borrowers requiring repayment of monies from eligible sources and allows loans to be made and repayment obligations to be incurred without voter approval of the political subdivision or Indian tribe. Amends Title 49, Environment. S. 1457. Chapter 63.

Domestic Water Improvement Districts; Merger. Creates a procedure for the merger of two or more domestic water improvement districts. Allows the merger process to begin by either a petition of at least 25% of the qualified electors within the districts or a two-thirds vote by each of the districts' governing boards. Requires either the petition or resolution to specify the area contained in the merged district and stipulates that no new area may be added as a result of the merger, but the merged district may expand. Requires the county board of supervisors to hold a hearing upon submittal of the petition or resolutions and if the board determines the merger would serve the public's best interest, allows the board to call for an election on the merger. Requires the boards of directors of the districts to be merged to deposit money, not to exceed \$1000, with the county board of supervisors to defray election costs. Specifies procedures if the districts are in more than one county. Specifies election procedures and a process if the electors approve the merger. Amends Title 48, Special Taxing Districts. S. 1460. Chapter 65.

CRIMINAL JUSTICE

Persons Lawfully Detained; Identification Requirement. Makes it unlawful for a person to refuse to give a full, true name upon the request of a peace officer who has lawfully detained the person based on reasonable suspicion that the person has committed, is committing or is about to commit a crime. Makes it a Class 2 misdemeanor for violation of this law. Amends Title 13, Criminal Code. S. 1488. Chapter 214.

Uninsured Drivers; Penalties; Vehicle Impoundment. Requires a police officer to tow and impound a vehicle if all of the following apply: the person's driving privileges are cancelled, suspended or revoked or if the person has never been issued a driver license; the person does not have motor vehicle insurance and the person is driving a vehicle that is involved in an accident that results in property damage, injury to or the death of another person. Allows a police officer to tow and impound a vehicle if the driver has never been issued a license or permit and does not have evidence of a driver's license from another jurisdiction. Increases the penalties for failure to have motor vehicle insurance. Amends Title 28, Transportation. S. 1420. Chapter 113.

Impersonating Peace Officers. Strengthens existing statutory penalties for impersonating a peace officer if the impersonation occurs during the commission of specific felonies, which range in severity from capital murder to theft. Increases the penalty for impersonation of a peace officer during the commission of such a felony from a Class 6 felony to a Class 4 felony. Amends Title 13, Criminal Code. S. 1369. Chapter 110.

Sex Offender Registration; Residence; Address. Changes laws relating to sex offender probation and registration. Forbids an adult probation officer in Maricopa County from approving the residence of a probationer, that has committed a felony sexual offense that requires registration, in a multifamily dwelling unless the number of sex offenders required to register in the dwelling is less than 10 percent of the number of units in the dwelling. Prohibits more than one probationer that is a Class 3 sexual offender from residing in a multifamily dwelling. Provides exemptions to the restrictions. States that the restriction does not affect the court's ability to prohibit or restrict, by probation, a person convicted of a sexual offense from living in a multifamily dwelling. Stipulates that a public employee is not liable for any failure to prevent a violation of the restrictions unless the employee willfully intended to disregard the law. Repeals the restrictions on December 31, 2010. Requires a person that is required to register for sex offenses to provide additional details regarding the physical location of the person's address, residence, or temporary residence, if the person does not have a permanent address or place of residence. Adds sex trafficking of a minor under 15 to the dangerous crimes against children statute punishable by a presumptive imprisonment term of 20 years and adds sex trafficking of a minor to the list of sexual offenses for which registration is required. Amends Title 13, Criminal Code. S. 1338. Chapter 282.

Sexually Violent Persons; Notice; Referral. Requires any agency or correctional facility responsible for a person who was convicted, found guilty except insane or found incompetent to stand trial for a sexually violent crime to determine if the person is a sexually violent person (SVP). Requires the agency that determines if a person might be an SVP to refer the person in writing to the county attorney at least 30 days before the person's anticipated release. Amends Title 36, Public Health and Safety. H. 2070. Chapter 118.

Sex Offenders; Registration. States that any person entering Arizona who is required to register as a sex offender by the convicting jurisdiction must also register with the sheriff within ten days of entering or remaining in any county in the State. Amends Title 13, Criminal Code. S. 1382. Chapter 176.

