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## ARIZONA BUSINESS BILLS

### Legislative Update

February 22, 2013

NOTE: The following bill summaries were not prepared by our office and do not constitute an official record of the Arizona Legislature. They are provided for the purpose of advising you as to the general content of the legislation and should not be relied upon as an accurate interpretation of the meaning or purpose of the bill or its applicability to you or your interests. To insure you obtain a correct interpretation of the legislation, it is important to read the bill in its entirety.

#### Posted Calendars and Committee Hearings

- H2275:INSURANCE PREMIUM TAX; REDUCTION  
*Hearing:*House Appropriations (Wednesday 02/27/13 at 2:00 PM, House Rm. 1)
- H2324:MUNICIPAL TAX CODE; LEASES  
*Hearing:*Senate Finance (Wednesday 02/27/13 at 2:00 PM, Senate Rm. 3)
- H2393:STATE AGENCIES; LICENSURE; TIME FRAMES  
*Hearing:*Senate Government & Environment (Monday 02/25/13, Senate Rm. 3)
- H2439:INCOME TAX BRACKETS; INFLATION INDEX  
*Hearing:*Senate Finance (Wednesday 02/27/13 at 2:00 PM, Senate Rm. 3)
- S1080:TECH CORRECTION; BUDGET ESTIMATES  
*Hearing:*Senate Appropriations (Tuesday 02/26/13 at 2:00 PM, Senate Rm. 109)
- S1081:TECH CORRECTION; BUDGET REPORT  
*Hearing:*Senate Appropriations (Tuesday 02/26/13 at 2:00 PM, Senate Rm. 109)
- S1168:TAX CREDIT; STATE UNIVERSITY  
*Hearing:*House Ways & Means (Monday 02/25/13 at 2:00 PM, House Rm. 1)
- S1172:QUALIFYING CHARITABLE CREDIT; ITEMIZING DEDUCTIONS  
*Hearing:*House Ways & Means (Monday 02/25/13 at 2:00 PM, House Rm. 1)
- S1230:UCC; SECURED TRANSACTIONS; FILINGS  
*Hearing:*House Financial Institutions (Monday 02/25/13 at 2:00 PM, House Rm. 5)
- S1238:UNEMPLOYMENT INSURANCE; ERRONEOUS BENEFIT PAYMENTS  
*Hearing:*House Insurance & Retirement (Tuesday 02/26/13 at 2:00 PM, House Rm. 3)

#### Bill Summaries

##### H2048: TECH CORRECTION; TAXES; WITHHOLDING DUTY

Minor change in Title 43 (Taxation of Income) related to tax withholding.

Apparent striker bus.

First sponsor: Rep. Lesko

H2048 Daily History

Date

Action

No actions posted for this bill to date.

##### H2049: TECH CORRECTION; UNEMPLOYMENT COMPENSATION WITHHOLDING

Minor change in Title 43 (Taxation of Income) related to unemployment compensation withholding. Apparent striker bus.

First sponsor: Rep. Lesko

H2049 Daily History	Date	Action
No actions posted for this bill to date.		

**H2147: UNEMPLOYMENT BENEFITS; PROOF; ELIGIBILITY**

An individual claiming unemployment benefits is required to provide all information and documents on which the claim is based at the time of filing. The individual filing a claim has the burden of proving that he/she is eligible for benefits.

First sponsor: Rep. Petersen

H2147 Daily History	Date	Action
UNEMPLOYMENT BENEFITS; PROOF; ELIGIBILITY <b>2/21 passed House 36-23; ready for Senate.</b>		
UNEMPLOYMENT BENEFITS; PROOF; ELIGIBILITY <b>2/20 House COW approved with amend #4016 and floor amend #4269.</b>		
UNEMPLOYMENT BENEFITS; PROOF; ELIGIBILITY 2/14		retained on House COW calendar.
UNEMPLOYMENT BENEFITS; PROOF; ELIGIBILITY 2/7		retained on House COW calendar.
UNEMPLOYMENT BENEFITS; PROOF; ELIGIBILITY 2/5		From House rules okay.
UNEMPLOYMENT BENEFITS; PROOF; ELIGIBILITY 1/30		from House com with amend #4016.
UNEMPLOYMENT BENEFITS; PROOF; ELIGIBILITY 1/22		referred to House com.

**H2166: LIMITED LIABILITY COMPANIES; SERIES**

The articles of organization or operating agreement of a limited liability company may create one or more "series of members" (defined). A series may have different voting rights, separate powers or duties, and may have a separate business purpose. The debts and expenses of one series are enforceable against the assets of that series only if specified conditions are met, and the debts and expenses of the LLC generally are not enforceable against the assets of the series.

First sponsor: Rep. Dial

H2166 Daily History	Date	Action
LIMITED LIABILITY COMPANIES; SERIES <b>2/20 from House com do pass.</b>		
LIMITED LIABILITY COMPANIES; SERIES 1/22		referred to House com.

**H2173: UNEMPLOYMENT INSURANCE; OMNIBUS**

Various changes relating to unemployment insurance. For unemployment insurance taxes, a domestic or foreign limited liability company shall be taxed as if it is either a partnership or a corporation or is disregarded as an entity as determined pursuant to the Internal Revenue Code. A base-period employer's account cannot be relieved of charges related to benefits paid to an individual if the payment was made because of failure to respond timely to a request and the employer has a pattern of failing to respond timely or adequately to these requests. If a person received benefits to which he/she is not entitled by reason of fraud, the Department of Economic Security must assess a penalty on the person equal to 15 percent of the amount of the erroneous payment.

First sponsor: Rep. Fann

H2173 Daily History	Date	Action
UNEMPLOYMENT INSURANCE; OMNIBUS <b>2/20 from House ins-ret with amend #4236.</b>		
UNEMPLOYMENT INSURANCE; OMNIBUS 1/22		referred to House ins-ret.

**H2185: ALARM BUSINESSES; ALARM AGENTS**

Various changes relating to the regulation of alarm businesses and alarm agents, including exempting a person whose work with an alarm business does not include visiting the location where the alarm system will be installed from certification as an alarm agent, prohibiting various government entities from requiring alarm businesses to provide any password or keypad code without first

obtaining a court order, and requiring any person who owns part of an alarm business to submit fingerprints to the Board of Technical Registration for a background check.

First sponsor: Rep. Fann

H2185 Daily History	Date Action
ALARM BUSINESSES; ALARM AGENTS 2/13 from House com with amend #4137.	
ALARM BUSINESSES; ALARM AGENTS 1/22 referred to House com.	

### **H2235: PAY STATEMENTS; REQUIRED INFORMATION**

At the time of paying wages, the state is required to provide state employees with a statement of earnings, withholdings and employer paid taxes and benefits.

First sponsor: Rep. Stevens

H2235 Daily History	Date Action
PAY STATEMENTS; REQUIRED INFORMATION 2/12 House gov held.	
PAY STATEMENTS; REQUIRED INFORMATION 1/22 referred to House gov.	

### **H2239: COLLATERAL SOURCE EVIDENCE; ADMISSIBILITY**

In an action to recover damages for personal injury, wrongful death, or damage to or destruction of property, the defendant may introduce evidence to establish that costs or losses of the plaintiff are subject to reimbursement of indemnification from a collateral source. If the defendant does so, the plaintiff may introduce specified evidence. Does not impair or affect a healthcare provider or collateral source benefits provider's ability to pursue any lien or right of reimbursement under state or federal law or contract. Effective January 1, 2014.

First sponsor: Rep. Stevens

H2239 Daily History	Date Action
COLLATERAL SOURCE EVIDENCE; ADMISSIBILITY 2/7 from House jud do pass.	
COLLATERAL SOURCE EVIDENCE; ADMISSIBILITY 1/23 referred to House jud.	

### **H2255: COMMERCE AUTHORITY; OVERSIGHT**

The Arizona Commerce Authority Board of Directors is required to award any grant, loan, reimbursement, tax incentive or other economic development incentive by a formal vote at a public meeting and to post the awards within five business days after the vote. Some exceptions. By November 1 of each year, the Authority must submit a report of awards to the Legislature, including specified information. Additionally, the Auditor General must submit a report of the annual audit of the Authority to the Governor and the Legislature. Beginning in 2014 and at least every three years after, the Auditor General is required to conduct a performance audit of the Authority.

First sponsor: Rep. Campbell

H2255 Daily History	Date Action
COMMERCE AUTHORITY; OVERSIGHT 1/22 referred to House com.	

### **H2261: SCRAP METAL; THEFT**

Establishes the crime of metal theft for knowingly controlling or obtaining ferrous metal or nonferrous metal that is the property of another. Proof of possession of scrap metal that was recently stolen or proof of the sale of stolen scrap metal at a price substantially below fair market value may give rise to an inference the person was aware of the risk it had been stolen. Metal theft is a class 2 (second highest) felony. A person convicted of certain types of metal theft involving metal with a value of \$100,000 or more are not eligible for suspension of sentence, probation, pardon or release. A means of transportation used in the commission

of metal theft is subject to mandatory vehicle immobilization or impoundment.

First sponsor: Rep. Forese

H2261 Daily History	Date	Action
SCRAP METAL; THEFT 1/23		referred to House jud.

### H2275: INSURANCE PREMIUM TAX; REDUCTION

The insurance premium tax rate is decreased from 2 percent to 1.9 percent in 2014, 1.8 percent in 2015, and 1.7 percent in 2016 and after.

First sponsor: Rep. Forese

H2275 Daily History	Date	Action
INSURANCE PREMIUM TAX; REDUCTION 2/20		from House ins-ret with amend #4237.
INSURANCE PREMIUM TAX; REDUCTION 2/12		House ins-ret held.
INSURANCE PREMIUM TAX; REDUCTION 1/22		referred to House ins-ret, appro.

### H2276: BENEFIT CORPORATIONS

Adds a new chapter to Title 10 (Corporations) regulating "benefit corporations," defined as having a purpose of creating general public benefit. An existing business corporation may become a benefit corporation or terminate its status as a benefit corporation by amending its articles of incorporation. The regulations provide standards of conduct for boards of directors and other officers, allow the designation of a benefit director with specified powers and duties, and require benefit corporations to prepare an annual benefit report including specified information. Effective January 1, 2015.

First sponsor: Rep. Forese

H2276 Daily History	Date	Action
BENEFIT CORPORATIONS 1/30		from House com do pass.
BENEFIT CORPORATIONS 1/22		referred to House com.

### H2277: UNIFORM COMMERCIAL CODE; FUNDS TRANSFERS

The uniform commercial code applies to a funds transfer that is a remittance transfer as defined in federal law, unless the remittance transfer is an electronic fund transfer.

First sponsor: Rep. Forese

H2277 Daily History	Date	Action
UNIFORM COMMERCIAL CODE; FUNDS TRANSFERS 2/20		passed House 58-0; ready for Senate.
UNIFORM COMMERCIAL CODE; FUNDS TRANSFERS 2/11		from House rules okay.
UNIFORM COMMERCIAL CODE; FUNDS TRANSFERS 2/11		to House consent calendar.
UNIFORM COMMERCIAL CODE; FUNDS TRANSFERS 2/5		from House fin-inst do pass.
UNIFORM COMMERCIAL CODE; FUNDS TRANSFERS 2/4		House fin-inst do pass; report awaited.
UNIFORM COMMERCIAL CODE; FUNDS TRANSFERS 1/22		referred to House fin-inst.

### H2280: EMPLOYEE BENEFITS; STATE PREEMPTION

The regulation of employee benefits is of statewide concern and not subject to further regulation by counties, municipalities or other political subdivisions.

First sponsor: Rep. Forese

H2280 Daily History	Date	Action
EMPLOYEE BENEFITS; STATE PREEMPTION 2/6		from House com with amend #4067.
EMPLOYEE BENEFITS; STATE PREEMPTION 1/30		House com held.
EMPLOYEE BENEFITS; STATE PREEMPTION 1/22		referred to House com.

### H2295: INSURANCE TAX CREDIT; HIGH-TECH INVESTMENTS

Establishes an insurance premium tax credit for 20 percent of the amount

invested by the insurer in a high technology business. If the amount of the credit exceeds tax liability, the amount not used to offset the tax is refunded. The credits must be approved by the Arizona Commerce Authority, and the maximum amount of credits the Authority may approve are specified.

First sponsor: Rep. Tobin

H2295 Daily History	Date	Action
No actions posted for this bill to date.		

