Welcome to the 2010 New Laws Report of the League of Arizona Cities and Towns. We hope this document will assist you in understanding this year's enacted legislation.

A total of 1,233 bills and 169 memorials and resolutions were introduced this legislative session. Of these, 352 bills were passed by both chambers and sent to Governor Brewer. The Governor signed 338 bills and vetoed 14 others. In addition, a total of 33 memorials and resolutions were sent to the Secretary of State's Office. At the conclusion of the legislative session, the League reviewed all the laws passed and checked each one for potential impacts to municipalities. Applicable laws were then summarized and compiled into this annual publication.

We organize the bills by subject, provide a brief summary of each law and outline any other pertinent information in each bill. Although we make every attempt to ensure the accuracy of the summaries, we suggest further review of the full text of the law by your city or town attorney before enforcement or implementation.

**Obtaining copies of new laws**

To obtain a copy of a new law, please visit the state's legislative website at [www.azleg.gov](http://www.azleg.gov). Click on the link on the left side of the page titled "Session Laws." The laws can be accessed by chapter number or bill number (both numbers are included in each New Laws Report summary, and the chapter numbers are linked to the bill for your convenience) or you can search for a new law by key phrase. You can also call the League if you would like a copy of a chaptered bill.

**General effective date**

The general effective date for bills is 90 days after the Legislature adjourns; this year's general effective date is July 29, 2010. Some new laws contain an emergency clause, which means the law becomes effective when the Governor signs the bill. Bills that contain appropriations or increases in taxes and fees also become effective upon signature. Bills can also specify a special effective date, which can be later or earlier than the general effective date. The summaries indicate the effective date when a bill contains an emergency clause or other special effective date.

As always, please call the League if you have any questions about the information contained in this report, or any other legislative matter.
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ELECTIONS

SB 1393 secretary of state; elections; lobbyists - Makes a number of changes to the election laws. Of interest to cities and towns, signature rosters must now be kept permanently. Committees filing $500 threshold exemption statements must now keep track of contributions and expenditures in case they go over the limit and have to file as political committees. $500 threshold exemption committees are automatically terminated 90 days after the election cycle and must file a termination statement or be subject to a penalty of $100. Political committees formed to support or oppose ballot propositions must include on the literature or advertisement a "paid for" disclosure listing the name of the committee. Also amends the procedures for initial review of initiative and referendum petitions to include removal of petitions circulated by a person found guilty of petition fraud and where the circulator has filled in part of the petition signer information. On lobbyist registration, changes when lobbyists including public bodies must reregister from November of each even numbered year to the second Monday in January of each odd numbered year. The initiative and referendum law changes are effective after November 2, 2010. Emergency clause for other provisions effective April 28, 2010. Chapter 209.

SB 1422 petitions; post office box addresses - Changes the nomination petition form. Allows a person signing nomination petitions or referendum petitions to use a post office box address if no residence address has been assigned to the person's residence by a government agency and the person's residence address has not changed from what the county recorder has on file. Effective July 29, 2010. Chapter 284.

HB 2069 county election law amendments - Changes the election notice requirements that must be mailed to registered voters on the permanent early voting list. Allows the election notice to be sent only for polling place elections. Effective July 29, 2010. Chapter 173.

HB 2427 military overseas voting; ballot arguments - Allows an absent or overseas service member applying for an early ballot to designate a method of transmission of the ballot, and the elections officer must provide materials in the designated format. Requires the elections officer to provide a method for the voter to verify that the voted ballot has been received. Shortens the deadline by which arguments for or against ballot propositions must be submitted to the Secretary of State from 53 days to 48 days before the primary election. Contains an emergency clause and is effective February 11, 2010. Chapter 2.

HB 2491 city elections; majority vote - Permits a city or town to adopt an ordinance to provide that the total of all votes tabulated for mayoral candidates constitutes the total number of votes cast at the election, and those votes are the basis for calculating whether a candidate for mayor or city council has received the majority of all votes cast at the election. Contains an emergency clause and is effective April 14, 2010. Chapter 51.

HB 2647 initiatives; review; title; signature collection - Amends the law on petition signature fraud to provide an exception to a violation if the person involved reports the suspected unlawful or fraudulent signature collection to the filing officer or refuses to file the suspected unlawful or fraudulent signatures. Petition signature fraud now occurs when the signatures are collected. Makes several other changes affecting initiatives and referendums filed with the Secretary of State on state issues. Effective July 29, 2010. Chapter 95.