Sexual Assault; Marital Status Repeal. Repeals the law that imposed lesser penalties if the victim of a sexual assault was the spouse of the violator. Stipulates a Class 1 misdemeanor for a person who knowingly and intentionally makes a false report of sexual assault involving a spouse or for a person who coerces someone else to make a false report. Requires the Department of Public Safety (DPS) to provide a copy of each disposition reporting form relating to sexual assaults and false reporting of sexual assault of a spouse to the Arizona Criminal Justice Commission (ACJC). Requires ACJC to maintain records submitted by DPS including the number of police reports filed, the number of charges and convictions and the sentences imposed for each conviction. Requires ACJC to identify the number of sexual assaults that involve a spouse, whether the victim was estranged from his or her spouse and false reports relating to sexual assault of a spouse and to submit a report annually to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Secretary of State and the Arizona State Library, Archives and Public Records. Contains an intent clause stating that the marital status of the parties is no longer relevant under Arizona law in determining whether a sexual act with another person is criminal or not. Grandfathers all crimes involving sexual assault of a spouse that were committed before the effective date of this legislation. Amends Title 12, Courts and Civil Proceedings; Title 13, Criminal Code; Title 36, Public Health and Safety; Title 41, State Government and Title 46, Welfare. S. 1040. Chapter 185.

Search Warrants; Execution. Requires a search warrant to be executed within five calendar days of issuance and returned to the magistrate within three court business days after it is completed. Provides that documents and records relating to the warrant are not open to the public until it is returned or the warrant is deemed void, unless a magistrate orders the time to be shortened or lengthened for good cause. Amends Title 13, Criminal Code. S. 1113. Chapter 51.

False Reporting. Allows a public agency, for profit entity or a non-profit entity to recoup costs associated with responding to a false report that leads to an emergency response or investigation from the person convicted of making the false report. Allows other financial liabilities, in addition to the cost recovery, to be collected that result from the violation. Sets the penalty for a second and any subsequent violation for false reporting as a Class 6 felony. Defines "public agency" and includes municipalities and other public authorities in the State that provide police, fire, medical or other emergency services in the definition. Amends Title 13, Criminal Code. S. 1031. Chapter 83.

Emergency Vehicles; Right of Way. Prohibits drivers from approaching or driving parallel to a police vehicle and requires drivers to maintain 300 feet of distance from a police vehicle if the police vehicle is traveling with lights and sirens on. Requires drivers to change lanes when approaching a stationary, signaling emergency vehicle, if it is safe to do so. Allows these new prohibitions to be a part of the Defensive Driving School and the Department of Public Safety information curriculum. Amends Title 28, Transportation. H. 2469. Chapter 139.

Sentencing; Offenses; Registration; Stun Guns. Adds the use of a stun gun during a crime to the list of aggravating factors for sentencing purposes. Expands the definition of aggravated assault to include taking or attempting to exercise control over a peace officer's firearm, other weapon or implement. Makes it unlawful to sell an authorized remote stun gun without keeping an accurate sales record as to the identity of the purchaser. Amends Title 13, Criminal Code. H. 2713. Chapter 166.

MVD Records; Peace Officer Photographs. Prohibits the Arizona Department of Transportation from releasing a peace officer's photograph if the officer has requested that the officer's address and phone number be kept confidential. Does not prohibit the release if it is used by a law enforcement agency for the purpose of identifying a police officer for a complaint or if the source was from other than the Department. Amends Title 28, Transportation. H. 2254. Chapter 181.

Identity Theft. Creates the crime of aggravated identity theft and makes it a Class 3 felony if a person knowingly takes, purchases, manufactures, records, possesses or uses personal identifying information of either five or more persons or entities or if the theft causes a loss to a person or entity of \$3,000 or more. Provides that proof of possession of the personal identifying information of five or more persons or entities out of the course of regular business may give rise to an inference that the information was possessed for an unlawful purpose. Creates the crime of trafficking in the identity of another person or entity if a person knowingly sells, transfers or transmits personal or entity identifying information for an unlawful purpose or to cause loss, whether the person or entity actually suffers any economic loss and makes it a Class 2 felony. Exempts using identification for the purpose of alcohol related crimes by persons under 21 from these classifications. Amends Title 13, Criminal Code. S. 1058. Chapter 190.

Providing Minors Alcohol; License Suspension. Allows a judge to suspend the driver's license of a person convicted of providing alcohol to a minor for thirty days, if it is the first conviction, or for six months for a second or subsequent conviction. Makes exemptions for a parent or guardian providing alcohol to his or her child or ward in a private residence, alcohol that was lawfully purchased and given as part of a religious ceremony, or someone licensed to sell alcohol that is acting within the scope of the license. Amends Title 4, Alcoholic Beverages and Title 28, Transportation. H. 2115. Chapter 268.