### **H2302: WORKERS' COMPENSATION PREMIUMS; PAYMENT**

An employer may choose to pay workers' compensation insurance premiums on a semiannual, quarterly or monthly basis if the insurer makes the payment plan available. Any "deposit premium" (defined) required by a workers' compensation insurer is payable at the inception of the policy term, and cannot be less than the minimum premium stated in the policy.

First sponsor: Rep. Fann

H2302 Daily History	Date	Action
WORKERS' COMPENSATION PREMIUMS; PAYMENT <b>2/20 from House ins-ret do pass.</b>		
WORKERS' COMPENSATION PREMIUMS; PAYMENT 1/22 referred to House ins-ret.		

### **H2312: SOLICITATION; TEXT MESSAGE; PROHIBITION**

It is a class-2 misdemeanor to use an automated system to send a text message for the purpose of soliciting persons to purchase goods or services.

First sponsor: Rep. Farnsworth

H2312 Daily History	Date	Action
SOLICITATION; TEXT MESSAGE; PROHIBITION 2/7 from House tech-inf do pass.		
SOLICITATION; TEXT MESSAGE; PROHIBITION 1/22 referred to House tech-inf, jud.		

### **H2315: LOCAL GOVERNMENTS; REGULATION; REQUIREMENTS**

Municipalities and counties are prohibited from regulating an occupation or profession without specific legislative authorization. The municipality or county must conduct a study that results in specified findings, including that the regulation is a true public necessity. The study must be reviewed by the Auditor General. The municipality or county must report on intended regulations to the Joint Legislative Audit Committee, and JLAC must assign the report to the appropriate legislative committee of reference to consider legislation authorizing the municipality or county to regulate the specific occupation or profession.

First sponsor: Rep. Farnsworth

H2315 Daily History	Date	Action
LOCAL GOVERNMENTS; REGULATION; REQUIREMENTS 1/22 referred to House gov.		

### **H2319: JUST COMPENSATION; PAYMENT; TAX CREDIT**

If the existing rights to use, divide, sell or possess private real property are reduced by the enactment or applicability of any land use law enacted after the date the property is transferred to the owner and that action reduces the fair market value of the property, the owner may waive the right to just compensation and instead claim an income tax credit in the same amount. The State Treasurer must withhold from the distribution of state shared revenue or other distributions to the county, municipality or other political subdivision that enacted the land use law the aggregate amount of credits claimed for that law. Monies withheld are credited to the general fund. Does not apply to a list of specified land use laws. Due to voter protection, this bill requires the affirmative vote of at least 3/4 of each house of the Legislature for passage.

First sponsor: Rep. Farnsworth

H2319 Daily History	Date	Action
JUST COMPENSATION; PAYMENT; TAX CREDIT 1/22 referred to House ways-means.		

**H2320: RULES; STATUTORY REVIEW; STATE AGENCIES**

At least once every five years, each state agency is required to review all of its rules and statutory authority that regulates any occupation, professions, activity, use of property, or condition and determine whether any of the rules or statutes are obsolete, counterproductive or redundant. Criteria that must be used in the determination is specified. Each agency must report its findings to the Governor and the Legislature.

First sponsor: Rep. Farnsworth

H2320 Daily History	Date	Action
RULES; STATUTORY REVIEW; STATE AGENCIES <b>2/19 House gov held.</b>		
RULES; STATUTORY REVIEW; STATE AGENCIES 1/22 referred to House gov.		

**H2321: REGULATION; CRITERIA; REAUTHORIZATION**

Any new regulatory requirement established by the Legislature is required to include in its enabling legislation a specific expiration date that is not more than five years after the effective date. Municipalities, counties and state agencies may regulate an occupation, profession, use of property or condition only under specified conditions, including that the primary purpose or predominant effect of the regulation will not restrain competent adults and that the targeted activity or condition is an actual threat to public health, safety or general welfare that is verifiable and substantial.

First sponsor: Rep. Farnsworth

H2321 Daily History	Date	Action
REGULATION; CRITERIA; REAUTHORIZATION 1/23 referred to House gov.		

**H2322: RULE MAKING; RESTRICTIONS**

State agencies are prohibited from adopting a new rule or an amendment to an existing rule that would restrain or burden the free exercise of vested rights. Any person subject to a civil or criminal proceeding arising from the enforcement of a rule in violation shall have a defense to the enforcement action.

First sponsor: Rep. Farnsworth

H2322 Daily History	Date	Action
RULE MAKING; RESTRICTIONS <b>2/20 from House gov do pass.</b>		
RULE MAKING; RESTRICTIONS 1/22 referred to House gov.		

**H2324: MUNICIPAL TAX CODE; LEASES**

The list of exemptions from municipal transaction privilege taxes is modified to include gross income derived from a commercial lease in which a business leases real property to another business that has at least 80 percent common ownership with the lessor. Previously, the exemption applied to commercial leases in which a corporation leased real property to another corporation of which 80 percent of the voting shares of each corporation were owned by the same shareholders.

First sponsor: Rep. Farnsworth

H2324 Daily History	Date	Action
MUNICIPAL TAX CODE; LEASES <b>2/19 referred to Senate fin.</b>		
MUNICIPAL TAX CODE; LEASES 2/11 passed House 59-0; ready for Senate.		
MUNICIPAL TAX CODE; LEASES 2/4 to House consent calendar. From House rules okay.		
MUNICIPAL TAX CODE; LEASES 1/29 from House ways-means do pass.		
MUNICIPAL TAX CODE; LEASES 1/28 House ways-means do pass; report awaited.		
MUNICIPAL TAX CODE; LEASES 1/22 referred to House ways-means.		

**H2328: COMPACT; CONVENTION; BALANCED BUDGET**

Enacts a compact declaring the state's intent to originate a balanced budget amendment to the U.S. Constitution. The compact becomes binding when at least one other state has adopted substantively identical legislation. Contains a model of the proposed balanced budget amendment, which prohibits total outlays of the government of the U.S. from exceeding total receipts at any point in time unless the excess is financed by debt that is first approved by the legislatures of the several states. The amendment also requires any bill that provides for a new or increased general revenue tax to be approved by a 2/3 roll call vote of the whole number of each house of Congress, with the exception of either a new end user sales tax that would completely replace every existing income tax or the reduction or elimination of an exemption, deduction or credit. Once at least 3/4 of the states adopt the compact, the legislatures of member states apply to Congress for a convention for proposing the balanced budget amendment. Provides for the appointment of convention delegates and specifies convention rules. Upon referral of the amendment to the states, each member state hereby adopts and ratifies the amendment. Contains provisions for construction, enforcement, venue and severability of the compact.

First sponsor: Rep. Kwasman

H2328 Daily History	Date Action
COMPACT; CONVENTION; BALANCED BUDGET	1/29 from House fed-fiscal do pass.
COMPACT; CONVENTION; BALANCED BUDGET	1/22 referred to House fed-fiscal.

**H2331: BONDING; TAXATION; EXPENDITURES; DISTRICT LIMITATIONS**

New special taxing districts cannot be formed within the jurisdiction of a political subdivision if the sum of that political subdivision's property taxes and the aggregate amount of property taxes being levied by all other special taxing districts located in any portion of that political subdivision exceeds the constitutional limit on local ad valorem tax levies. Special taxing districts are prohibited from levying a new or increased property tax if the sum of property taxes of any political subdivision in which any portion of the district is located and the aggregate amount of property taxes being levied by all other special taxing districts located in any portion of that political subdivision exceeds the constitutional limit on local ad valorem tax levies. New industrial development authorities cannot be formed within the jurisdiction of a political subdivision if the sum of that political subdivision's expenditures and the aggregate expenditures by all other industrial development authorities located in any portion of that political subdivision exceeds the constitutional local government expenditure limit. An industrial development authority is prohibited from making a new or increased expenditure if the sum of the expenditures of any political subdivision in which any portion of the authority is located and the aggregate expenditures by all other industrial development authorities located in any portion of that political subdivision exceeds the constitutional local government expenditure limit. Additionally, public bonds cannot be issued by any entity that is not governed by an elected governing body. Session law declares the bonding limitations and aggregate taxation and expenditure limitations in this legislation are of statewide concern and preempt any local government ordinance, charter, policy or rule to the contrary. Severability clause.

First sponsor: Rep. Montenegro

H2331 Daily History	Date Action
BONDING; TAXATION; EXPENDITURES; DISTRICT LIMITATIONS	2/7 from House ref-hu ser with amend #4076.
BONDING; TAXATION; EXPENDITURES; DISTRICT LIMITATIONS	1/23 referred to House ref-hu ser, ways-means.

**H2342: INCREASED RESEARCH; TAX CREDIT REFUND**

The maximum amount of income tax refunds for increased research activities that the Arizona Commerce Authority may approve is increased to \$10 million in 2014 and \$15 million in 2015 and after, from \$5 million. During the first six months of a calendar year, the Authority cannot approve refunds exceeding 50 percent of the limit. During the second six months, the remaining balance of the limit may be approved.

First sponsor: Rep. Tobin

H2342 Daily History	Date	Action
INCREASED RESEARCH; TAX CREDIT REFUND	2/21	House COW approved with amend #4068.
INCREASED RESEARCH; TAX CREDIT REFUND	2/18	from House rules okay.
INCREASED RESEARCH; TAX CREDIT REFUND	2/6	from House com with amend #4068.
INCREASED RESEARCH; TAX CREDIT REFUND	1/30	House com held.
INCREASED RESEARCH; TAX CREDIT REFUND	1/22	referred to House com.

**H2351: AHCCCS; NONEMERGENCY TRANSPORTATION; REIMBURSEMENT**

AHCCCS is required to limit reimbursement for nonemergency transportation to the cost of bus transportation in regions where a scheduled bus system is available.

First sponsor: Rep. Seel

H2351 Daily History	Date	Action
AHCCCS; NONEMERGENCY TRANSPORTATION; REIMBURSEMENT	1/22	referred to House hel.

**H2352: AHCCCS; EXPANSION; PROHIBITION**

Any statutory or administrative expansion of AHCCCS eligibility is prohibited from taking effect until the Joint Legislative Budget Committee certifies to the Governor, the President of the Senate, and the Speaker of the House of Representatives that expansion will be budget neutral for the next 20 fiscal years.

First sponsor: Rep. Seel

H2352 Daily History	Date	Action
AHCCCS; EXPANSION; PROHIBITION	1/22	referred to House hel.

**H2354: AHCCCS; CHILDLESS ADULTS; SERVICES; PROHIBITION**

The AHCCCS Administration is prohibited from using any AHCCCS monies to fund services to childless adults. Due to voter protection, this bill requires the affirmative vote of at least 3/4 of each house of the Legislature for passage.

First sponsor: Rep. Seel

H2354 Daily History	Date	Action
AHCCCS; CHILDLESS ADULTS; SERVICES; PROHIBITION	1/22	referred to House hel.

**H2382: STO TAX CREDITS; REPEAL**

Repeals the individual and corporate income tax credits and the insurance premium tax credit for contributions to school tuition organizations. Due to a potential increase in state revenue, this bill requires the affirmative vote of at least 2/3 of each house of the Legislature for passage.

First sponsor: Rep. Campbell

H2382 Daily History	Date	Action
STO TAX CREDITS; REPEAL	1/23	referred to House ways-means, educ.



### H2384: SALES TAX HOLIDAYS

Establishes sales tax holiday dates for retail sales and transient lodging on August 31, September 1 and 2, 2013, and July 4, 5 and 6, 2014.

First sponsor: Rep. J. Pierce

H2384 Daily History	Date	Action
SALES TAX HOLIDAYS	1/22	referred to House ways-means.

### H2387: RECOVERY OF ATTORNEY FEES

In a contested action arising out of a contract, if a written settlement offer is rejected and the verdict plus reasonable attorney fees incurred up to the date of the offer is equal to or more favorable to the offeror than the offer made in writing, the offerer is deemed to be the successful party and the court may award reasonable attorney fees. Formerly, the attorney fees incurred up to the date of the offer were not included in the determination.

First sponsor: Rep. J. Pierce

H2387 Daily History	Date	Action
RECOVERY OF ATTORNEY FEES	2/14	retained on House COW calendar.
RECOVERY OF ATTORNEY FEES	2/12	stricken from House consent calendar by J Pierce.
RECOVERY OF ATTORNEY FEES	2/11	from House rules okay.
RECOVERY OF ATTORNEY FEES	2/11	to House consent calendar.
RECOVERY OF ATTORNEY FEES	1/31	from House jud do pass.
RECOVERY OF ATTORNEY FEES	1/23	referred to House jud.