HB 2788 campaign finance; independent expenditures - Requires a corporation or labor union that makes an independent campaign expenditure of $1000 in a city or town election advocating for or against a candidate to register and file expenditure reports for the initial and all subsequent expenditures of $1,000 or more with the city/town clerk. Clarifies that these independent expenditures do not qualify as prohibited political contributions. Requires the notice to be filed on or before the day after making the expenditure. Requires the city or town to provide public access to registrations and notifications. Permits the Secretary of
State to provide for electronic filing for local elections on or after November 27, 2010 at the request of the local election filing officer. Establishes the process for determining whether the expenditure was made properly and that violators are subject to a civil penalty of up to triple the amount of the expenditure as well as a class one misdemeanor for false filing. Requires disclosure statements in all advertisements. States that a reasonable cause determination for violations that occur before November 27, 2012 may only be made by the Secretary of State. Allows cities and towns to make their own reasonable cause determinations for violations that occur after November 27, 2012, though they may still elect to have the Secretary of State make reasonable cause determinations on their behalf. Contains an emergency clause and is effective April 1, 2010. Chapter 4.
FINANCE

SB 1083 improvement districts; reserve fund - Authorizes the creation of reserve funds for municipal improvement district financings using the proceeds of special assessment lien bonds. Specifies that the monies in the reserve fund may only be used to cure deficits in the principal and interest funds or to pay interest and principal on the final maturity or maturities of the bonds. Requires a municipality, when redeeming a delinquent assessment, to appropriate monies from any reserve fund before appropriating monies from the municipality's general fund. Allows a municipality to eliminate a deficiency in the collection of an assessment by a temporary loan from any reserve fund before using the municipality's general fund. Permits a city and the county treasurer to enter into an agreement for the county treasurer to collect special assessments for a municipal improvement district in the same manner provided for the collection and enforcement of general taxes. Allows a city to provide for the payment of the county treasurer's collection expenses directly related to such an agreement, which may be provided for as part of the assessment. Effective July 29, 2010. Chapter 298.

HB 2156 internal revenue code conformity - Modifies the statutory definition of the internal revenue code (IRC) for the purposes of computing state income to conform to the federal IRC in effect as of January 1, 2010, as well as provisions enacted retroactively for previous tax years. Includes some changes adopted by Congress in the American Recovery and Reinvestment Act of 2009 (ARRA), the Consumer Assistance to Recycle and Save Act of 2009, the Worker, Homeownership, and Business Assistance Act of 2009 (WHBAA) and the Haiti Relief Act of 2010 (HRA). Does not conform to the following federal provisions:

ARRA

- Suspension of Tax on Unemployment Compensation - Excludes up to $2,400 of unemployment compensation from federal gross income for TY 2009.
- New Car Deduction - Provides an individual income tax deduction for sales tax paid in 2009 on the purchase of a new vehicle valued at $49,000 or less.
- Net Operating Loss (NOL) Carryback for Small Businesses - Provides a five-year carryback of 2008 net operating losses for businesses with $15 million or less in gross receipts.
- Delay of Tax on Cancellation of Debt Income - Allows businesses with cancellation of debt income in 2009 and 2010 to defer payment of tax for five years.

WHBAA

- NOL Carryback - Provides a five-year carryback of 2008 or 2009 net operating losses for all business, with a 50% income limit on NOL offsets in the fifth year.

HRA

- 2010 Contributions - Allows cash contributions made between January 11, 2010, and March 1, 2010, for the relief of Haiti earthquake victims to be treated as if the contributions were made December 21, 2009, for tax purposes.

Requires taxpayers to add the following when computing Arizona adjusted gross income:

- The amount of unemployment compensation excluded from the computation of federal adjusted gross income (FAGI) pursuant to IRC § 85(c), as added by ARRA.
- The amount of discharge of indebtedness income that is deferred and excluded from the computation of FAGI or federal taxable income in the current taxable year pursuant to IRC § 108(i), as added by ARRA.
- The amount of any previously deferred original issue discount deducted in computing FAGI or federal taxable income in the current taxable year pursuant to IRC § 108(i), as added by ARRA, to the extent the amount was previously subtracted from Arizona gross income.
Directs taxpayers to subtract the following when computing Arizona adjusted gross income:

- The amount of any original issue discount that was deferred and not allowed to be deducted in computing FAGI or federal taxable income in the current taxable year pursuant to IRC § 108(i), as added by ARRA.
- The amount of previously deferred discharge of indebtedness income included in the computation of FAGI or federal taxable income in the current taxable year pursuant to IRC § 108(i), as added by ARRA, to the extent the amount was previously added to Arizona gross income.
- The portion of NOL carryforward that would have been allowed as a deduction in the current year pursuant to IRC § 172 if the election described in IRC § 172(b)(1)(h) had not been made in the year of the loss that exceeds the actual NOL carryforward deducted in computing FAGI. This only applies to taxpayers who made an election under IRC § 172(b)(1)(h), as amended by ARRA or WHBAA.

Applies retroactively to January 1, 2009 for changes to additions, subtractions, and itemized deductions related to ARRA and WHBAA when computing Arizona taxable income. Chapter 176.

HB 2257 municipalities; counties; taxes; fees; notice - Prohibits a municipality or county from levying or assessing any new or increased taxes or fees unless it provides written notice of the proposed charge, whether new or at an increased rate, at least 60 days before the date the proposed tax or fee is approved or disapproved by the governing body on the municipality's or county's homepage of its website. Requires a municipality and a county to demonstrate that the taxes or fees are imposed pursuant to statute. Specifies that the requirements do not apply to property taxes, county capital improvement plans, and city infrastructure improvement plans. Effective July 29, 2010. Chapter 316.

HB 2335 municipal; county; expenditure limitation - Cities and towns that make expenditures for capital improvements from utility revenues and/or from excise taxes levied for a specific purpose are not deemed to have exceeded the expenditure limitation contained in the Arizona Constitution provided that the expenditure is repaid from the proceeds of bonds or other long-term obligations before the hearing held by the Auditor General that determines if any city or town has exceeded their expenditure limitation. Effective July 29, 2010. Chapter 69.