Concealed Weapons Permit; Lifetime Issuance. Makes Carry Concealed Weapon (CCW) permits valid for five years rather than four. Reduces the length of the firearms safety training program that persons applying for a CCW permit must initially complete from sixteen hours to eight hours. Stipulates that permits held by military personnel stationed overseas are valid until 90 days after the end of the person's overseas deployment. Provides a defense to prosecution for carrying without a valid permit if the person can show that he or she was deployed overseas at the time that the permit expired and has returned to the United States within the past 90 days. Requires a person renewing a CCW permit to provide fingerprints for the first renewal of the permit. States that if a person is cited for not carrying a CCW permit but brings the permit to court and it was valid at the time of the citation, the person will not be convicted of the Class 2 misdemeanor. Amends Title 13, Criminal Code. H. 2325. Chapter 225.

Human Trafficking Violations. Creates the crimes of unlawfully obtaining the labor or services of a person, sex trafficking, trafficking of people for forced labor or services and smuggling of human beings. Defines specific penalties for each crime. Mandates that the court order restitution for any of these offenses, including the value of the victim's labor or services. Adds sex trafficking to the definition of a dangerous crime against children used for sentencing purposes. Amends Title 13, Criminal Code. S. 1372. Chapter 2.

Terrorism; Animal; Ecological. Adds animal terrorism, ecological terrorism and the smuggling of human beings to the definition of the crime of racketeering. Defines "animal activity," "animal facility," "animal or ecological terrorism" and "research facility." Effective date: July 1, 2006. Amends Title 13, Criminal Code. S. 1166. Chapter 308.

Concealed Weapons Certification. Allows the Department of Public Safety (DPS) to issue certificates of firearms proficiency according to the Arizona Peace Officer Standards and Training Board firearms qualification for the purposes of implementing the Law Enforcement Officers Safety Act of 2004. Requires the director of DPS to adopt rules, including fees, relating to concealed weapons permits and certificates of firearms proficiency. Amends Title 13, Criminal Code. H. 2450. Chapter 138.

Commercial Nuclear Generating Stations; Security. Creates a new chapter of law relating to the security of commercial nuclear generating stations. Makes criminal trespassing on a commercial nuclear generating station a Class 4 felony. Authorizes an armed nuclear security guard to use physical force, deadly force or to detain any suspects if the guard reasonably believes that force is necessary to prevent criminal damage or to defend the guard or others from deadly physical force. Exempts the guard from liability for using authorized force. Provides definitions, including “armed nuclear security guard” and “commercial nuclear generating station.” Amends Title 13, Criminal Code. S. 1214. Chapter 54.

Certified Ignition Interlock Devices. Allows a person whose driver’s license has been suspended or revoked because of a first time conviction for refusing to submit to an alcohol concentration test or aggravated driving under the influence (DUI) with a minor under 15 in the vehicle to apply for a special ignition interlock restricted driver’s license after completing a required minimum suspension or revocation. Requires the Motor Vehicle Department (MVD) to issue a special ignition interlock driver’s license to a person under 21 convicted of DUI. Specifies that the special interlock driver’s license must be distinguishable from other driver’s licenses by color, code or design. Specifies the restrictions on driving for those with the special interlock driver’s license. States that the special interlock driver’s license does not reduce or eliminate the required use of an interlock device as a penalty for second DUI violations or extreme DUI. Prohibits MVD from deleting a suspension or revocation from its records because of the issuance of a special interlock driver’s license. Requires a person convicted of aggravated DUI with a minor under 15 in the vehicle to serve, rather than be sentenced to, the minimum term of incarceration. States that the special interlock driver’s licenses are not applicable to any suspension or revocation imposed prior to the bill becoming effective. Effective date: February 1, 2006. Amends Title 28, Transportation. S. 1240. Chapter 312.

Victim Notification; Dismissed Counts. Allows a person who has been a victim in a crime to exercise the rights of a victim even if the perpetrator of the crime is granted a plea agreement. Requires the prosecutor to notify the probation department if the victim has requested these rights. Effective Date: December 31, 2005. Amends Title 13, Criminal Code. H. 2337. Chapter 154.

Victim’s Rights Omnibus. Makes numerous changes to laws relating to victim’s rights. Allows a person to exercise all the rights of a crime victim for criminal offenses involving that person that have been dismissed as the result of a plea agreement where the defendant, whether juvenile or adult, is pleading or has pled to other charges. Requires the prosecutor to notify and forward information to the probation department when a person is exercising victim’s rights for charges that have been dismissed in a plea agreement. Allows a victim to file a notice of appearance in an appellate proceeding seeking to enforce a right or to challenge an order denying any right that is guaranteed to victims, in both juvenile and adult cases. Permits counsel for the victim to be included in all bench conferences and in chambers meetings and sessions with the trial court that directly involve a victim’s right. Provides a statement to be read the first time the victim appears in a juvenile court proceeding to assure that the victim is aware of his or her constitutional rights and modifies the statement that is read in adult court proceedings. Allows a person to collect interest that accrues on a criminal restitution order in the same manner as a civil judgment. Until September 20, 2007, permits a victim to respond to a request for extension of time to file a brief in any appellate proceeding or any post-conviction relief proceeding for a capital case, within ten days of the filing for the extension request, but does not allow the victim an oral argument. Requires the party requesting the extension to provide notice to the victim. Effective date: January 1, 2006. Amends Title 8, Children; Title 13, Criminal Code and Title 31, Prisons and Prisoners. S. 1433. Chapter 260.