### H2393: STATE AGENCIES; LICENSURE; TIME FRAMES

A person who is or could be required to obtain a license may petition the Governor's Regulatory Review Council to require an agency to consider including a recommendation for reducing a licensing time frame in its five-year report.

First sponsor: Rep. J. Pierce

H2393 Daily History	Date	Action
STATE AGENCIES; LICENSURE; TIME FRAMES	2/19	referred to Senate gov-env.
STATE AGENCIES; LICENSURE; TIME FRAMES	2/11	passed House 59-0; ready for Senate.
STATE AGENCIES; LICENSURE; TIME FRAMES	2/4	to House consent calendar. From House rules okay.
STATE AGENCIES; LICENSURE; TIME FRAMES	1/30	from House pub-mil-reg do pass.
STATE AGENCIES; LICENSURE; TIME FRAMES	1/22	referred to House pub-mil-reg.

### H2406: MEDICAL BOARD; LICENSURE REQUIREMENTS

A doctor of medicine licensed in another jurisdiction who engages in the practice of medicine that is limited to patients who reside outside the state are exempt from licensure by the Arizona Medical Board when both the doctor and the patient are physically in the state for no more than six consecutive months.

First sponsor: Rep. Carter

H2406 Daily History	Date	Action
MEDICAL BOARD; LICENSURE REQUIREMENTS	2/21	passed House 59-0; ready for Senate.
MEDICAL BOARD; LICENSURE REQUIREMENTS	2/14	House COW approved with amend #4060.
MEDICAL BOARD; LICENSURE REQUIREMENTS	2/11	from House rules okay.
MEDICAL BOARD; LICENSURE REQUIREMENTS	2/6	from House hel with amend #4060.
MEDICAL BOARD; LICENSURE REQUIREMENTS	1/30	House hel held.
MEDICAL BOARD; LICENSURE REQUIREMENTS	1/22	referred to House hel.

### H2413: LABOR ORGS; NONUNION EMPLOYEES; REPRESENTATION

If an employee works at an entity where there is a union but is not a member of the union, the contract may make the employee liable for the costs of union representation at any grievance process initiated by the employee. The amount of

liability cannot exceed the amount that would have been paid in dues to the union during the period of the most recent contract.

First sponsor: Rep. Quezada

H2413 Daily History	Date Action
LABOR ORGS; NONUNION EMPLOYEES; REPRESENTATION 1/22 referred to House gov.	

### **H2417: LABOR REPRESENTATIVE; EMPLOYEE PRIVILEGE**

In a civil action, labor representatives cannot be examined about communication made by an employee to the representative or advice the representative gave to the employee in the course of representation in a grievance process.

First sponsor: Rep. Quezada

H2417 Daily History	Date Action
LABOR REPRESENTATIVE; EMPLOYEE PRIVILEGE 1/22 referred to House pub-mil-reg.	

### **H2422: HEALTH INSURANCE EXCHANGE**

Establishes the Arizona Health Insurance Exchange to facilitate the purchase and sale of qualified health plans and make plans available to qualified individuals and employers by January 1, 2015. Duties of the Exchange are specified. The Department of Insurance is responsible for regulating the Exchange, and may certify a health benefit plan as a qualified health plan if specified requirements are met. Establishes a 9-member Health Insurance Exchange Board as the governing body of the Exchange and specifies the powers and duties of the Board.

First sponsor: Rep. Meyer

H2422 Daily History	Date Action
HEALTH INSURANCE EXCHANGE 2/5 referred to House hel, ins-ret, appro.	

### **H2423: MEDICAL EXPENSE DEDUCTION PROGRAM; REINSTATEMENT**

The AHCCCS Administration is required to implement a streamlined medical expense deduction eligibility process by October 1, 2013, and statute requiring the Administration to adopt rules for a streamlined process is deleted. The AHCCCS Administration is exempt from the rulemaking requirements of the AZ Administrative Procedures Act for one year for this purpose.

First sponsor: Rep. Meyer

H2423 Daily History	Date Action
MEDICAL EXPENSE DEDUCTION PROGRAM; REINSTATEMENT 1/23 referred to House hel, appro.	

### **H2439: INCOME TAX BRACKETS; INFLATION INDEX**

Beginning with tax year 2014, the Department of Revenue is required to adjust the income dollar amounts for each individual income tax rate bracket by the average annual change in the metropolitan Phoenix consumer price index. Income dollar amounts cannot be revised below the amounts prescribed in the prior tax year.

First sponsor: Rep. Olson

H2439 Daily History	Date Action
INCOME TAX BRACKETS; INFLATION INDEX <b>2/20 referred to Senate fin.</b>	
INCOME TAX BRACKETS; INFLATION INDEX <b>2/18 passed House 58-0; ready for Senate.</b>	
INCOME TAX BRACKETS; INFLATION INDEX 2/11 from House rules okay.	
INCOME TAX BRACKETS; INFLATION INDEX 2/11 to House consent calendar.	
INCOME TAX BRACKETS; INFLATION INDEX 1/29 from House ways-means do pass.	
INCOME TAX BRACKETS; INFLATION INDEX 1/28 House ways-means do pass; report awaited.	
INCOME TAX BRACKETS; INFLATION INDEX 1/22 referred to House ways-means.	

**H2440: PRIVATE INVESTIGATORS; SECURITY GUARDS; REGULATION**

The grounds for disciplinary action for licensed private investigators is expanded to include being arrested for any offense that would disqualify the licensee from obtaining a license, and on completion of an investigation the license of a person arrested for such an offense must be suspended. A private investigator must notify the employer agency within 48 hours after being arrested, and the agency must notify the Department of Public Safety within 24 hours after receiving notice. Security guard agencies are required to maintain liability insurance.

First sponsor: Rep. Olson

H2440 Daily History	Date	Action
PRIVATE INVESTIGATORS; SECURITY GUARDS; REGULATION	<b>2/21</b>	<b>referred to Senate pub safety.</b>
PRIVATE INVESTIGATORS; SECURITY GUARDS; REGULATION	<b>2/19</b>	<b>passed House 59-0; ready for Senate.</b>
PRIVATE INVESTIGATORS; SECURITY GUARDS; REGULATION	2/11	from House rules okay.
PRIVATE INVESTIGATORS; SECURITY GUARDS; REGULATION	2/11	to House consent calendar.
PRIVATE INVESTIGATORS; SECURITY GUARDS; REGULATION	1/30	from House pub-mil-reg do pass.
PRIVATE INVESTIGATORS; SECURITY GUARDS; REGULATION	1/23	referred to House pub-mil-reg.

**H2443: CITIES; COUNTIES; REGULATORY REVIEW**

When establishing licensing time frames, municipalities and counties are required to consider whether the time frames do not include the time required for an applicant to obtain other licenses or to participate in required meetings. Municipalities and counties are required to make two comprehensive written or electronic requests for revisions to license applications. If an applicant fails to resolve an issue identified in a request for revisions, the municipality or county may make supplemental requests limited to issues previously identified in the request. If an applicant requests changes or amendments to an application, a municipality or county may make one additional comprehensive request for revisions. More.

First sponsor: Rep. Olson

H2443 Daily History	Date	Action
CITIES; COUNTIES; REGULATORY REVIEW	<b>2/21</b>	<b>House COW approved with amend #4053 and floor amend #4303.</b>
CITIES; COUNTIES; REGULATORY REVIEW	2/18	from House rules okay.
CITIES; COUNTIES; REGULATORY REVIEW	2/6	from House gov with amend #4053.
CITIES; COUNTIES; REGULATORY REVIEW	1/23	referred to House gov.

**H2446: TECH CORRECTION; LIMITED PARTNERSHIP**

Minor change in Title 29 (Partnership) related to limited partnerships. Apparent striker bus.

First sponsor: Rep. Olson

H2446 Daily History	Date	Action
TECH CORRECTION; LIMITED PARTNERSHIP	<b>2/21</b>	<b>House ways-means amended; report awaited.</b>
TECH CORRECTION; LIMITED PARTNERSHIP	<b>2/20</b>	<b>referred to House ways-means.</b>

**H2450: TECH CORRECTION; WORKERS' COMPENSATION; INVESTIGATION**

Minor change in Title 23 (Labor) related to workers' compensation investigations. Apparent striker bus.

First sponsor: Rep. Olson

H2450 Daily History	Date	Action
No actions posted for this bill to date.		

### H2456: REVENUE ALLOCATION DISTRICTS

Municipalities are authorized, on presentation of a petition signed by the owners of at least 51 percent of the relevant land, to form revenue allocation districts to undertake projects for economic development, reduce the loss of commerce or employment or increase employment. Regulations are established for revenue allocation districts, including district formation and dissolution, district powers, sources of revenue, and authority to issue bonds and levy taxes. Elections are required to approve bond issuance and regulations on the terms of bonds are established.

First sponsor: Rep. Lovas

H2456 Daily History	Date	Action
REVENUE ALLOCATION DISTRICTS	2/18	from House rules okay.
REVENUE ALLOCATION DISTRICTS	2/11	from House ways-means with amend #4095.
REVENUE ALLOCATION DISTRICTS	1/23	referred to House ways-means.

### H2457: CHARITABLE ORGANIZATION FILINGS

Repeals several sections of statute requiring charitable organizations to register with the Secretary of State and report on various activities such as solicitation and fiscal records.

First sponsor: Rep. Boyer

H2457 Daily History	Date	Action
CHARITABLE ORGANIZATION FILINGS	2/20	from House com with amend #4253.
CHARITABLE ORGANIZATION FILINGS	1/23	referred to House com.

### H2469: PERSONAL INFORMATION; ENCRYPTED DATA

Any person in the United States who owns or licenses computerized data that includes personal information of another person who is a resident of Arizona must encrypt the data in accordance with US military standards. Effective October 1, 2014. Conditionally repealed one year after the effective date of the federal Personal Data Privacy and Security Act.

First sponsor: Rep. Thorpe

H2469 Daily History	Date	Action
PERSONAL INFORMATION; ENCRYPTED DATA	2/14	from House tech-inf do pass.
PERSONAL INFORMATION; ENCRYPTED DATA	1/22	referred to House tech-inf.

### H2485: HEALTH & SAFETY AUDIT PRIVILEGE

An audit report for an audit to evaluate compliance with a health or safety law or an industry standard with respect to safety is required to include each document and communication that is created for the audit. Types of documents and information that may be included in an audit are specified. Any part of an audit report is privileged and is not admissible as evidence or subject to discovery in a legal or civil action or an administrative proceeding. Some exceptions. A witness cannot be compelled to testify or produce a document related to an audit in specified circumstances.

First sponsor: Rep. Carter

H2485 Daily History	Date	Action
HEALTH & SAFETY AUDIT PRIVILEGE	2/6	from House pub-mil-reg do pass.
HEALTH & SAFETY AUDIT PRIVILEGE	1/24	referred to House pub-mil-reg.

### H2490: UTILIZATION REVIEW; REQUIREMENTS.

For determinations of medical necessity for a health care insurer's denial of prior authorization of a chiropractic service requested by a chiropractor, a health care

insurer is required, instead of permitted, to use a licensed chiropractor to review the denial. A utilization review agent certificate holder must have a chiropractor available to supervise utilization review activities.

First sponsor: Rep. Allen

H2490 Daily History	Date	Action
UTILIZATION REVIEW; REQUIREMENTS.	2/20	from House hel with amend #4260.
UTILIZATION REVIEW; REQUIREMENTS.	1/29	referred to House hel.

**H2498: PROPERTY TAX LEVY; COMMUNITY COLLEGES**

A community college district with a primary property tax levy approved by the voters may resubmit a proposed amount to be raised by primary property taxes for voter approval at least 20 but not more than 35 years after the date of initial approval of the levy, if the proposed amount is not more than two times the otherwise authorized levy amount for the same year.

First sponsor: Rep. Thorpe

H2498 Daily History	Date	Action
PROPERTY TAX LEVY; COMMUNITY COLLEGES	2/6	from House higher ed-work dev do pass.
PROPERTY TAX LEVY; COMMUNITY COLLEGES	1/29	referred to House higher ed-work dev, ways-means.

**H2514: ECONOMIC RECAPTURE DISTRICTS**

Adds a new chapter to Title 48 (Special Taxing Districts) authorizing municipalities and counties to establish Economic Recapture Districts beginning October 1, 2013 through June 30, 2020, on a finding by the governing body that the public convenience, necessity or welfare will benefit. Districts must be formed to make qualified expenditures for facilities directly related to the project and used for tourism, sporting, cultural, civic meetings, trade show or convention events or public facilities. Actual construction of the project must begin within 60 days after the District is established. Specifies the process for District formation and the powers and requirements of the governing board. Authorizes a District to issue negotiable bonds. Districts must terminate by June 30, 2054. If District exists and after the delivery of a resolution of the governing board requesting payment, the State Treasurer is required to pay the District each month from the transaction privilege tax distribution base the amount determined by a specified formula. The payments continue until the obligations for debt service on financial instruments executed by the District are satisfied.