HB 2423 municipal and county budgets - Eliminates the requirement for city and town councils to hold a special meeting on the property tax levy, although a public hearing is still required. Current state law requires that a report on estimates of expenses be prepared in conjunction with the public hearing on the property tax levy and that the report be published in a newspaper and made available at libraries and administrative offices. Requires that the report include estimates of expenditures and revenues as well as including a requirement for the report to be posted on the city or town website. Also requires that the newspaper publication now include a physical address for the library and the city or town website address. Effective July 29, 2010. Chapter 100.

HB 2489 bonding; net premiums - Raises the cap on the amount of net premium associated with a bond issue from 2 percent to 5 percent. Specifies that costs incurred in issuing bonds may be paid from the net premium of a bond issue. Clarifies that any net premium not used to pay the costs of the bond issue may only be used to make interest payments. Allows the governing body or board of a political subdivision to determine the manner in which bonds may be sold, within the parameters set forth by statute. Removes the restriction that bonds sold by public sale must be sold to natural persons residing in Arizona. Eliminates the sale of bonds through an accelerated bidding process. Eliminates the requirement for all bidders to submit a bid guarantee and instead requires the successful bidder to provide a bid guarantee within 24 hours after the bid is awarded. Contains an emergency clause and is effective May 3, 2010. Chapter 215.

HB 2507 property tax valuation; governmental actions - Creates a new methodology for determining limited property value in the case of property that was split or consolidated as a result of an action initiated by a governmental entity, including cities and towns. Effective July 29, 2010. Chapter 96.
HB 2510 city sales tax; corporate lease - Exempts certain commercial leases from municipal sales tax in which a reciprocal insurer or a corporation leases property to an affiliated corporation. Effective July 29, 2010. Chapter 260.

HB 2513 municipal transaction privilege taxes; report - Requires cities and towns to issue a report to the Department of Revenue (DOR) by September 1 each year containing the total amount of transaction privilege tax (TPT) and excise tax monies collected by the city or town from the prior year, if the city or town does not contract with DOR for collection services. Effective July 29, 2010. Chapter 154.

SB 1183 public accommodation; bilingual accommodation - Except as required by federal law, a person is not required to provide a potential customer/client with a trained language interpreter or documentation in native language when providing services to the general public at a place of public accommodation. Effective July 29, 2010. Chapter 219.

SB 1349 state parks; request for information - Requires the Director of the Arizona Department of Administration to authorize the Arizona State Parks Board to contract with a public or private entity or an Indian tribe to 1) assist in the operation, management or maintenance of one or more state parks or, 2) completely operate, manage or maintain one or more state parks. Contains an emergency clause of May 6, 2010. Also contains a sunset clause of June 30, 2011. Chapter 249.

HB 2209 public meetings; notices - Requires cities and towns to post all public meeting notices on their website or on the League's website and give additional public notice as is "reasonable and practicable" to all meetings. Also requires that instead of filing with the Secretary of State the listing of physical locations where "hard copies" of meeting notices are placed in the community, cities and towns must now post it on their website or the League's website. Requires city or town clerks to post open meeting law materials prepared by the Attorney General on their website, and requires a person elected or appointed to the city or town council to review the materials at least one day before the day that person takes office. (Previously, the clerks were required to distribute the Open Meeting Law materials to newly elected officials before they took office). Effective July 29, 2010. Chapter 88.

HB 2282 political subdivisions; government transparency - Requires cities, towns, counties, community colleges, universities and school districts by January 1, 2013, to establish and maintain an official Internet website that is accessible to the public at no cost. Requires each local government website to maintain a comprehensive reporting of all revenues and expenditures over $5,000 of local monies, updated at least four times per year or when new data become available. Requires the data to be retained and accessible on the local government website for at least three fiscal years. Requires the Arizona Department of Administration (ADOA) to establish an Internet Web portal that provides a list of all local governments with information pertaining to local government contacts, elections, taxes and fees. Requires each local government to report to ADOA all expenditures for communications that promote an individual elected public official and that include the official's name or physical likeness, but not communications that are required by statute, ordinance or rule and activities that are conducted in the normal course of the local government's operations. Requires local governments to report all incurred debt to the Department of Revenue according to a schedule determined by the Department. Effective July 29, 2010. Chapter 288.

HB 2302 publication of notices; committee - Establishes a study committee of five state senators and five state representatives to examine existing statues requiring newspaper publication of legal or public notices applicable to cities, towns, and counties to consider the efficient use of taxpayer monies, and to preserve the public's right to know. Requires the committee to consider various factors upon examination, including rural versus urban areas, age of the population, percentage of the population with access or ability to use the internet, cost to local governments in instituting or upgrading technology to provide internet access, key components of public notice, and any remaining factors that should be considered in the evaluation of efficient uses of taxpayer money and the preservation of the public's right to know. Requires the committee to submit a report on recommendations for legislative action to the Governor, the President of the Senate, and Speaker of the House of Representatives and provide a copy of the report to the Secretary of State by November 4, 2011. Effective July 29, 2010. Chapter 132.
HUMAN RESOURCES

SB 1029 law enforcement officers; disciplinary action - Prohibits an officer from being subject to disciplinary action except for just cause. Excludes officers who have not yet completed their probationary period, if one is required by their employer, and officers being dismissed due to administrative purposes. Stipulates that this act does not apply to existing agreements between an officer's lawful representative association and an officer's employer. Defines "just cause" and "law enforcement officer" for purposes of these provisions. Effective July 29, 2010.  Chapter 75.