Schools; Crime Reports; Pupil Interviews. Allows school district governing boards to adopt policies that require parental notification when a law enforcement officer interviews a pupil on school grounds and to adopt guidelines for the standardization of school report cards. Requires the school report cards to include the number of incidences that required the involvement of a police officer. Amends Title 15, Education. S. 1044. Chapter 167.

Criminal Justice; Budget. Makes numerous appropriations and fiscal changes relating to criminal justice. Redirects the nine percent of the Criminal Justice Enhancement Fund that is distributed to the State General Fund to the Crime Laboratory Assessment Fund for FY 2006 and specifies that the funds are for use by the Department of Public Safety and are exempt from distribution to political subdivisions. Suspends the statutory caps on the use of Highway User Revenue Fund (HURF) monies and State Highway Fund monies to fund Department of Public Safety highway patrol costs in FY 2006. Amends Title 12, Courts and Civil Proceedings; Title 41, State Government and Title 42, Taxation. H. 2776. Chapter 300.

Concealed Weapons; County Detention Officers. Exempts active duty county detention officers who have been weapons certified by their agencies from being required to complete a firearms safety training program for the purpose of a concealed weapons permit. Amends Title 13, Criminal Code. S. 1269. Chapter 57.

County Records; Redacting Residential Information. Allows peace officers, justices, judges, commissioners, public defenders and prosecutors in all counties, rather than just Maricopa and Pima Counties, to request that their address and telephone number be redacted from public information posted by the county recorder, treasurer and assessor. Effective date: July 1, 2006. Amends Title 11, Counties. H. 2500. Chapter 243.

Safety Products; Unlawful Practices. Makes it unlawful to sell or offer to sell any new product or change or modify existing products, excluding firearms, specifically designed for the safety of law enforcement, firefighting or emergency medical services personnel, unless the product is independently tested. Requires that the independent laboratory testing the product be reimbursed by the entity requesting the test. Amends Title 44, Trade and Commerce. H. 2569. Chapter 7.

Dead Bodies; Abandonment; Concealment. Makes it unlawful to knowingly move a dead human body or parts thereof with the intent to abandon or conceal it. Sets the penalty at a Class 5 felony. Amends Title 13, Criminal Code. H. 2166. Chapter 69.

Misrepresentation; On-Line Businesses; Identity Information. Prohibits a person from soliciting identifying information by representing that they are from an on-line business when they are not approved to do so by the on-line business. Allows the Attorney General, a person who provides Internet access service or a person who owns a web page or trademark that is adversely affected by a violation of this law to file a suit for the purpose of enjoining further violations or recovering damages. Allows the Attorney General to recover attorney fees and costs. Stipulates that if the court determines there is a pattern of violations, the court may increase the damage award to not more than three times the amount and states that multiple violations resulting from one act shall be considered a single violation of a Class 5 felony. Amends Title 44, Trade and Commerce. S. 1447. Chapter 114.

Cold Case File Task Force. Establishes a cold case file task force to review law enforcement procedures regarding the investigations of cold case and recent homicides. Requires the task force to hear testimony from victim's families as well as testimony from the public. Lists the individuals that make up the task force, including two municipal police chiefs. Requires the task force to submit a written report to the Legislature, Governor and the Secretary of State outlining the findings of the task force by December 31, 2007. S. 1182. Chapter 96.

PERSONNEL

Law Enforcement Officers; Due Process. Prohibits an employer of a law enforcement officer from disciplining, retaliating or threatening to retaliate against an officer that requests a representative to be present or acting as a representative during a disciplinary interview or for agreeing to be interviewed or testifying in an appeal hearing on a disciplinary action. Modifies the time frames for exchanging copies of documents and names of witnesses prior to an appeal hearing of a disciplinary action if the hearing is scheduled for more than twenty days after the notice of the appeal. Requires an employer to state their reasons for amending, modifying, rejecting or reversing the decision of a hearing officer, administrative law judge or board. Amends Title 38, Public Officers and Employees. S. 1418. Chapter 112.