First sponsor: Rep. Coleman

H2514 Daily History	Date	Action
ECONOMIC RECAPTURE DISTRICTS	2/4	referred to House ways-means.

**H2531: INCOME TAX; INSTANT DEPRECIATION**

In computing Arizona adjusted gross income for tax purposes, the amount in excess of \$25,000 for property for which an expense deduction was taken under the internal revenue code for certain depreciable business deductions is only required to be added to Arizona gross income for property that was purchased and placed in service before January 1, 2013.

First sponsor: Rep. Mesnard

H2531 Daily History	Date	Action
INCOME TAX; INSTANT DEPRECIATION	2/21	retained on House COW calendar.
INCOME TAX; INSTANT DEPRECIATION	2/18	from House rules okay.
INCOME TAX; INSTANT DEPRECIATION	2/11	from House ways-means with amend #4096.
INCOME TAX; INSTANT DEPRECIATION	2/11	House ways-means amended; report awaited.
INCOME TAX; INSTANT DEPRECIATION	2/5	referred to House ways-means.

**H2550: HEALTH INSURANCE; POLICIES; RATING AREAS**

The Director of the Department of Insurance is required to ensure that the state retains its full authority to regulate health insurance policies and contracts. Health insurers subject to the federal Patient Protection and Affordable Care Act (PPACA) are prohibited from issuing a contract or policy or otherwise transacting insurance inconsistent with the applicable provisions of PPACA. Establishes "rating areas" (defined as an area within which a health insurer cannot vary rates based on geography) for the issuance of individual and small group health insurance policies and contracts. For health benefit plans issued on or after January 1, 2014, if an accountable health plan is subject to and in compliance with the federal Public Health Service Act (PHSA), the plan is deemed to comply with state statutory requirements for premium rates and rating practices that are consistent with PHSA. Conditionally repealed as of the date a specified section of the PPACA is declared unconstitutional by the U.S. Supreme Court or is repealed by the U.S. Congress.

First sponsor: Rep. Carter

H2550 Daily History	Date	Action
HEALTH INSURANCE; POLICIES; RATING AREAS	2/20	from House hel do pass.
HEALTH INSURANCE; POLICIES; RATING AREAS	2/12	from House ins-ret do pass.
HEALTH INSURANCE; POLICIES; RATING AREAS	2/6	referred to House ins-ret, hel.

**H2563: TEACHER PREP PROGRAMS; COMMON CORE**

The State Board of Education rules for teacher certification must ensure that postsecondary education programs that prepare students to teach in elementary schools remain current, reflect a rigorous course of study that is aligned to state and national standards and that students are assessed to determine requisite knowledge that is aligned with the common core standards.

First sponsor: Rep. Miranda

H2563 Daily History	Date	Action
TEACHER PREP PROGRAMS; COMMON CORE	2/18	from House educ with amend #4197.
TEACHER PREP PROGRAMS; COMMON CORE	2/11	referred to House educ.

**H2571: TPT EXPORT EXEMPTION; BORDER CENTERS**

Establishes a list of items that constitute proof of export for a transaction privilege tax exemption claimed for tangible personal property sold in Arizona for export and resale outside of the U.S. A border business center licensed by the Department of Revenue is authorized to issue documentation, including a certification with an export stamp affixed for the purpose of showing compliance with the requirements for exemption. The Department of Revenue is required to have export stamps printed or manufactured and must change the design of the stamp at least once each calendar quarter. The Dept may sell or provide stamps only to a border business center. The Dept is required to charge \$1.60 for each stamp. Due to a potential increase in state revenue, this bill requires the affirmative vote of at least 2/3 of each house of the Legislature for passage.

First sponsor: Rep. Orr

H2571 Daily History	Date	Action
No actions posted for this bill to date.		

**H2580: REGULATORY REVIEW; PERIODIC APPROVAL**

The maximum amount of time after a new program is established that the program must expire is decreased to 5 years, from 10 years. At least every 5 years, every county department, municipal department, and county flood control district is required to review all of its regulations to determine whether any

regulation should be amended or repealed. The department or district must prepare a report that includes specified information for each regulation and must obtain the approval of the governing body for the report. If the governing board determines that a regulation is materially flawed, the board may require the department or district to propose an amendment or repeal of the regulation by a date at least 6 months later.

First sponsor: Rep. Kwasman

H2580 Daily History	Date Action
REGULATORY REVIEW; PERIODIC APPROVAL 2/11 referred to House gov.	

### **H2584: RENEWABLE ENERGY AND CONSERVATION DISTRICTS**

Adds a new article to Title 48 (Special Taxing Districts) regulating the establishment of renewable energy and conservation improvement districts. Municipal governing bodies may form a district after a public hearing, as a special purpose district and a tax levying public improvement district. Districts are authorized to levy and collect assessments against real property in the district with voluntary written consent of the property owner.

First sponsor: Rep. Sherwood

H2584 Daily History	Date Action
RENEWABLE ENERGY AND CONSERVATION DISTRICTS 2/18 House energy-env held.	
RENEWABLE ENERGY AND CONSERVATION DISTRICTS 2/12 referred to House energy-env, appro.	

### **H2590: COMPREHENSIVE TPT; INCOME TAX REPEAL**

Effective January 1, 2017, individual and corporate income taxes are repealed. Transaction privilege tax (TPT) rates are increased to 6.3 percent for transient lodging, 6 percent for commercial leases and mining, and 5.7 percent for all other business classifications. Numerous exemptions from the retail TPT classification are deleted. The services classification is established, defined and added to the list of exemptions from retail TPT. The TPT exemption for sales of food is repealed. Eliminates TPT-related state shared revenue formulas and instead requires the Department of Revenue to pay \$978 million of TPT revenues beginning in FY2017-18 to incorporated cities and towns and counties in equal monthly installments, to be increased by an unspecified percent (blank in original) each fiscal year. Instead of 15 percent of state income taxes, \$424.4 million is appropriated in FY2018-19 from the general fund to the Urban Revenue Sharing Fund, and each FY after the amount will be increased by an unspecified percent (blank in original). Establishes the Transaction Privilege Tax Rate Task Force to recommend a final TPT rate, consisting of the members of the Economic Estimates Commission and two additional members appointed by the President of the Senate and Speaker of the House of Representatives. The Task Force is required to recommend a revenue neutral TPT rate based on broadening the TPT base and repealing the income tax and report to the Governor and the Legislature by December 31, 2015. By December 31, 2016, the Joint Legislative Budget Committee is required to consider the task force's recommended rate and approve the final TPT rate.

First sponsor: Rep. Kwasman

H2590 Daily History	Date Action
COMPREHENSIVE TPT; INCOME TAX REPEAL 2/12 referred to House fed-fiscal, appro.	

### **H2592: UNIVERSAL REGULATORY TAX CREDIT**

Establishes an individual and corporate income tax credit for "creditable expenses" due to "regulation" (both defined) of more than \$200 per year incurred by a business entity after December 31, 2014. A claim for credit is in lieu of and constitutes a waiver of litigation or judicial remedies against the responsible

regulatory entity. The credit is capped at \$4,000 for a claimant, and the aggregate amount of credits is capped at \$400,000 in calendar years 2015 and 2016 and at \$800,000 in 2017 and after. If the amount of the credit exceeds taxes due, the unused amount may be carried forward as a credit against up to five consecutive tax years. The amount of the credit constitutes a debit against the general fund appropriation to any state agency directly responsible for the regulation that resulted in the credit. Establishes a process for claiming the credit, including applying to the Governor's Regulatory Review Council. Appropriates \$350,000 from the general fund in FY2014-15 to GRRC for implementation, including four full-time equivalent employees.

First sponsor: Rep. Mesnard

H2592 Daily History	Date	Action
UNIVERSAL REGULATORY TAX CREDIT 2/12 referred to House ways-means.		

### **H2599: PROCUREMENT CODE; AMENDMENTS**

State employees who have a "significant procurement role" (defined) in the procurement of materials, services or construction are prohibited from accepting an offer of employment from or having employment discussions with any person or entity lobbying for or responding to a solicitation during a period beginning six months before the estimated issuance date of a solicitation, sole source procurement or competition impracticable procurement and ending one year after. Knowing violations are a class 2 (second highest) misdemeanor, and a convicted person is ineligible for appointment to or employment in a position in the state personnel system for five years. For the purpose of lobbyist regulations, the definition of "lobbying" is expanded to include attempting to influence the procurement of materials services or construction by an agency. A person is prohibited from lobbying the public body that employed that person in a capacity having a significant procurement role within one year after the person ceases to be employed by the public body. The Department of Administration is required to establish mandatory procurement training and certification. Exempts the Arizona Exposition and State Fair Board from procurement regulations for professional entertainment contracts, and specifies that procurement regulations do not apply to the purchase of water, gas or electric utilities or to professional certifications, professional memberships and conference registrations. Repeals statutes regulating the procurement of information systems and telecommunications systems. More.

First sponsor: Rep. J. Pierce

H2599 Daily History	Date	Action
PROCUREMENT CODE; AMENDMENTS <b>2/20 from House gov with amend #4241.</b>		
PROCUREMENT CODE; AMENDMENTS 2/12 referred to House gov.		

### **H2603: PROCUREMENT; AZ BIDDER; PREFERENCE**

For procurement contracts awarded by competitive sealed bid, Arizona bidders must be given preference over nonresident bidders if there are two or more low, responsive offers from responsible bidders that are identical in price.

First sponsor: Rep. Campbell

H2603 Daily History	Date	Action
PROCUREMENT; AZ BIDDER; PREFERENCE 2/13 referred to House gov, com.		

### **H2616: DATA CENTERS; TAX INCENTIVES**

Beginning September 1, 2013, tax incentives are allowed for the owner, operator or qualified colocation tenants of a certified facility. Tax incentives apply from the date that the Arizona Commerce Authority pre-certifies the facility through the expiration of the certification period. In order to qualify for tax incentives, the



facility must be used primarily as a computer data center and must create a minimum investment of at least \$50 million in counties with a population of 800,000 or more (Maricopa and Pima) or at least \$25 million in counties with a population of fewer than \$800,000. The Authority cannot certify any new facility beginning January 1, 2024. The list of deductions from the transaction privilege tax and use tax base is expanded to include computer data center equipment purchased for use in a certified computer data center. The list of exclusions from the utilities transaction privilege tax classification is expanded to include gross income derived from sales to the owner, operator or colocation tenant of a computer data center and that is directly used in a certified computer data center.

First sponsor: Rep. Dial

H2616 Daily History	Date	Action
DATA CENTERS; TAX INCENTIVES 2/12 referred to House ways-means.		

### **H2617: SCHOOL TUITION ORGS; PREAPPROVAL; ENTITIES**

For a limited liability company, the allowable tax credit for contributions to a school tuition organization (STO) that may be apportioned to a member is the amount of tax liability for the member's share of profits calculated at the effective tax rate for the member's total income. For a small business corporation, the allowable tax credit for contributions to an STO that may be apportioned to a stockholder is the amount of tax liability for the stockholder's share of income calculated at the effective tax rate for the stockholder's total income. A member or stockholder who is apportioned a credit may take any additional credits allowed against taxable individual income. The Department of Revenue is required to establish a website to accept and process preapproval requests for contributions to an STO. The Dept is required to issue a printable notice that the request was approved or denied.

First sponsor: Rep. Olson

H2617 Daily History	Date	Action
SCHOOL TUITION ORGS; PREAPPROVAL; ENTITIES <b>2/21 House ways-means amended; report awaited.</b>		
SCHOOL TUITION ORGS; PREAPPROVAL; ENTITIES 2/12 referred to House ways-means.		

### **H2632: INTELLECTUAL PROPERTY; EMPLOYEE RIGHTS**

An employee retains all rights to an invention that the employee developed entirely on the employee's own time without using the employer's equipment, supplies, facilities or trade secret information. Some exceptions. Any provision in an employment agreement in violation of this requirement is void and unenforceable.

First sponsor: Rep. Wheeler

H2632 Daily History	Date	Action
No actions posted for this bill to date.		