SB 1305 public monies; insurance; abortion; prohibition - Prohibits the use of public funds or tax monies of the state or any political subdivisions to pay the costs associated with a health insurance policy that provides abortion-related benefits, except in specified circumstances. Effective July 29, 2010.  Chapter 114.

SB 1325 polygraph examinations; interviews; law enforcement - Makes changes to the investigatory protocol for law enforcement officers and probation officers, including but not limited to: representation, notice, polygraphs and suspensions. Effective July 29, 2010.  Chapter 210.

HB 2166 law enforcement; officer; representation - Prohibits an employer who violates statutory requirements related to disciplinary interviews from using evidence obtained in the interview at an appeal hearing, except if the violation is harmless or on a showing of good cause. The current statutory requirements include: a) the officer may request to have a representative present, and the employer cannot discipline, retaliate against or threaten to retaliate against an officer for requesting a representative or acting as a representative, and b) the officer must be permitted reasonable breaks for consultation with others. Effective July 29, 2010.  Chapter 177.

HB 2296 peace officer; spouse; insurance payment (also cited as "Harrolle's Law") - Defines law enforcement officer as a peace officer certified by the Arizona Peace Officers Standards and Training Board, a detention/corrections officer, or a probation/surveillance officer employed by the state or a political subdivision. If an officer was enrolled in the employer's health insurance plan and is killed in the line of duty, the officer's spouse and dependents are entitled to one year of payments for health insurance premiums from the employer. The spouse and/or dependents must be enrolled in the employer's health insurance plan at the time of death. Payments may be reduced by the amount of benefits paid to the family from an active retirement plan. Effective retroactively to December 31, 2009.  Chapter 148.

HB 2477 civil actions; public employee; definition - Adds "leased employee" to the definition of employee in the statutes relating to actions against public entities or public employees. Defines leased employee as "a person providing services to a public entity under a lease agreement and is not an independent contractor or temporary employee." Effective July 29, 2010.  Chapter 72.

For a listing of bills affecting Retirement issues, please go to the respective agency websites:

Arizona State Retirement System

Public Safety Personnel Retirement System & Elected Officials Retirement Plan
SB 1359 department of water resources; fund - Permanently establishes the Water Resources Fund (WRF), primarily consisting of monies collected through existing fees imposed by the Arizona Department of Water Resources (ADWR). Removes the restriction on the use of monies in the Dam Repair Fund and allows monies to be used for all expenses related to dams and reservoirs. Specifies that any fee, assessment or other levy that is collected and deposited into WRF only be used for statute purposes. Effective July 29, 2010.  Chapter 282.

SB 1398 regulations; local coordination - Requires a local government to demand by any lawful means that the federal and state governments coordinate on policy with the local government before implementing federal or state regulations within jurisdictional boundaries. Requires the local government to hold a hearing on whether to authorize litigation to enforce the local government's coordination rights. Requires local governments to hold a public hearing to present information on the decision not to demand coordination if a written demand is made by a person who resides or does business in this state. Defines coordination as the legal right and power of local government to demand coordination between federal and city or town laws, regulations, plans and policies if the city, town, or county law, regulation, plan or policy would be less restrictive than the federal law, regulation, plan or policy. Defines less restrictive to mean that a law, regulation, plan or policy would impose less of a burden on the exercise of rights, privileges or immunities enjoyed by individuals, organizations and businesses within the local government's jurisdictional boundaries. Effective July 29, 2010.  Chapter 189.

SB 1410 trust land exchanges; military preservation - State lands held by this enabling act or the Arizona State Constitution may be exchanged for public lands to protect and preserve military facilities located in state. At least two independent analyses regarding the financial and physical implications of the exchange must be conducted. Outlines administrative procedures regarding public hearings and the referendum process associated with this act. Effective date is conditioned upon Senate Concurrent Resolution (SCR) 1047, wherein the voters must amend the Arizona State Constitution to authorize the exchange of state trust land for public lands at the 2010 General Election.  Chapter 222.

HB 2133 air quality nonattainment areas; designation - Establishes communication and administrative procedures between the U.S. Environmental Protection Agency (EPA) and the state when national air quality standards are revised or expanded. The definition of "begin actual construction" is broadened to include grading and the installation of access, ancillary and/or utility infrastructure. Changes in statute are conditioned upon EPA approval no later than Oct. 1, 2013.  Chapter 315.

HB 2260 regulatory rule making - Municipalities shall supply information to the Secretary of State in a prescribed manner for the purpose of the office's online database comprised of statewide municipal codes, ordinances and business license requirements. The database will be searchable by city or town, date, topic, law and/or license. Effective on or before December 31, 2015.  Chapter 287.