Retirement; Contribution Limits; Service Purchase. Raises the minimum employer contribution for the Public Safety Personnel Retirement System (PSPRS), Elected Officials Retirement Plan (EORP) and Corrections Officers Retirement Plan (CORP) to five percent beginning in FY 2007. States that any employer contributions above the actuarially determined amount must be used to reduce future employer contribution increases, cannot be used to pay for an increase in member benefits and must be separately accounted. Allows active members of EORP to purchase service time for employment with the Federal government, the State or a political subdivision and allows the purchase of prior service as an elected official with an employer that is currently participating in EORP, but was not participating at the time of prior service. Effective date: April 25, 2005. Amends Title 38, Public Officers and Employees. S. 1366. Chapter 208.

Reverse Deferred Retirement Option; PSPRS. Establishes a reverse deferred retirement option (reverse DROP) plan for the Public Safety Personnel Retirement System (PSPRS). Requires the PSPRS fund manager to offer the plan on a voluntary basis as an alternative method of accruing benefits. Allows any member who is eligible for a normal retirement pension with at least 20 years of credited service and who has not chosen to participate in the PSPRS Deferred Retirement Option Plan (DROP) to participate in the reverse DROP plan. Specifies the procedure to enroll in the reverse DROP plan and how benefits are calculated. Prohibits a reverse DROP plan participant from receiving yearly pension benefit increases and payments for retiree healthcare during the time the member is participating in the reverse DROP plan. Requires the form of payment for reverse DROP plan participants to be paid as a lump sum payment. Stipulates that the reverse DROP plan cannot jeopardize the tax qualified status of the PSPRS system under Internal Revenue Service rules and allows the fund manager to adopt rules for the reverse DROP plan so it can comply with any applicable Federal rules or policies. Repeals the reverse DROP plan on June 30, 2010. Amends Title 38, Public Officers and Employees. S. 1375. Chapter 258.

Retiree Health Insurance; Rural Subsidy. Extends the rural retiree health insurance subsidy for Arizona State Retirement System (ASRS), Corrections Officers Retirement Plan (CORP), Public Safety Personnel Retirement System (PSPRS), and Elected Officials Retirement Plan (EORP) retirees to June 30, 2007. Specifies the benefit amount each member is eligible for and the minimum out-of-pocket medical insurance premiums needed to qualify for the benefit. Requires that the member have at least ten years of credited service to receive the benefit. Appropriates \$28,000 from the ASRS Administration Account in FY 2006 to ASRS for the administrative implementation. Effective date: May 20, 2005. Amends Title 38, Public Officers and Employees. H. 2621. Chapter 297.

PSPRS; Deferred Retirement; Election. Allows a member of the Public Safety Personnel Retirement System (PSPRS) that is called up or volunteers for active military service to participate in the Deferred Retirement Option Plan (DROP) retroactive to the later date of the member's 20th year in PSPRS or on the day before the member began active military service. Requires the member to make the election to participate in DROP on or before the date the member resumes employment with the member's employer. Applies retroactively to December 31, 2002. Amends Title 38, Public Officers and Employees. S. 1367. Chapter 209.

ASRS; Payroll Deduction Agreements; Purchases. Requires the terms of a service purchase agreement made with the Arizona State Retirement System (ASRS) to be continued when an employee changes employment from one ASRS participating employer to another. Clarifies that payments for accumulated vacation, annual leave, sick leave, compensatory time or other forms of termination pay are included in the ASRS definition of “compensation” for ASRS members who began participating in ASRS prior to January 1, 1984 and must also be considered compensation, even if paid with non-elective employer contributions under a 403(b) plan provided that the employer and employee contributions are made at the time of termination. Requires employee and employer contributions to be made on these payments. Increases the minimum retirement age from 50 and one half years to 59 and one half years for ASRS members who make a direct trustee-to-trustee transfer from a 401(a) plan that includes cash or a deferred arrangement. Prohibits retirement benefits received from Public Safety Personnel Retirement System, Corrections Officers Retirement Plan and Elected Officials Retirement Plan from being deducted from the long-term disability benefits for a member of the ASRS Long Term Disability Program. Amends Title 15, Education and Title 38, Public Officers and Employees. H. 2472. Chapter 231.

State Income Tax Withholding; Exemption. Allows an employer to choose not to withhold tax during December if the employer notifies the Arizona Department of Revenue (DOR) and its employees in writing in a way prescribed by DOR. Requires employee notification to be done by October 1, 2005 and by July of every year after 2005 and the employee must be allowed to change his or her withholding tax rate to compensate for the lack of December withholding. Effective date: August 31, 2005. Amends Title 43, Taxation of Income. S. 1238. Chapter 311.