### **H2639: LABOR; REST PERIODS; MEAL BREAKS**

Employers must allow each employee to take a 30-minute meal break during every continuous eight hours of work. Employers must allow employees a 10-minute rest break during each four hours of work. Exceptions for employees covered by a union contract or for locations where only one person is employed. The Industrial Commission is charged with adopting rules for implementation.

First sponsor: Rep. Larkin

H2639 Daily History	Date	Action
LABOR; REST PERIODS; MEAL BREAKS 2/13 referred to House com, gov.		

### H2640: PAID SICK & SAFE TIME

Effective January 1, 2014, employees who work in Arizona accrue a minimum of one hour of paid sick and safe time for every 30 hours worked. Situations where an employee may use paid sick and safe time are specified, as well as provisions governing accrual, carry over, and transfer of paid sick and safe time.

First sponsor: Rep. Larkin

H2640 Daily History	Date	Action
PAID SICK & SAFE TIME	2/13	referred to House com, gov.

### H2642: CALL CENTER RELOCATION; NOTICE; PENALTY

Employers intending to relocate a call center from Arizona to a foreign country are required to notify the Department of Economic Security at least 120 days before the relocation. Violations are subject to a civil penalty of up to \$10,000 for each day. The Dept is required to compile a semiannual list of all employers that relocate a call center to a foreign country. These employers are not eligible for direct or indirect state grants or state guaranteed loans for five years, with some exceptions. Effective November 1, 2013.

First sponsor: Rep. Larkin

H2642 Daily History	Date	Action
CALL CENTER RELOCATION; NOTICE; PENALTY	2/13	referred to House ref-hu ser, com.

### H2645: UNEMPLOYMENT; EXCEPTION; RELIGIOUS INSTRUCTION

For the purpose of unemployment insurance regulations, the exemption from the definition of "employment" for service performed in the employ of a church or religious organization includes educational and child care services that include religious instruction.

First sponsor: Rep. Montenegro

H2645 Daily History	Date	Action
UNEMPLOYMENT; EXCEPTION; RELIGIOUS INSTRUCTION	2/20	from House com do pass.
UNEMPLOYMENT; EXCEPTION; RELIGIOUS INSTRUCTION	2/12	referred to House com.

### H2646: INVESTMENT FUND; INSURANCE TAX CREDIT

Establishes an insurance premium tax credit for investment in the High Technology Business Investment Fund established by this legislation. If the credit amount exceeds taxes due, the unused amount may be carried forward as a credit for up to 15 tax years. The maximum aggregate amount of the credits is \$10 million in FY2014-15 and \$20 million in each of FY2015-16 and FY2016-17. A single insurance provider cannot receive more than 20 percent of the tax credits allocated in any year or more than 10 percent of the total credits authorized. The Arizona Commerce Authority is required to contract with a professional finance management organization to identify high technology businesses with headquarters in Arizona and make investments in these businesses from the Fund.

First sponsor: Rep. Tobin

H2646 Daily History	Date	Action
INVESTMENT FUND; INSURANCE TAX CREDIT	2/20	from House com do pass.
INVESTMENT FUND; INSURANCE TAX CREDIT	2/12	referred to House com.

### H2647: SPECIAL TAXING DISTRICTS; COUNTY ISLAND FIRE DISTRICTS

Noncontiguous county island fire districts may no longer be formed in one or more noncontiguous county islands that are not contained in a municipal planning

area where the area is served by a private fire protection service and fire protection services are not funded by a county fire district assistance tax. The organizing board of a noncontiguous county island fire district is no longer permitted to enter into agreements with third parties to provide services related to the formation of the district. Petition signatures to form a special taxing district or change the boundaries of a district may be submitted at any time during the one-year period for submittal and any additional submission must also be made within the same one-year period.

First sponsor: Rep. Ugenti

H2647 Daily History	Date	Action
SPECIAL TAXING DISTRICTS; COUNTY ISLAND FIRE DISTRICTS	2/20	from House gov with amend #4242.
SPECIAL TAXING DISTRICTS; COUNTY ISLAND FIRE DISTRICTS	2/12	referred to House gov.

## H2657: TRANSACTION PRIVILEGE TAX CHANGES

Numerous changes related to transaction privilege taxes (TPT) and affiliated excise taxes. Requirements for the sourcing of transactions are established, effective January 1, 2014. Retail sales of tangible personal property must be sourced to the seller's business location if the seller receives the order at a business location in Arizona or to the purchaser's location in Arizona if the seller receives the order at a business location outside of Arizona. For the purposes of municipal excise taxes, the jurisdiction with the right to tax a sale of tangible personal property is the municipality where the order is received (defined), or where the stock is located from which the property is taken, or where the transfer of title or possession of the property occurred. The gross receipts from leasing or renting tangible personal property must be sourced to the lessor's business location in Arizona or to the lessee's address if the lessor does not have a business location in Arizona. The list of exemptions from the retail TPT classification is modified to remove sales to nonresidents for use outside the state if the vendor ships or delivers the property out of the state, and sales of property that is shipped or delivered directly to a destination outside the U.S. for use in a foreign country. Effective January 1, 2015, the prime contracting and owner builder sales transaction privilege tax classifications are eliminated and replaced with a manufactured building dealer classification. The sale of tangible personal property to a "contractor" (defined), regardless of whether it will be incorporated into a building or structure, is considered to be a retail sale and is subject to retail TPT unless otherwise exempt. Prime contracting TPT distributions to political subdivisions are deleted. Tangible personal property sold to a manufactured building dealer is only exempt from the retail TPT classification only if the property is to be incorporated or fabricated into a manufactured building. Numerous items are removed from the list of deductions from the tax base for the manufactured building dealer classification (formerly prime contracting). Once the distribution of revenues for municipal or county infrastructure improvements related to manufacturing facilities has reached the maximum amount, 40 percent of the remaining TPT revenues from the retail classification are designated as the distribution base for state shared revenues, increased from 20 percent. The Department of Revenue is required, rather than permitted, to collect and administer TPT and use taxes imposed by municipalities and to enter into intergovernmental agreements with municipalities to provide a uniform method of administration, collection, audit and licensing of TPT and affiliated excise taxes. Municipalities are prohibited from employing auditors and entering into contracts with a party other than the state for the collection, administration and processing of TPT or affiliated taxes. Municipalities are prohibited from levying a TPT or use tax on construction contracting, owner builder sales or speculative building. Municipalities are no longer prohibited from levying a TPT or use tax on sales of motor vehicles to nonresidents for use outside the state or on any amount attributable to development fees incurred in relation to construction. Effective January 1, 2014, if a county or special taxing district levies one or more excise

taxes on the effective date of this legislation, and if approved by the voters at a county-wide or district-wide election, a county or district is authorized to levy an excise tax on the storage, use or consumption in the county of tangible personal property purchased from a retailer, as a percentage of the sales price. The tax must be at a rate equal to the sum of the rates of all the excise taxes levied on the effective date. The Department of Revenue is required to collect the tax. Session law provides that this legislation does not apply to or affect the tax liability of contracts entered into before January 1, 2015 by a person engaged in business under the prime contracting classification or the construction contracting, owner builder or speculative builder classification of the model city tax code, or to the sale of tangible personal property to a contractor for incorporation into a project that was subject to a tax deduction.

First sponsor: Rep. Lesko

H2657 Daily History	Date	Action
TRANSACTION PRIVILEGE TAX CHANGES <b>2/19</b>		<b>from House ways-means with amend #4199.</b>
TRANSACTION PRIVILEGE TAX CHANGES 2/12		referred to House ways-means, appro.

**HCR2011: PERSONAL PROPERTY TAX EXEMPTION AMOUNT**

The 2014 general election ballot is to carry the question of whether to amend the state Constitution to increase the amount of personal property exempt from personal property tax beginning in tax year 2015. For personal property initially acquired during or after tax year 2015, the Legislature is permitted to exempt an amount equal to the annual earnings 50 workers in the state according to a designated national measure of earnings per employee adjusted annually. Language permitting the Legislature to exempt \$50,000 (plus inflation) from business personal property tax applies to the personal property of a taxpayer that is initially acquired before tax year 2015.

First sponsor: Rep. Kwasman

HCR2011 Daily History	Date	Action
PERSONAL PROPERTY TAX EXEMPTION AMOUNT <b>2/21</b>		<b>House ways-means do pass; report awaited.</b>
PERSONAL PROPERTY TAX EXEMPTION AMOUNT 2/12		referred to House ways-means, appro.

**HCR2014: HEALTH CARE EXCHANGE; PROHIBITION**

The 2014 general election ballot is to carry the question of whether to amend state statute to prohibit the state from establishing or administering a state-based health care exchange.

First sponsor: Rep. Seel

HCR2014 Daily History	Date	Action
No actions posted for this bill to date.		

**HCR2015: AHCCCS; EXPANSION; PROHIBITION**

The 2014 general election ballot is to carry the question of whether to amend state statute to prohibit the any statutory or administrative expansion of AHCCCS eligibility from taking effect until the Joint Legislative Budget Committee certifies to the Governor, the President of the Senate, and the Speaker of the House of Representatives that expansion will be budget neutral for the next 20 fiscal years.

First sponsor: Rep. Seel

HCR2015 Daily History	Date	Action
AHCCCS; EXPANSION; PROHIBITION 1/22		referred to House hel.

**HCR2016: AHCCCS; CHILDLESS ADULTS; PROHIBITION**

The 2014 general election ballot is to carry the question of whether to amend state statute to prohibit the AHCCCS Administration from using any AHCCCS

monies to fund services to childless adults.

First sponsor: Rep. Seel

HCR2016 Daily History	Date Action
AHCCCS; CHILDLESS ADULTS; PROHIBITION 1/22 referred to House hel.	

### **HCR2024: TAX DEDUCTIONS; EXEMPTIONS; CREDITS; REPEAL**

The 2014 general election ballot is to carry the question of whether to amend state statute to require any new transaction privilege or use tax deduction or exemption and any new individual or corporate income tax credit established by the Legislature to include a specific repeal date of from and after December 31 of the 7th full calendar year following the date the deduction, exemption or credit is enacted. Establishes a repeal date of January 1, 2021 for various existing deductions and credits. Allows the Legislature to extend these repeal dates.

First sponsor: Rep. Campbell

HCR2024 Daily History	Date Action
TAX DEDUCTIONS; EXEMPTIONS; CREDITS; REPEAL 2/13 referred to House ways-means, appro.	

### **HCR2033: FUNDING BALLOT MEASURES; REAUTHORIZATION**

The 2014 general election ballot is to carry the question of whether to amend Article IV, Part 1, of the state Constitution to place an eight-year limit on any initiative or referendum that authorizes or requires the expenditure of state monies. After the eight-year period expires, the measure must be re-referred to the ballot for a vote of the people. All current ballot measures that authorize or require an expenditure of state monies and that were originally voted on more than eight years before this amendment is certified shall be placed on the 2016 general election ballot for reauthorization.

First sponsor: Rep. Stevens

HCR2033 Daily History	Date Action
FUNDING BALLOT MEASURES; REAUTHORIZATION 2/20 from House fed-fiscal do pass.	
FUNDING BALLOT MEASURES; REAUTHORIZATION 2/12 referred to House fed-fiscal.	

### **S1004: UNLAWFUL TERMINATION; FAMILY EMERGENCY**

It is unlawful for an employer to terminate or threaten to terminate an employee for being notified by a school or law enforcement officer of an emergency regarding the employee's child or for leaving work to attend to the child's emergency, except in cases of excessive abuse of this protection.

First sponsor: Sen. Ableser

S1004 Daily History	Date Action
UNLAWFUL TERMINATION; FAMILY EMERGENCY 1/14 referred to Seante com-energy-mil.	

### **S1005: GREEN TECHNOLOGY & MANUFACTURING INCENTIVES**

Establishes individual and corporate income tax credits for net increases in qualified employment positions by a green manufacturing business. The amount of the credit is a percentage of the wages paid to qualified employees who are Arizona residents. Requirements that a business must meet in order to qualify for the credit are specified. Also classifies property and improvements comprising a certified green manufacturing business as class-6 property for property tax purposes. Effective January 1, 2014.

First sponsor: Sen. Ableser

S1005 Daily History	Date Action
GREEN TECHNOLOGY & MANUFACTURING INCENTIVES 1/14 referred to Senate fin.	

**S1014: DISCRIMINATION; ENFORCEMENT; DAMAGES**

Increases the statute of limitations on filing employment discrimination charges to 2 years from 1 year. Allows the recovering party in unlawful employment practice cases to recover punitive or compensatory damages if specified conditions are met.