HB 2302 publication of notices; committee - Establishes a study committee of five state senators and five state representatives to examine existing statues requiring newspaper publication of legal or public notices applicable to cities, towns, and counties to consider the efficient use of taxpayer monies, and to preserve the public's right to know. Requires the committee to consider various factors upon examination, including rural versus urban areas, age of the population, percentage of the population with access or ability to use the Internet, cost to local governments in instituting or upgrading technology to provide Internet access, key components of public notice, and any remaining factors that should be considered in the evaluation of efficient uses of taxpayer money and the preservation of the public's right to know. Requires the committee to submit a report on recommendations for legislative action to the Governor, the President of the Senate, and Speaker of the House of Representatives and provide a copy of the report to the Secretary of State by
HB 2586 agency rulemaking; fees - State departments of Environment Quality, Health, Land and Water Resources are exempted from a moratorium on fee increases. Each agency must provide public notice at least 30 days before rules are adopted and assess fees in a nondiscriminatory manner to public and private sector parties. Effective June 14, 2010. Chapter 290.

HB 2653 intergovernmental agreements; separate legal entities - Political subdivisions are permitted to join forces and declare the formation of a separate legal entity via an intergovernmental agreement to tackle an undertaking such as the development, improvement, or expansion of real property. The governing body of the new legal entity must be composed of officials that are party to the agreement and act in a manner prescribed by the agreement. Effective July 29, 2010. Chapter 328.

HB 2767 water quality fees - The Arizona Department of Environmental Quality (ADEQ) has been authorized to increase fees and establish one-time administrative fees for services. Requires monies collected by ADEQ from the Arizona Pollutant Discharge Elimination System Program (AZPDES) to be deposited in the Water Quality Fee Fund (Fund). Stipulates that monies deposited into the Fund or collected for other water quality purposes are exempt from legislative appropriations and are to be used only for those purposes. Effective July 29, 2010. Chapter 265.
Local Enforcement of Immigration Law

- Requires all law enforcement officials to make a reasonable attempt, when practicable, to determine the immigration status of a person unless the determination may hinder an investigation:
  - For any lawful stop, detention or arrest;
  - In the enforcement of any other law or ordinance of this state, a county, city or town;
  - If reasonable suspicion exists that the person is in the country illegally.
- Prohibits law enforcement officials from considering race, color or national origin when implementing these provisions, except as permitted by the U.S. or Arizona Constitutions.
- Requires that an arrested person's immigration status must be determined before the person is released and must be verified with the federal government and that a person is presumed to be lawfully present if the person provides any of the following:
  - A valid Arizona driver's license;
  - A valid Arizona non-operating identification license;
  - A valid tribal enrollment card or other form of tribal identification; or
  - A valid federal, state or local government issued identification, if the issuing entity requires proof of legal presence before issuance.
- Prohibits law enforcement officials of political subdivisions from restricting or limiting the enforcement of the federal immigration laws to less than the full extent permitted by federal law, and allows a legal resident of this state to bring an action in Arizona Superior Court to challenge an official or agency that does so. Requires the court to assess a penalty on the offending entity of at least $500 but not more than $5,000 for each day the prohibited policy remained in effect after the filing of the action. Authorizes the court to award court costs and reasonable attorney fees to any person or any official or agency that prevails in a case brought under these provisions.
- Indemnifies officers against actions brought under these provisions, except if the officer has been adjudged to have acted in bad faith.
- Stipulates that an alien's immigration status may be determined by law enforcement officer who is authorized by the federal government to verify or ascertain an alien's immigration status, as well as the Immigration and Customs Enforcement (ICE) agency or the Customs and Border Protection (CBP) agency pursuant to 8 U.S.C. § 1373(c).
- Requires that ICE or CBP be notified when a person who is unlawfully in the country is released from prison or who was assessed a monetary penalty for a conviction or any state or local law.
- Permits law enforcement officials to transport a person in custody and unlawfully in the country to a federal facility in this state or any point of transfer into federal custody that is outside the jurisdiction of the law enforcement agency. Requires law enforcement officials to obtain judicial authorization before securely transporting a person unlawfully in the country to a point outside of this state.
- Prohibits officials or agencies of the state and political subdivisions from being prevented or restricted from sending, receiving or maintaining an individual's immigration status information or exchanging that information with any other governmental entity for the following official purposes:
  - determining eligibility for any public benefit, service or license provided by any federal, state, local or other political subdivision of this state;
  - verifying any claim of residence or domicile if that verification is required under state law or a judicial order issued pursuant to a civil or criminal proceeding in the state;
  - pursuant to federal law; or
  - if the person is an alien, determining whether the person is in compliance with federal alien registration laws.
**Additional Offenses**