ELECTIONS

Voting Equipment; Election Procedures. Allows cities and towns to enroll employees in the election certification program conducted by the Secretary of State (SOS) and to pay the SOS for the costs of the program. Stipulates that an election training fund be created by the SOS to consist of monies received by cities and towns for the election certification program. Allows the SOS to revoke the certification of voting systems or prohibit the purchase, lease or use of a voting system for up to five years if a person or firm installs or uses a voting system or uses hardware or software that is not certified for use or approved for experimental use. Allows the SOS to provide a voting system or device for experimental use. Allows the SOS to approve on an emergency basis the use of a voting system if the governing body establishes that the election cannot be conducted without the emergency certification and limits the certification to no more than six months. Requires that an electronic voting system provide a paper document or ballot that visually indicates the voter’s selections. Allows the SOS to set the time frame by which the automatic tabulating equipment and programs must be tested. Makes it a Class 5 felony for anyone who knowingly modifies the software, hardware or source code used for voting equipment without receiving approval or certification. Amends Title 16, Elections and Electors. S. 1342. Chapter 144.

Election Laws; Secretary of State. Allows a ballot proposition political committee to file an amended statement of organization adding the official serial number within five days of receiving the official serial number. Stipulates that for documents filed by a commercial delivery service that provide a standardized delivery confirmation that the date of receipt is also the date of filing and for a service that provides electronic tracking that the date of confirmation is also the date of filing regarding the statement of contributions and expenditures document. States that a voter who moves from one county to another within 29 days of an election is considered registered in the county from which they moved until the day after the election. Requires new information on the voter registration forms. Requires candidate petition signers to be registered to vote in that electoral district. Prohibits a candidate from running in the general election as a write-in if they failed to provide enough valid signatures on the nomination other than by primary petition. Requires the number of registered voters on March 1 of the year the State general election is held to be the basis for calculating the number of signatures needed on a nomination other than by primary petition and allows any party to sign the petition. Includes other changes pertaining to county and state responsibilities and procedures. Amends Title 16, Elections and Electors. S. 1218. Chapter 98.

Elective Offices; Temporary Military Vacancies. Allows a local or state elected official, other than the Governor, who receives orders for active military duty for longer than three months but less than the remainder of the officer's term, to temporarily vacate the office. Allows a temporary replacement to be appointed in the same manner as a permanent replacement and specifies that the temporary appointee shall serve until the elected officer's return from active military duty or until the expiration of the officer's term of office, whichever occurs first. Amends Title 38, Public Officers and Employees. S. 1053. Chapter 189.

Military Voting Assistance. Removes the 90-day mailing requirement for early ballot requests of an absent uniformed services voter or an overseas voter and requires the early ballot to be sent by mail, fax or other approved electronic format within 24 hours after the early ballots are delivered. Allows the officer in charge of elections to send early ballot request forms to eligible absent voters and overseas voters by any approved electronic format or by fax. Allows a person who was an overseas voter immediately before being domiciled in Arizona or a person who was discharged from military service and moved to Arizona within 90 days of an election to register to vote until 5 p.m. on the Friday before an election. Allows a United States citizen who has never lived in the United States, but whose parents are qualified electors in Arizona, to register and to vote in Arizona by a Federal write-in early ballot. Prohibits the counting of an overseas voter's Federal write-in early ballot if an application for an early ballot is received by the officer in charge of elections after 7 p.m. on election day or if the officer in charge of elections receives a voted regular early ballot by 7 p.m. on election day. Permits an overseas voter to use a Federal write-in early ballot for primary, general or special elections for Federal offices if the voter did not receive a regular early ballot that the voter requested by 7 p.m. on election day. Requires counting of Federal write-in early ballots if they are submitted from any location in the United States. Allows the Federal write-in early ballot request envelope to serve as a voter registration form if the registrant meets voter registration requirements. Amends Title 16, Elections and Electors. H. 2288. Chapter 271.

Records Access; Victims of Violence. Adds victims of domestic violence, stalking or those with an injunction against harassment to the list of persons who may request to have information contained in voter registration records and other documents maintained by the county recorder, assessor or treasurer removed from public access. Amends Title 11, Counties and Title 16, Elections and Electors. S. 1086. Chapter 49.

Bond Elections; Ballot Language. Requires the ballot for any proposed general obligation bond where payment is by property tax to contain the phrase "The issuance of these bonds will result in an annual levy of property taxes sufficient to pay the debt on the bonds." Allows the governing body to use an alternative notification on the ballot if the bonds are to be paid by sources other than property taxes that states "The issuance of these bonds will result in an annual levy of property taxes sufficient to pay the debt on the bonds, unless the governing body provides for payment from other sources." Effective Date: November 1, 2005. Amends Title 15, Education and Title 35, Public Finances. H. 2623. Chapter 164.