First sponsor: Sen. Ableser

S1014 Daily History	Date Action
DISCRIMINATION; ENFORCEMENT; DAMAGES	1/14 referred to Senate jud.

**S1028: TPT EXEMPTION; LEASES; AFFILIATED COMPANIES (MUNICIPAL TPT EXEMPTION; LEASES; LLC)**

The commercial lease classification for transaction privilege tax does not include leasing real property by a reciprocal insurer, company, business or person to an "affiliated reciprocal insurer, company, business or person," defined as the lessor owning at least 80 percent interest in the lessee, the lessee owning at least 80 percent interest in the lessor, or a third party owning at least 80 percent interest in both. Municipalities and special taxing districts are prohibited from levying a transaction privilege or use tax on gross income derived from a commercial lease in which a reciprocal insurer, company, business or person leases real property to an affiliated company, business or person. AS PASSED SENATE.

First sponsor: Sen. Reagan

S1028 Daily History	Date Action
TPT EXEMPTION; LEASES; AFFILIATED COMPANIES	2/18 passed Senate 30-0; ready for House.
<b>TPT EXEMPTION; LEASES; AFFILIATED COMPANIES</b>	2/14 Senate COW approved with amend #4075 and floor amend #4164. NOTE SHORT TITLE CHANGE.
MUNICIPAL TPT EXEMPTION; LEASES; LLC	2/12 from Senate rules okay.
MUNICIPAL TPT EXEMPTION; LEASES; LLC	2/7 from Senate fin with amend #4075.
MUNICIPAL TPT EXEMPTION; LEASES; LLC	1/23 Senate fin held.
MUNICIPAL TPT EXEMPTION; LEASES; LLC	1/14 referred to Senate fin.

**S1080: TECH CORRECTION; BUDGET ESTIMATES**

Minor change in Title 35 (Public Finances) related to submission of budget estimates. Apparent striker bus.

First sponsor: Sen. Shooter

S1080 Daily History	Date Action
TECH CORRECTION; BUDGET ESTIMATES	2/19 Senate appro held.
TECH CORRECTION; BUDGET ESTIMATES	2/12 further referred to Senate appro.
TECH CORRECTION; BUDGET ESTIMATES	1/17 referred to Senate rules only.

**S1081: TECH CORRECTION; BUDGET REPORT**

Minor change in Title 35 (Public Finances) related to transmission of the Governor's budget report. Apparent striker bus.

First sponsor: Sen. Shooter

S1081 Daily History	Date Action
TECH CORRECTION; BUDGET REPORT	2/19 Senate appro held.
TECH CORRECTION; BUDGET REPORT	2/12 further referred to Senate appro.
TECH CORRECTION; BUDGET REPORT	1/17 referred to Senate rules only.

**S1082: TECH CORRECTION; TAX ANTICIPATION BONDS**

Minor change in Title 35 (Public Finances) related to tax anticipation bonds. Apparent striker bus.

First sponsor: Sen. Shooter

S1082 Daily History	Date	Action
TECH CORRECTION; TAX ANTICIPATION BONDS 1/17 referred to Senate rules only.		

**S1101: PROCUREMENT CODE; FRAUD; ATTORNEY GENERAL**

If the Attorney General has reasonable cause to believe that a person has information or a document or object relevant to an investigation for procurement code violations, the Attorney General is authorized to serve on the person a written demand to appear and be examined under oath, to answer written questions under oath and to produce the document or object for inspection. If the person fails to comply with the demand, the Attorney General may file an action in superior court for an order to enforce the demand. If the person fails to comply with the court order, the court may adjudge the person in contempt of court, grant injunctive relief, or grant other relief it deems proper.

First sponsor: Sen. Yee

S1101 Daily History	Date	Action
PROCUREMENT CODE; FRAUD; ATTORNEY GENERAL 2/19 from Senate gov-env do pass.		
PROCUREMENT CODE; FRAUD; ATTORNEY GENERAL 1/22 referred to Senate gov-env.		

**S1115: DIRECT PAY PRICES; HEALTH CARE**

Health care providers and facilities are required to make available to the public in a single document the direct pay price for at least the 25 most common services, which must be updated at least annually. Self-repeals January 1, 2021.

First sponsor: Sen. Barto

S1115 Daily History	Date	Action
DIRECT PAY PRICES; HEALTH CARE 2/20 Senate hel-hu ser amended; report awaited.		
DIRECT PAY PRICES; HEALTH CARE 2/6 Senate hel-hu ser held.		
DIRECT PAY PRICES; HEALTH CARE 1/23 referred to Senate hel-hu ser.		

**S1119: AHCCCS; ELIGIBILITY**

The maximum income a person may have to be eligible for AHCCCS is increased to 133 percent of the federal poverty level, from 100 percent.

First sponsor: Sen. Gallardo

S1119 Daily History	Date	Action
AHCCCS; ELIGIBILITY 1/24 referred to Senate hel-hu ser, appro.		

**S1125: LABOR ORGS; NONUNION EMPLOYEES; REPRESENTATION**

If an employee works at an entity where there is a union but is not a member of the union, the contract may make the employee liable for the costs of union representation at any grievance process initiated by the employee. The amount of liability cannot exceed the amount that would have been paid in dues to the union during the period of the most recent contract.

First sponsor: Sen. Gallardo

S1125 Daily History	Date	Action
LABOR ORGS; NONUNION EMPLOYEES; REPRESENTATION 1/24 referred to Senate gov-env.		

**S1126: LABOR REPRESENTATIVE; EMPLOYEE; PRIVILEGE**

In a civil action, labor representatives cannot be examined about communication made by an employee to the representative or advice the representative gave to the employee in the course of representation in a grievance process.

First sponsor: Sen. Gallardo

S1126 Daily History	Date Action
LABOR REPRESENTATIVE; EMPLOYEE; PRIVILEGE 1/24 referred to Senate gov-env.	

**S1137: TECH CORRECTION; WAGE RATES**

Minor change in Title 23 (Labor) related to wage rates. Apparent striker bus.  
First sponsor: Sen. Melvin

S1137 Daily History	Date Action
TECH CORRECTION; WAGE RATES 1/24 referred to Senate rules only.	

**S1138: BUILDING CODE MORATORIUM; REPEAL**

Repeals the moratorium on new or modified residential or commercial building codes that was in effect from June 30, 2009 to June 30, 2011.  
First sponsor: Sen. Griffin

S1138 Daily History	Date Action
BUILDING CODE MORATORIUM; REPEAL <b>2/21 Senate gov-env do pass; report awaited.</b>	
BUILDING CODE MORATORIUM; REPEAL 2/18 further referred to Senate gov-env.	
BUILDING CODE MORATORIUM; REPEAL 1/24 referred to Senate rules only.	

**S1142: PAYCHECK DEDUCTIONS; EMPLOYEE AUTHORIZATION**

Beginning October 1, 2013, a "public employer" (defined) is prohibited from deducting any third party payment from an employee's paycheck unless the employee annually provides advance express written or electronic authorization. Some exceptions. Severability clause. Emergency clause.  
First sponsor: Sen. S. Pierce

S1142 Daily History	Date Action
PAYCHECK DEDUCTIONS; EMPLOYEE AUTHORIZATION <b>2/21 Senate gov-env amended; report awaited.</b>	
PAYCHECK DEDUCTIONS; EMPLOYEE AUTHORIZATION 1/24 referred to Senate gov-env.	

**S1148: WORKERS' COMP; RECIPROCITY**

A worker from another state and that worker's employer in that other state are exempt from workers' compensation regulations while that worker is temporarily in Arizona if the employer has workers' compensation insurance coverage in another state that covers the employee and other specified conditions are met. If a worker has a claim under the workers' compensation law of another state or nation for the same injury or disease as a claim filed in Arizona, the amount of compensation paid under the other law is credited against the compensation due under Arizona law. Claims made after the effective date of this legislation are subject to these provisions regardless of the date of injury. AS PASSED SENATE.  
First sponsor: Sen. McComish

S1148 Daily History	Date Action
WORKERS' COMP; RECIPROCITY 2/18 passed Senate 24-6; ready for House.	
WORKERS' COMP; RECIPROCITY 2/14 Senate COW approved with floor amend #4169; the rules tech amendment was withdrawn.	
WORKERS' COMP; RECIPROCITY 2/5 from Senate rules with a technical amendment.	
WORKERS' COMP; RECIPROCITY 1/30 from Senate com-energy-mil do pass.	
WORKERS' COMP; RECIPROCITY 1/24 referred to Seante com-energy-mil.	

**S1151: TECH CORRECTION; TAX COURT; DECISIONS**

Minor change in Title 12 (Courts) related to tax court decisions. Apparent striker bus.  
First sponsor: Sen. McComish



S1151 Daily History	Date	Action
TECH CORRECTION; TAX COURT; DECISIONS 1/24		referred to Senate rules only.

**S1162: SALES TAX; REDUCED REPORTING REQUIREMENTS**

Taxpayers with annual transaction privilege tax liability between \$2,000 and \$8,000 are required to pay TPT on a quarterly basis (instead of a monthly basis), and taxpayers with annual TPT liability of less than \$2,000 are required to pay on an annual basis. (Formerly, taxpayers with less than \$500 annual TPT liability were permitted to pay annually, and taxpayers with between \$500 and \$1,250 annual TPT liability were permitted to pay quarterly).

First sponsor: Sen. Farley

S1162 Daily History	Date	Action
SALES TAX; REDUCED REPORTING REQUIREMENTS	2/21	from Senate fin do pass.
SALES TAX; REDUCED REPORTING REQUIREMENTS	2/20	Senate fin do pass; report awaited.
SALES TAX; REDUCED REPORTING REQUIREMENTS	1/24	referred to Senate fin.

**S1163: EMPLOYMENT DISCRIMINATION; PROHIBITION**

The list of attributes for which a person cannot be discriminated against in employment practices is expanded to include gender, gender identity or expression or sexual orientation. A religious institution is allowed to take certain actions on the basis of gender, gender identity or expression or sexual orientation if the employee's position is directly related to the religious functions of the organization.

First sponsor: Sen. Gallardo

S1163 Daily History	Date	Action
EMPLOYMENT DISCRIMINATION; PROHIBITION	1/24	referred to Seante com-energy-mil.

**S1168: TAX CREDIT; STATE UNIVERSITY (~~INTERNAL REVENUE CODE CONFORMITY~~)**

Makes changes to the state's income tax laws so that they conform to the IRS Code in effect as of January 1, 2013. AS PASSED SENATE.

First sponsor: Sen. Yarbrough

S1168 Daily History	Date	Action
TAX CREDIT; STATE UNIVERSITY	2/19	referred to House ways-means.
TAX CREDIT; STATE UNIVERSITY	2/18	passed Senate 30-0; ready for House.
<b>TAX CREDIT; STATE UNIVERSITY</b>	2/14	Senate COW approved with amend #4069. NOTE SHORT TITLE CHANGE.
INTERNAL REVENUE CODE CONFORMITY	2/12	from Senate rules okay.
INTERNAL REVENUE CODE CONFORMITY	2/7	from Senate fin with amend #4069.
INTERNAL REVENUE CODE CONFORMITY	2/6	Senate fin amended; report awaited.
INTERNAL REVENUE CODE CONFORMITY	1/24	referred to Senate fin.

**S1172: QUALIFYING CHARITABLE CREDIT; ITEMIZING DEDUCTIONS**

A taxpayer is no longer required to itemize deductions in order to claim the individual income tax credit for voluntary cash contributions to a qualifying charitable organization.

First sponsor: Sen. Yarbrough

S1172 Daily History	Date	Action
QUALIFYING CHARITABLE CREDIT; ITEMIZING DEDUCTIONS	2/18	referred to House ways-means.
QUALIFYING CHARITABLE CREDIT; ITEMIZING DEDUCTIONS	2/6	passed Senate 28-0; ready for House.
QUALIFYING CHARITABLE CREDIT; ITEMIZING DEDUCTIONS	2/4	to Senate consent calendar. From Senate rules okay.
QUALIFYING CHARITABLE CREDIT; ITEMIZING DEDUCTIONS	1/31	from Senate fin do pass.
QUALIFYING CHARITABLE CREDIT; ITEMIZING DEDUCTIONS	1/30	Senate fin do pass; report awaited.
QUALIFYING CHARITABLE CREDIT; ITEMIZING DEDUCTIONS	1/24	referred to Senate fin.