- Adds as a state offense the failure to complete or carry an alien registration document if the person is in violation of 8 U.S.C. § 1304(e) or 1306(a).
- Makes it a crime for the driver of a vehicle to stop on any roadway and block or impede traffic for the purposes of hiring passengers for work at a different location or for a person to enter the motor vehicle and be hired and transported to work at a different location.
- Makes it unlawful for a person who is in the country illegally to knowingly apply for work, solicit work in a public place or perform work as an employee or independent contractor.
- Makes it unlawful for a person who is in violation of a criminal offense to:
  - Transport or move an alien in a means of transportation, or attempt to do so, if the person knows or recklessly disregards the fact that the alien is in the country unlawfully.
  - Conceal, harbor or shield an alien, or attempt to, if the person knows or recklessly disregards the fact that the alien is here unlawfully.
  - Encourage or induce an alien to come to this state if the person knows or recklessly disregards the fact that doing so would be a violation of law.
- Requires a peace officer to immobilize or impound a person's vehicle if the officer determines either that the person is transporting or moving, or attempting to do so in a vehicle if the person knows or recklessly disregards the fact that the alien is here unlawfully.
- Authorizes peace officers, in the enforcement of human smuggling laws, to lawfully stop a person if they have reasonable suspicion to believe the person is in violation of any civil traffic law.
- Authorizes a peace officer to arrest a person without a warrant if the officer has probable cause to believe that the person has committed any public offense that makes the person removable from the U.S.
- Establishes an affirmative defense of entrapment for employers who knowingly employ an unauthorized alien.

**Public Benefits**

- Clarifies that only "natural" persons, not organizations, nonprofits or corporations, must have their lawful presence checked when receiving state and local public benefits or federal public benefits administered by a city or town.
- Authorizes the court to award court costs and reasonable attorney fees to any person or any official or agency that prevails in a case brought under these provisions.
- Clarifies that "public benefits" do not apply to services widely available to the public as a whole.

Effective July 29, 2010. [Chapter 113](#) & [Chapter 211](#).
SB 1207 municipal annexation; county islands - Requires the clerk of a city or town to provide a copy of the adopted annexation ordinance to the Clerk of the Board of each county that has jurisdiction over the annexed area within 60 days after the final adoption. Modifies the annexation procedure to include the annexation of all county roadways. Effective July 29, 2010. Chapter 245.

SB 1366 eminent domain; relocation assistance - Requires any person or entity with eminent domain power to adopt relocation assistance rules and regulations that provide, at a minimum, the level of relocation assistance prescribed in Federal Code. These rules and regulations may not conflict with current statute. Effective July 29, 2010. Chapter 308.

HB 2003 revitalization districts - Allows a majority of the property owners in a defined area of a city, town or tribal entity to form a Revitalization District ("District"), finalized by a majority vote of the governing bodies of the participating cities, towns or tribal entities. Requires the filing of a General Plan with the appropriate city clerk(s) that outlines the general description of the proposed area and the anticipated improvements for which the District was formed. Provides for a Board of Directors ("Board") to govern the District, which is comprised of persons elected by the property owners and the governing bodies of the participating cities. Requires the Board to develop an annual budget and a District plan that identifies the revitalization goals and their proposed implementation. Allows the Board to issue bonds, allocate monies, enter into contracts and hire staff and consultants. Allows the Board to call an election to impose a property tax on the property owners in the District. Effective July 29, 2010. Chapter 310.

HB 2145 county planning and zoning - Allows cities, towns and counties until July 1, 2015, to readopt an existing General Plan or adopt a new General Plan. Effective July 29, 2010. Chapter 175.

HB 2478 development fees; moratorium - Redefines the start of the freeze on development fee rates as September 1, 2009, and extends the freeze until June 30, 2012. Permits cities and towns to impose a new development fee or increase in the existing development fee if the fee was adopted by the governing body on or after March 1, 2009, and before September 1, 2009. Prohibits retroactive increases on any of the fees paid or charged on and after June 29, 2009, until the enactment of this bill. Effective July 29, 2010. Chapter 153.

HB 2504 GPLET; lease records and reporting - Contains requirements for all new Government Property Lease Excise Tax (GPLET) leases entered into beginning June 1, 2010, and provides for the setting of new GPLET lease rates. Provides for the grandfathering of leases. Contains additional reporting requirements for GPLET leases and requires an audit and review of the GPLET rates.

**Existing GPLET Leases**
Preserves all current GPLET leases previously entered into under the rates, terms and provisions of the current law. Grandfathers GPLET leases entered into within 10 years pursuant to a development agreement, ordinance or resolution approved by the governing body prior to June 1, 2010. Permits grandfathered leases to be amended in the future if the amendment furthers the purpose of the current GPLET lease and does not increase the land area by more than 50 percent or the gross building space by more than 100 percent.

**New GPLET Leases**
Establishes new GPLET base rates for leases or development agreements entered into beginning June 1, 2010 and that do not meet the grandfathering conditions:

- Establishes a lease term limit of 25 years while preserving the government lessors ability to abate the GPLET tax for up to 8 years for properties located in the central business district. Modifies the definition of central business district to be a single and contiguous area that is no larger than 5 percent of the land area of
the city or 640 acres, whichever is greater. Establishes additional transparency, notice and accountability requirements for government lessors in conjunction with the Department of Revenue. Transfers the responsibility for the collection and distribution of GPLET taxes from the government lessors to the county treasurers. Provides for a special audit of GPLET by the Auditor General in 2015 and a review of GPLET rates by the Joint Legislative Budget Committee in 2016. Effective July 29, 2010.  Chapter 321.