ENVIRONMENT

Emissions Testing; Motorcycles; Collectible Vehicles. Conditionally exempts motorcycles and collectible vehicles from emissions testing in area B (Pima County) and collectible vehicles in area A (Maricopa and parts of Yavapai and Pinal Counties) upon a similar exemption from the United States Environmental Protection Agency (EPA). Requires the Arizona Department of Environmental Quality director to notify the Legislature of an exemption of the emissions testing from the EPA. Defines "collectible vehicle" for the purpose of the emissions waiver. Amends Title 49, Environment. H. 2357. Chapter 76.

Air Quality; Fuel Formulations. Permits registered gasoline suppliers to petition the Arizona Department of Environmental Quality for a waiver of the requirement that gasoline must contain at least ten percent ethanol by volume in Area A (Maricopa and parts of Yavapai and Pinal Counties) for motor vehicle fuel. Requires the petition to demonstrate that ethanol supply shortages are imminent. Makes the petition and authority to use less than ten percent ethanol by volume conditional upon approval by the United States Environmental Protection Agency to a revision in the State Implementation Plan that would reflect these changes. Amends Title 41, State Government. S. 1275. Chapter 104.

Lower Colorado River Multispecies Conservation. Defines the Lower Colorado River Multispecies Conservation Program (LCRMCP) as a cooperative effort among government agencies and private parties with a common interest in the water and related resources of the lower Colorado River. Allows the Department of Water Resources (DWR) director to assess and collect an annual fee for Colorado River water use from any person who diverts and consumptively uses mainstream Colorado River water in the State. Exempts people who have agreements with a multi-county water conservation district for participation in the LCRMCP. Specifies guidelines that the DWR director must use in setting the Colorado River water use fees. Requires the director to consult with representatives of water users that will be assessed fees, provide a comment period for water users and give written notice of the fee assessed to all consumptive water users. Sets a fine for delinquent payment of the water user fee. Allows the Arizona Game and Fish Commission to impose an additional annual boat registration fee and a surcharge on Arizona-Colorado River special use permits to go toward the LCRMCP and requires separate accounting of the fee from the other boat registration fees and of the surcharge from other revenues. Allows the board of a multi-county water conservation district, the Game and Fish Commission and DWR to enter into agreements with each other and the State, Federal government, political subdivisions or any other party for participation in the LCRMCP. Specifies that monies collected for the LCRMCP can be used only for activities and administrative costs directly related to the program. Amends Title 5, Amusement and Sports; Title 17, Game and Fish; Title 45, Waters and Title 48, Special Taxing Districts. H. 2643. Chapter 78.

COURTS

Restoration Of Competency. Stipulates that the city, town or county must pay for all or part of the evaluation to determine mental competency if the court finds the defendant is unable to pay the cost or if the prosecution requested the examination. Requires court ordered competency examinations to be paid by non-indigent defendants. Requires the court to commit the defendant to the Restoration to Competency (RTC) program designated by the county board of supervisors if the court determines that confinement is necessary for treatment. Allows the court to commit the defendant to the State Hospital for RTC treatment if the Board has not designated an RTC program. Authorizes the Board to enter into contracts with providers, including the State Hospital, for RTC services. Allows the county RTC program to provide treatment to the defendant in the county jail or to obtain court orders to transport the defendant to other providers for RTC treatment, including the State Hospital. Makes specific sections effective June 30, 2006. Amends Title 13, Criminal Code. S. 1013. Chapter 252.

Juries; Excuse From Service. Allows a person who is at least 75 years of age to have the option to be temporarily or permanently excused from jury service. Allows the judge or jury commissioner to temporarily excuse a prospective juror for good cause. States that good cause is an undue or extreme hardship and includes a lack of transportation or not being in the jurisdiction. Requires the medical statement provided by a physician or caregiver used to excuse a prospective juror to explain, rather than verify, the mental or physical condition including the duration and symptoms of the illness, the juror's employment status and the contact information of the physician or caregiver and states that this information is not public record. Requires a document containing information regarding this section of law to be available at courthouses, on the Arizona Medical Board website and at other appropriate places. Effective date: April 13, 2005. Amends Title 21, Juries. H. 2305. Chapter 74.