**S1177: INSURANCE; ACCREDITATION; RECEIVERSHIP LIQUIDATION FUND**

Establishes a list of standards that the Department of Insurance may consider in determining whether the continued operation of an insurer may be deemed to be hazardous to its policyholders or creditors or the general public. If the Dept determines that the continued operation of the insurer may be hazardous, the Dept may issue an order requiring the insurer to reduce liability for policy benefits, reduce or limit the volume of business being accepted or renewed, reduce expenses and increase capital, or take other specified actions. Eliminates the license for managing general agent of an insurer and instead requires a person acting in that capacity to be licensed as an insurance producer. Establishes other requirements for a managing general agent, including obtaining a surety bond and having an independent audited annual financial statement or report on file.

First sponsor: Sen. Yarbrough

S1177 Daily History	Date	Action
INSURANCE; ACCREDITATION; RECEIVERSHIP LIQUIDATION FUND	2/20	Senate fin amended; report awaited.
INSURANCE; ACCREDITATION; RECEIVERSHIP LIQUIDATION FUND	1/30	Senate fin held.
INSURANCE; ACCREDITATION; RECEIVERSHIP LIQUIDATION FUND	1/24	referred to Senate fin.

**S1182: PAYCHECK DEDUCTIONS; PUBLIC EMPLOYERS.**

Beginning October 1, 2013, a "public employer" (defined) is prohibited from deducting any third party payment from an employee's paycheck unless the employee annually provides advance express written or electronic authorization. Some exceptions. Severability clause. Emergency clause.

First sponsor: Sen. Griffin

S1182 Daily History	Date	Action
PAYCHECK DEDUCTIONS; PUBLIC EMPLOYERS.	2/21	Senate COW FAILED to approve after adopting amend #4044 and a Griffin floor amend. Roll call: 12-17.
PAYCHECK DEDUCTIONS; PUBLIC EMPLOYERS.	2/21	retained on Senate COW calendar.
PAYCHECK DEDUCTIONS; PUBLIC EMPLOYERS.	2/12	from Senate rules okay.
PAYCHECK DEDUCTIONS; PUBLIC EMPLOYERS.	2/6	from Senate gov-env with amend #4044.
PAYCHECK DEDUCTIONS; PUBLIC EMPLOYERS.	2/4	Senate gov-env amended; report awaited.
PAYCHECK DEDUCTIONS; PUBLIC EMPLOYERS.	1/24	referred to Senate gov-env.

**S1187: STATE EMPLOYEES; MEET & CONFER**

State agencies and departments are recognized as the sole and exclusive authority with respect to determining the manner in which that entity's activities are conducted and administered. Department employees cannot engage in a sickout, work slowdown or strike. The recognized employee organization and any state department shall meet and confer on a regular basis, at least once every 2 years, to discuss employment conditions. If an agreement is reached, it must be submitted to the governor for consideration, and the final decision by the governor is binding.

First sponsor: Sen. Gallardo

S1187 Daily History	Date	Action
STATE EMPLOYEES; MEET & CONFER	1/28	referred to Senate gov-env.

**S1190: ALARM CONTRACTOR REGULATION**

Removes the regulation of alarm businesses and alarm agents from the State Board of Technical Registration, which would have begun May 1, 2013, and transfers the regulatory authority to the Registrar of Contractors. Alarm businesses and agents are required to be licensed contractors and are subject to the same regulations as all other licensed contractors.

First sponsor: Sen. Reagan

S1190 Daily History	Date	Action
ALARM CONTRACTOR REGULATION	2/6	Senate com-energy-mil FAILED 2-5.
ALARM CONTRACTOR REGULATION	1/28	referred to Seante com-energy-mil.

### **S1197: VEHICLE MILEAGE TAX; ELECTRIC VEHICLES**

A vehicle mileage tax of one cent per mile driven is imposed on electric vehicles that are driven on highways in Arizona. The Department of Transportation is required to collect the tax and adopt rules necessary for implementation. The Dept is also required to increase the tax rate for the following tax year based on the average annual percentage increase, if any, in the GDP price deflator for the two most recent state fiscal years. Due to a potential increase in state revenue, this bill requires the affirmative vote of at least 2/3 of each house of the Legislature for passage.

First sponsor: Sen. Farley

S1197 Daily History	Date	Action
VEHICLE MILEAGE TAX; ELECTRIC VEHICLES	2/20	from Senate trans do pass.
VEHICLE MILEAGE TAX; ELECTRIC VEHICLES	1/28	referred to Senate fin, trans.

### **S1199: AHCCCS; SERVICE; PROVIDERS**

AHCCCS is required to have at least two subcontractors for each type of service provided. When awarding contracts, AHCCCS must give preference to subcontractors with a home office located in Arizona.

First sponsor: Sen. Farley

S1199 Daily History	Date	Action
AHCCCS; SERVICE; PROVIDERS	1/28	referred to Senate hel-hu ser, appro.

### **S1211: PROPERTY TAX DELINQUENCY; INTEREST RATE**

Property taxes bear interest from the time of delinquency at the rate of 10 percent per year simple, decreased from 16 percent.

First sponsor: Sen. Burges

S1211 Daily History	Date	Action
PROPERTY TAX DELINQUENCY; INTEREST RATE	2/20	Senate fin FAILED 1-5.
PROPERTY TAX DELINQUENCY; INTEREST RATE	1/28	referred to Senate fin.

### **S1218: TEXT MESSAGING WHILE DRIVING; PROHIBITION**

It is a nonmoving civil traffic violation to use a wireless communication device to send or receive a written message while operating a motor vehicle. Some exceptions. Violations are subject to a civil penalty of \$100 for a first violation and \$300 for a second or subsequent violation, or \$300 if the person is involved in a motor vehicle accident. Emergency clause.

First sponsor: Sen. Farley

S1218 Daily History	Date	Action
TEXT MESSAGING WHILE DRIVING; PROHIBITION	1/29	referred to Senate trans, gov-env, pub safety.

### **S1220: TPT EXEMPTION; FOUR-INCH PIPE; REPEAL**

Pipes or valves at least four inches in diameter used to transport oil, natural gas, water or coal slurry are removed from the list of items exempt from transaction privilege taxes. The State Treasurer is required to pay the amount received from transaction privilege taxes on these pipes and valves to the Department of Education for adult education and adult literacy programs.

First sponsor: Sen. Farley

S1220 Daily History	Date Action
TPT EXEMPTION; FOUR-INCH PIPE; REPEAL 1/29 referred to Senate fin.	

### **S1221: SALES TAX EXEMPTIONS; REPEAL; DATES**

Any new transaction privilege or use tax deduction or exemption established by the Legislature must include a specific repeal date of from and after December 31 of the 7th full calendar year following the enactment. Deductions and exemptions currently in statute cannot be deducted or exempted beginning tax year 2021. Due to an increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of each house of the Legislature for passage.

First sponsor: Sen. Farley

S1221 Daily History	Date Action
SALES TAX EXEMPTIONS; REPEAL; DATES 1/29 referred to Senate fin, appro.	

### **S1222: INCOME TAX CREDITS; REPEAL; DATES**

New income tax credits enacted by the Legislature are required to include a specific repeal date of from and after December 31 of the 7th full calendar year following the date the credit is enacted. Establishes a repeal date of January 1, 2021 for various existing income tax credits. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of each house of the Legislature for passage.

First sponsor: Sen. Farley

S1222 Daily History	Date Action
INCOME TAX CREDITS; REPEAL; DATES 1/29 referred to Senate fin.	

### **S1230: UCC; SECURED TRANSACTIONS; FILINGS**

For secured transaction filings, an initial financing statement or amendment that provides the name of a debtor is no longer required to provide additional information on debtor organizations.

First sponsor: Sen. Reagan

S1230 Daily History	Date Action
UCC; SECURED TRANSACTIONS; FILINGS 2/18 referred to House fin-inst.	
UCC; SECURED TRANSACTIONS; FILINGS 2/14 passed Senate 28-0; ready for House.	
UCC; SECURED TRANSACTIONS; FILINGS 2/12 from Senate rules okay.	
UCC; SECURED TRANSACTIONS; FILINGS 2/11 to Senate consent calendar.	
UCC; SECURED TRANSACTIONS; FILINGS 2/6 from Senate com-energy-mil do pass.	
UCC; SECURED TRANSACTIONS; FILINGS 1/30 referred to Senate com-energy-mil.	

### **S1233: LIMITED LIABILITY COMPANIES; OWNERSHIP INTERESTS**

An interest in a limited liability company (LLC) may be held by two or more people as joint tenants with right of survivorship or by a married couple as community property with right of survivorship, except as prohibited or restricted in an operating agreement. All co-owners of an interest in an LLC held as joint tenants or as community property must own an equal undivided interest in the interest, and have only the rights of an assignee with respect to the interest. After the death of a co-owner of the interest, the surviving co-owner succeeds to the ownership without further action by the LLC or the other members.

First sponsor: Sen. Driggs

S1233 Daily History	Date Action
LIMITED LIABILITY COMPANIES; OWNERSHIP INTERESTS <b>2/21 Senate COW approved with floor amend #4307.</b>	
LIMITED LIABILITY COMPANIES; OWNERSHIP INTERESTS <b>2/19 stricken from Senate consent calendar by Driggs.</b>	

LIMITED LIABILITY COMPANIES; OWNERSHIP INTERESTS **2/19 stricken from Senate consent calendar by McComish. From Senate rules okay.**  
 LIMITED LIABILITY COMPANIES; OWNERSHIP INTERESTS 2/18 to Senate consent calendar.  
 LIMITED LIABILITY COMPANIES; OWNERSHIP INTERESTS 2/12 from Senate jud do pass.  
 LIMITED LIABILITY COMPANIES; OWNERSHIP INTERESTS 1/30 referred to Senate jud.

**S1238: UNEMPLOYMENT INSURANCE; ERRONEOUS BENEFIT PAYMENTS**

The Industrial Commission is prohibited from relieving an employer's account of charges related to an "erroneous benefit payment" (defined) if the payment was made because of failure to respond timely to a request and the employer has a "pattern of failing" (defined) to respond timely or adequately to these requests. Applies to erroneous benefit payment established beginning October 22, 2013.  
 First sponsor: Sen. Melvin

S1238 Daily History	Date Action
UNEMPLOYMENT INSURANCE; ERRONEOUS BENEFIT PAYMENTS 2/18	referred to House ins-ret.
UNEMPLOYMENT INSURANCE; ERRONEOUS BENEFIT PAYMENTS 2/14	passed Senate <u>28-0</u> ; ready for House.
UNEMPLOYMENT INSURANCE; ERRONEOUS BENEFIT PAYMENTS 2/12	from Senate rules okay.
UNEMPLOYMENT INSURANCE; ERRONEOUS BENEFIT PAYMENTS 2/11	to Senate consent calendar.
UNEMPLOYMENT INSURANCE; ERRONEOUS BENEFIT PAYMENTS 2/6	from Senate com-energy-mil do pass.
UNEMPLOYMENT INSURANCE; ERRONEOUS BENEFIT PAYMENTS 1/30	referred to Senate com-energy-mil.

**S1310: SPECIAL FUND; WORKERS' COMP**

By January 1, 2014, the Industrial Commission is required to report the amount of cash and assets held by the Special Fund that are attributable or allocated to the payment of claims of insolvent insurers as of December 31, 2013. The report must be prepared by an independent actuary and must include specified information. Legislative Council staff is directed to prepare legislation transferring all rights and obligations of the Special Fund in regard to the administration and funding of insolvent insurer claims to the Arizona Property and Casualty Insurance Guaranty Fund for consideration in the 52nd Legislature, first regular session.  
 First sponsor: Sen. Yarbrough

S1310 Daily History	Date Action
SPECIAL FUND; WORKERS' COMP 2/14	from Senate fin with amend #4150.
SPECIAL FUND; WORKERS' COMP 2/13	Senate fin amended; report awaited.
SPECIAL FUND; WORKERS' COMP 1/31	referred to Senate fin.

**S1313: TAX CORRECTIONS**

Corrections to the tax code as recommended by the Department of Revenue and Legislative Council. Changes are for clarification or to blend conflicting statutes and are not intended to be substantive. An annual exercise.  
 First sponsor: Sen. Yarbrough

S1313 Daily History	Date Action
TAX CORRECTIONS 2/21	<b>Senate COW approved with floor amend #4309 and the rules tech amendment.</b>
TAX CORRECTIONS 2/14	retained on Senate COW calendar.
TAX CORRECTIONS 2/12	from Senate rules with a technical amendment.
TAX CORRECTIONS 2/7	from Senate fin do pass.
TAX CORRECTIONS 2/6	Senate fin do pass; report awaited.
TAX CORRECTIONS 1/31	referred to Senate fin.