HB 2596 free exercise of religion - Prohibits a governmental entity from imposing certain restrictions on land use related to religious exercise. Prohibits a governmental entity from imposing or implementing a land use regulation, regardless of a compelling governmental interest, that:

- Imposes an "unreasonable burden" on a person's exercise of religion, unless the governmental entity demonstrates one of the following:
  - the exercise of religion at a particular location violates religion-neutral zoning standards in effect at the time of application for a permit;
  - the exercise of religion at a particular location would be hazardous due to toxic uses in adjacent properties; or
  - the existence of a suitable alternative property that could be used for the exercise of religion.
- Treats a religious assembly or institution on less than equal terms with a nonreligious assembly or institution;
- Discriminates against an assembly or institution on the basis of religion; or
- Completely excludes a religious assembly or institution from a jurisdiction or unreasonably limits religious assemblies, institutions or structures within a jurisdiction.

Permits a governing body of a city or town to approve an exemption from the liquor licensing distance restrictions for a church or charter school that is located in an area that is designated as an "entertainment district" by the governing body of that city or town on a case by case basis.

- Permits a city or town with a population of at least 500,000 to designate no more than three entertainment districts.
- Permits a city or town with a population of at least 200,000 but less than 500,000 to designate no more than two entertainment districts.
- Permits a city of town with a population of less than 200,000 to designate no more than one entertainment district.
- Defines entertainment district.

PROCUREMENT

SB 1406 procurement; construction; specialized services - Amends the statutes pertaining to Alternative Procurement Delivery Methods (APDM). The majority of the legislation (120 page bill) is a reorganization of wording of current statutes to improve readability. The APDM statutes (Title 34) are now grouped into three sections:

1. First section (A.R.S. § 34-603) contains the process and requirements for procurement of a single contract for professional services or construction services.
2. Second section (A.R.S. § 34-604) contains the process and requirements for obtaining in a single procurement multiple contracts for professional services or for similar job order contracting construction services.
3. Third section (A.R.S. § 34-605) contains the requirements that apply to professional services and construction services after the procurement is completed.

Technical Amendments to APDM Statutes

The bill made a number of specific technical changes to the APDM statutes. These included:

Definition Changes

- Changing definition of "construction" by deleting the existing carve-out of "demolition projects costing less than $200,000." In the future all demolition is "construction" and must be procured as construction.
- Amends the definition of "Horizontal Construction" to include light rail and airport runways, taxiways and aprons. For the purposes of this definition, light rail does not include any related rail stations, maintenance facilities or parking facilities.

Multiple Contracts for Construction Manager at Risk, Design Build and Job Order Contracting

- Eliminates authority for construction manager at risk and design build multiple contracts in a single procurement.
- Retains the use of a single procurement for multiple contracts for professional services and similar job order contracting construction services

Limits on Bundling of Projects in a Single Procurement

- Adds to Existing Limits on "bundling" of construction manager at risk and design build construction services in a single procurement by requiring:
  - that when construction-manager-at-risk construction services and design-build construction services are to be performed at multiple locations, the purchasing agency must intend to commence all construction at each location within 30 months after execution of the first contract for preconstruction services or other construction services at any of the locations.
- In a procurement of construction-manager-at-risk construction services or design-build construction services to be performed at multiple locations, the RFQ must include:
  - A brief description of the construction services to be performed at each location.
  - The estimated budget for the construction services to be performed at each location.
  - A schedule for the construction services to be performed at each location that shows the public owner's intent to commence all construction at each location within 30 months after execution of the first contract for preconstruction services or other construction services at any of the locations.

Selection Committee Membership and Selection Criteria

- Amends selection committee membership by requiring that public owners shall:
  - Ensure that the Selection Committee members are competent to serve on the selection committee.
  - Ensure that each selection committee must include one employee of the public owner or a public owner representative who is appointed by the public owner.
• Adds specificity to existing selection criteria requirements by ensuring that:
  • The public owner publish in advance its selection criteria
  • The selection committee uses the published criteria in making its selection
  • Specifically authorizes separate selection criteria for initial screening and for interviews

Number of Persons or Firms on Final List

• Changes the number of people on the final list to a number "from three to five" in a one-step competition for a single contract (the final list for the first step of a two-step competition remains fixed at three).

Prohibitions on "Bid Shopping"

• Strengthens no "bid shopping" requirement in "one-step" competitions.
  • States with more clarity the existing requirement that when a purchasing agency terminates negotiations with a person on firm on the final list and commences negotiations with another person or firm, the purchasing agency may not go back and restart negotiations with the previous person or firm.
  • Provides that when the purchasing agency signs a contract with one person or firm, the procurement is ended. Thereafter, if the arrangement with the contracted person or firm does not work out, the purchasing agency is prohibited from going back and negotiating with any person or firm on the original final list for that procurement.

Optional Selection Criteria

• Changes statutory list of selection criteria from mandatory to optional in step two of two step competition.

Record Keeping and Notification Requirements

Makes a number of detailed changes in language to account for greater notification, record keeping and disclosure of procurement process documentation. These changes include:

• Adding a requirement that the public owner notify the losing competitors of the results of the competition.
• Adding specific public owner record keeping requirements.
  • At a minimum a public owner must keep the following documentation as to each construction services or professional services procurement:

For a one-step competition or the first step in a two-step competition, if interviews are NOT held:

1. The submittal of the winning person or firm and, if different, the submittal of the person or firm with which the public owner enters into a contract or in the case of a multiple contracts competition the submittals of all persons or firms with which the public entity contracts.
2. The final list
3. A list the selection criteria and relative weights used in selecting persons or firms for the final list and in determining their priority on the final list.
4. A list that contains the name of each person or firm that submitted qualifications and shows the person's or firm's final overall rank or score.
5. A document showing for each person or firm that submitted qualifications its score or rank on each criteria for selection of the final list, which at the election of the public owner may be a consolidated sheet.