DUI Assessments; DPS Equipment; Bonuses. Establishes additional charges for those found guilty of operating boats, vehicles or aircraft while intoxicated and requires the monies to be deposited in the State General Fund. States that for convictions occurring in a municipal court, the monies be sent to the city or town treasurer and then forwarded by them to the State Treasurer. Appropriates approximately \$6.9 million from the State General Fund in FY 2006 to the Department of Public Safety (DPS) for protective body armor, electronic stun devices, other safety equipment and the Gang Intelligence Team Enforcement Mission (GITEM). Stipulates that if DPS uses this appropriation or the appropriated monies from the General Appropriations Act for GITEM for a contract with a city, town or county then the city, town or county must provide 25 percent and DPS must provide 75 percent of the cost. Contains an intent clause that declares the appropriation to DPS for GITEM is to encourage multidistrict relations, that future fiscal year adjustments for appropriations to GITEM be based on inflationary costs and that the appropriations to DPS be paid for by the assessments created by the legislation. Amends Title 5, Amusements and Sports and Title 28, Transportation. S. 1160. Chapter 307.

PLANNING AND ZONING

Outdoor Advertising. Allows signs to be located on a comprehensive development along an interstate, secondary or primary system within 650 feet of the edge of the right-of-way if the signs are advertising for that development and do not cause a reduction in Federal highway aid funding. Defines "comprehensive development." Amends Title 28, Transportation. H. 2462. Chapter 157.

Land Divisions; Disclosure; Airfield Proximity. Requires the State Land Department to produce a military restricted airspace map to delineate the military restricted airspace in the State that is used by the armed forces. Specifies that the Department must provide a legal description of the airspace boundaries to the State Real Estate Department and that both departments must make the map available to the public. Requires the map to be updated within 90 days of any changes to the airspace boundaries and that notice of the changes and the updated map must be sent to all cities, towns and counties affected by the changes. Includes notification relating to military airports and ancillary military facilities on the seller affidavits for unincorporated properties of five or fewer parcels of land. Amends Title 33, Property and Title 37, Public Lands. H. 2308. Chapter 153.

State Land Transfer; Game and Fish. Transfers the management responsibility and ownership of certain lands along the Gila River in Maricopa County from the State Land Department to the Game and Fish Department. Requires the Game and Fish Department to consult with the City of Goodyear, Town of Buckeye and Maricopa County Flood Control District to determine how the land should be managed consistent with the El Rio Watercourse Master Plan. S. 1231. Chapter 99.

Federal Patent Easements; Abandonment. Allows a city or town to abandon a Federal patent easement that was established by the Small Tract Act of 1938 if the city or town finds that, after notifying and obtaining consent from affected utilities, the easement is not being used by the public or is no longer necessary. Amends Title 9, Cities and Towns. H. 2227. Chapter 221.

PUBLIC HEALTH AND SAFETY

First Responders; Public Building Information Systems. Requires the Department of Public Safety (DPS) to develop and operate a statewide critical infrastructure information system if DPS receives Federal funding to establish the system by December 31, 2006. All state agencies and local governments shall only use the DPS system unless they opt to not implement a system or are already operating or developing another system before the DPS system is declared operational. DPS and local governments shall make efforts to insure that all systems are interoperable with the DPS system. Amends Title 26, Military Affairs and Emergency Management. H. 2439. Chapter 295.

Fire; Building; Life Safety; Department. Changes the name of the Department of Building and Fire Safety to the Department of Fire, Building and Life Safety. Clarifies that cities over 100,000 with a nationally recognized fire code adopted by ordinance are still subject to the State Fire Code for state and county buildings and public schools in their territory. Requires the State Fire Safety Committee to adopt rules and fees for permits, plan submissions and reviews and reinspections and removes the caps on the amounts of fees that may be charged. Specifies the duties of the State Fire Marshal, including performing inspections and fire investigations, providing public education and adopting fire protection codes. Requires all fire training from the Department of Fire, Building and Life Safety to comply with safety standards from the National Fire Protection Association and the Occupational Safety and Health Administration. Effective date: July 1, 2006. Amends Title 28, Transportation; Title 33, Property; Title 34, Public Buildings and Improvements; Title 36, Public Health and Safety; Title 41, State Government and Title 49, Environment. H. 2644. Chapter 245.

Fireworks; Definitions. Exempts federally deregulated novelty items known as “snappers”, “snap caps”, “party poppers” or “glow worms” that contain less than 25 hundredths grains of explosive compound from the definition of fireworks. Amends Title 36, Public Health and Safety. S. 1201. Chapter 266.

Tattoo Parlors; Waste Disposal. Requires tattoo needles and waste exposed to human blood from tattoo parlors to be disposed of in the same manner as biohazardous medical waste under Arizona Department of Environmental Quality regulations. Institutes a maximum civil penalty of \$500 for each violation. Amends Title 44, Trade and Commerce. H. 2679. Chapter 239.