**S1315: PROPERTY TAX ROLL; CORRECTIONS**

Property owners must be notified of a property tax roll correction, and the property owner may appeal the correction. A notice of proposed correction for certain errors is limited to the tax year for which the annual notice of value was

mailed and must be mailed by June 30 of the valuation year. If an error is discovered after the roll has been extended, additional tax, interest or penalties cannot be imposed, with some exceptions. On the consent of the taxpayer to the roll correction or a decision of the board of equalization, the county treasurer must mail a corrected billing to the taxpayer, and taxes are delinquent if they are not paid within 60 days after the corrected billing is mailed. If taxes have been overpaid, they must be refunded with interest within 90 days after the roll is corrected.

First sponsor: Sen. Yarbrough

S1315 Daily History	Date	Action
PROPERTY TAX ROLL; CORRECTIONS	<b>2/20</b>	<b>Senate fin amended; report awaited.</b>
PROPERTY TAX ROLL; CORRECTIONS	1/31	referred to Senate fin.

### **S1327: TASK FORCE; GAS TAX REPLACEMENT**

Establishes a 20-member Highway User Fee Replacement Task Force to develop a design for revenue collection for the state's transportation system that will replace the motor fuel tax and use fuel tax. The Task Force is required to report to the Legislature by October 1, 2014. By October 1, 2015, the Department of Transportation is required to develop and implement pilot programs to test alternatives to motor vehicle fuel taxes and use fuel taxes to pay for highway use. The Dept is authorized to use monies in the State Highway Fund to implement and support the Task Force and pilot programs. Effective September 1, 2013. Self-repeals October 1, 2023.

First sponsor: Sen. Farley

S1327 Daily History	Date	Action
TASK FORCE; GAS TAX REPLACEMENT	2/6	from Senate trans do pass.
TASK FORCE; GAS TAX REPLACEMENT	2/4	referred to Senate trans, appro, fin.

### **S1349: PAYCHECK DEDUCTIONS; EMPLOYEE AUTHORIZATION**

Beginning October 1, 2013, a "public employer" (defined) is prohibited from deducting any third party payment from an employee's paycheck unless the employee annually provides advance express written or electronic authorization. Some exceptions. Severability clause. Emergency clause.

First sponsor: Sen. Murphy

S1349 Daily History	Date	Action
PAYCHECK DEDUCTIONS; EMPLOYEE AUTHORIZATION	<b>2/19</b>	<b>from Senate gov-env with amend #4224.</b>
PAYCHECK DEDUCTIONS; EMPLOYEE AUTHORIZATION	2/4	referred to Senate gov-env. Senate gov-env.held.

### **S1351: DESTINATION MGMT COMPANY; EXEMPTION; REFUND**

A qualified destination management company is not liable for any transaction privilege taxes on the gross proceeds of sale or gross income derived from a "qualified contract" (defined) for "destination management services" (defined). Applies retroactively to tax years beginning January 1, 2002. Any claim for a refund based on the retroactive application must be submitted to the Department of Revenue by December 31, 2013. The total amount of refunds issued is limited to \$10,000.

First sponsor: Sen. Reagan

S1351 Daily History	Date	Action
DESTINATION MGMT COMPANY; EXEMPTION; REFUND	<b>2/20</b>	<b>Senate fin amended; report awaited.</b>
DESTINATION MGMT COMPANY; EXEMPTION; REFUND	2/4	referred to Senate fin.

### **S1364: DOR AUDITS; THREE-YEAR LIMIT**

The Department of Revenue is required to mail a notice for additional tax due within three years, decreased from four years, after the report or return is filed or required to be filed, whichever is later. Effective beginning tax year 2014.

First sponsor: Sen. Murphy

S1364 Daily History	Date	Action
DOR AUDITS; THREE-YEAR LIMIT	<b>2/20</b>	<b>Senate fin amended; report awaited.</b>
DOR AUDITS; THREE-YEAR LIMIT	2/4	referred to Senate fin.

### **S1368: MINIMUM WAGE; EMPLOYEE; DEFINITION**

For the purpose of wage payment regulations, the definition of "employee" is modified to apply only to any person who is or was employed by an employer for "wages" (defined). Repeals statute prohibiting political subdivisions from establishing a minimum wage that exceeds the federal minimum wage. Due to voter protection, this bill requires the affirmative vote of at least 3/4 of each house of the Legislature for passage.

First sponsor: Sen. Griffin

S1368 Daily History	Date	Action
MINIMUM WAGE; EMPLOYEE; DEFINITION	<b>2/19</b>	<b>stricken from Senate consent calendar by Gallardo.</b>
MINIMUM WAGE; EMPLOYEE; DEFINITION	<b>2/19</b>	<b>from Senate rules okay.</b>
MINIMUM WAGE; EMPLOYEE; DEFINITION	2/18	to Senate consent calendar.
MINIMUM WAGE; EMPLOYEE; DEFINITION	2/13	from Senate com-energy-mil do pass.
MINIMUM WAGE; EMPLOYEE; DEFINITION	2/4	referred to Senate com-energy-mil.

### **S1369: UNEMPLOYMENT INSURANCE; REIMBURSABLE EMPLOYERS**

For the purpose of special unemployment insurance regulations for nonprofit organizations and state and local governments, statute requiring the Industrial Commission to maintain a separate account for each employer and certain regulations relating to the separate accounts are removed from the list of regulations that do not apply to benefits paid that were based on wages paid during the nonprofit or government employer's period of election to make payments in lieu of contributions.

First sponsor: Sen. Griffin

S1369 Daily History	Date	Action
UNEMPLOYMENT INSURANCE; REIMBURSABLE EMPLOYERS	<b>2/21</b>	<b>passed Senate 29-0; ready for House.</b>
UNEMPLOYMENT INSURANCE; REIMBURSABLE EMPLOYERS	<b>2/19</b>	<b>from Senate rules okay.</b>
UNEMPLOYMENT INSURANCE; REIMBURSABLE EMPLOYERS	2/18	to Senate consent calendar.
UNEMPLOYMENT INSURANCE; REIMBURSABLE EMPLOYERS	2/13	from Senate com-energy-mil do pass.
UNEMPLOYMENT INSURANCE; REIMBURSABLE EMPLOYERS	2/4	referred to Senate com-energy-mil.

### **S1371: MUNICIPAL ELECTIONS; BALLOT; DISCLOSURE**

For any municipal election to approve a bond, sales tax, property tax or franchise agreement measure, the ballot format must include specified estimates of the relevant tax or utility rates, amounts or fees.

First sponsor: Sen. Griffin

S1371 Daily History	Date	Action
MUNICIPAL ELECTIONS; BALLOT; DISCLOSURE	<b>2/20</b>	<b>from Senate elect do pass.</b>
MUNICIPAL ELECTIONS; BALLOT; DISCLOSURE	2/4	referred to Senate elect.

### **S1383: PROPERTY TAX LIMITS; LOCAL DISTRICTS**

Beginning in tax year 2014, the maximum amount of the annual property tax levy by any special taxing district cannot exceed an amount two percent greater than

the amount levied in the preceding tax year. The limit is increased each year to the maximum permissible, whether or not the district actually levies taxes to that amount. Does not apply to property taxes levied to pay bonded indebtedness or other long-term obligations incurred prior to 2014. District voters may allow property taxation in excess of the limit for a single tax year by a 2/3 vote.

First sponsor: Sen. Melvin

S1383 Daily History	Date	Action
PROPERTY TAX LIMITS; LOCAL DISTRICTS	2/20	Senate fin held.
PROPERTY TAX LIMITS; LOCAL DISTRICTS	2/4	referred to Senate fin.

**S1394: EMPLOYEE CREDIT HISTORY CHECK; LIMITATIONS**

Employers are prohibited from failing or refusing to hire, discharging or otherwise discriminating against an individual with respect to compensation or terms of employment because of the individual's credit report or credit history, and from inquiring about an applicant's or employee's credit report or credit history. Some exceptions. An employer in violation is liable to the injured individual for actual damages suffered and reasonable attorney fees.

First sponsor: Sen. McGuire

S1394 Daily History	Date	Action
EMPLOYEE CREDIT HISTORY CHECK; LIMITATIONS	2/5	referred to Senate com-energy-mil, gov-env.

**S1408: FINGERPRINT CLEARANCE CARDHOLDERS; BACKGROUND CHECKS**

A person who holds a valid fingerprint clearance card is not required to submit a full set of fingerprints for the purpose of obtaining a subsequent criminal history records check for any other reason. This must be printed on fingerprint clearance cards.

First sponsor: Sen. Murphy

S1408 Daily History	Date	Action
FINGERPRINT CLEARANCE CARDHOLDERS; BACKGROUND CHECKS	2/21	from Senate pub safety with amend #4277.
FINGERPRINT CLEARANCE CARDHOLDERS; BACKGROUND CHECKS	2/20	Senate pub safety amended; report awaited.
FINGERPRINT CLEARANCE CARDHOLDERS; BACKGROUND CHECKS	2/13	Senate pub safety held.
FINGERPRINT CLEARANCE CARDHOLDERS; BACKGROUND CHECKS	2/5	referred to Senate pub safety.

**S1411: SOCIAL MEDIA PASSWORDS; PROHIBITION**

Employers are prohibited from requesting or requiring that an employee or applicant disclose any user name, password or other means of accessing a personal account or service through an electronic communications device. Employers are prohibited from discharging or disciplining an employee, and from failing or refusing to hire an applicant for refusal to disclose this information. Does not prevent an employer from investigating certain violations, prescribing workplace policies governing the use of the employer's electronic equipment or monitoring the use of the employer's electronic equipment and electronic mail.

First sponsor: Sen. Murphy

S1411 Daily History	Date	Action
SOCIAL MEDIA PASSWORDS; PROHIBITION	2/21	from Senate com-energy-mil with amend #4274.
SOCIAL MEDIA PASSWORDS; PROHIBITION	2/20	Senate com-energy-mil amended; report awaited.
SOCIAL MEDIA PASSWORDS; PROHIBITION	2/14	from Senate pub safety do pass.
SOCIAL MEDIA PASSWORDS; PROHIBITION	2/13	Senate com-energy-mil held. Senate pub safety do pass; report awaited.
SOCIAL MEDIA PASSWORDS; PROHIBITION	2/5	referred to Senate com-energy-mil, pub safety.



**S1435: TPT EXEMPTIONS; MODULAR DATA CENTER**

The lists of items deducted from the retail transaction privilege tax base and exempt from use taxes are expanded to include gross income from the sale of modular data center units that were sold or transferred to an entity "affiliated" (defined) with the seller or transferor. Applies to tax periods beginning January 1, 2014.

First sponsor: Sen. Worsley

S1435 Daily History	Date	Action
TPT EXEMPTIONS; MODULAR DATA CENTER	2/21	from Senate fin do pass.
TPT EXEMPTIONS; MODULAR DATA CENTER	2/20	Senate fin do pass; report awaited.
TPT EXEMPTIONS; MODULAR DATA CENTER	2/6	referred to Senate fin.

**S1452: CLASS ACTION LAWSUITS**

One or more members of a class of persons who are Arizona resident may sue as representative parties on behalf of all members of the class if specified conditions are met. Conditions under which an action may be maintained as a class action are also specified, and the proponents must offer clear and convincing evidence that the action complies with these requirements for the court to certify an action as a class action. In any class action, the court is required to direct the best notice practicable to the members of the class, and the notice must include specified information. Establishes a list of orders that the court is permitted to make in the conduct of class actions. Class actions cannot be dismissed or compromised without court approval.

First sponsor: Sen. Yee

S1452 Daily History	Date	Action
CLASS ACTION LAWSUITS	2/19	from Senate jud do pass.
CLASS ACTION LAWSUITS	2/7	referred to Senate jud.

**S1463: COUNTIES; FLOOD CONTROL DISTRICTS; RULES**

County boards of supervisors and county flood control district boards are required to adopt procedures for the adoption, amendment, repeal and enforcement of rules that contain at least specified provisions, including public notice at various stages. Some exceptions. Effective January 1, 2014 for a county with a population of 375,000 or more, and January 1, 2015 for a county with a population of less than 375,000.

First sponsor: Sen. Griffin

S1463 Daily History	Date	Action
COUNTIES; FLOOD CONTROL DISTRICTS; RULES	2/19	from Senate gov-env with amend #4221.
COUNTIES; FLOOD CONTROL DISTRICTS; RULES	2/6	referred to Senate gov-env.