For a one-step competition or the first step in a two-step competition, if interviews are held:

1. All submittals of the winning person or firm and, if different, all submittals of the person or firm with which the public owner enters into a contract or in the case of a multiple contracts competition the submittals of all persons or firms with which the public entity contracts.
2. The final list.
3. A list of the selection criteria and relative weights used in selecting persons or firms for the final list.
and in determining their priority on the final list.
4. A list that contains the name of each person or firm interviewed and shows the person's or firm's final overall rank or score.
5. A document showing for each person or firm interviewed its final score or rank on each criteria for selection of the final list, which at the election of the public owner may be a consolidated scoring sheet.
6. A list of the selection criteria and relative weights used in selecting persons or firms to be interviewed.
7. A list that contains the name of each person or firm that submitted qualifications and shows the person's or firm's final overall rank or score in the selection of persons or firms to be interviewed.
8. A document showing for each person or firm that submitted qualifications its final score or rank on each selection criteria in the selection of persons or firms to be interviewed, which at the election of the public owner may be a consolidated scoring sheet.

For step two in a two step competition:

1. The entire proposal submitted by the person or firm that receives the highest score in the scoring method in the request for proposals issued in the second step competition and, if different, the entire proposal submitted by the person or firm with which the public owner enters into a contract or in the case of a multiple contracts competition the entire proposals of all persons or firms with which the public entity contracts.
2. The description of the scoring method, the list of factors in the scoring method and the number of points allocated to each factor, all as included in the request for proposals.
3. A list that contains the name of each person or firm submitting a proposal and shows the person's or firm's final overall score.
4. A document showing for each person or firm that submitted a proposal its final score for each factor in the scoring method included in the request for proposals, which, at the election of the public owner, may be a consolidated scoring sheet.

Disclosure Requirements

• Updates disclosure requirements to include:
  • Until contract award or termination of the procurement, only the name of each person or firm on the one-step or step-one final list is available to the public.
  • After contract award or termination of the procurement, the public owner must make available to the public at a minimum all information required to be retained as described above, with two exceptions.
    • First exception - the proposals in a two-step competition
    • Second exception - the document showing each person or firm and its final score or rank on each selection criteria, which at the election of the public owner may be a consolidated scoring sheet.
      • In a two-step competition after a contract is entered into, the public owner must make available to the public the proposals it is required to retain as described above.
      • The various documents showing each person or firm and its final score or rank on each selection criteria are available by making a request under the Arizona public records law.

Protest Policies and Procedures

• Updates protest policy requirements by stating that the RFQ include either:
  • A description of the publicly available location of the public owner's protest policy and procedures.
  • Or if the public owner does not have a formally adopted and published protest policy, a statement that the Arizona Department of Administration protest policies and procedures apply to the procurement.

Optional Contractor Self Performance

• Allows the contractor performing the construction services to self perform part of the construction work if and to the extent agreed in writing by the public owner and the contractor:
  • Allows the public owner to use methods other than competitive bidding to assure itself that the price the public owner pays to the contractor for self-performed work is fair and reasonable.
  • Allows evaluation of the contractor's proposed scope of work and price for self-performed work
by an estimator who is hired and paid by the public owner, who is independent of the contractor and who may be an employee of the public owner.

**Exception for Light Rail Self Performance**

- Provides an exception for light rail self-performance percentage to be not less than 30 percent (retains that for all other horizontal construction projects under a design-build or construction-manager-at-risk construction services contract, the licensed contractor performing the contract shall perform, with the contractor's own organization, construction work that amounts to not less than 45 percent of the total contract price for the construction).

**Contracting and Phasing Projects**

- Allows purchasing agency to have separate contracts for pre-construction services and for construction. Under existing Arizona tax law, this has potential benefits for transaction privilege tax on the pre-construction services fee.
- Design and construction of the project may be either:
  - Sequential with the entire design complete before construction commences.
  - Concurrent with the design produced in two or more phases and construction of some phases commencing before the entire design is complete.

**Use of APDM by Special Taxing Districts**

- Confirms existing authority for special taxing districts to use Title 34 processes to procure professional services and construction services.

**Authority to use Price Competition in Selection Criteria**

- Continues the authority to use "price competition" as part of the selection criteria in a construction manager at risk request for qualifications procurement when three conditions are met:
  - All of the funding for the project is under the Federal American Recovery and Reinvestment Act of 2009.
  - Price competition is required by the funding Federal agency or by Federal law.
  - The request for qualifications is issued on or before December 31, 2014.

**ADOT Specific Changes**

- Makes other changes referring to ADOT Heavy Rail & Commuter Rail and ADOT Multiple JOC Contracts.

**Compliance Date**

Requires that public owners that use a procurement process for professional services or construction services prescribed by or derived from the Title 28, 34 or 41 provisions amended by SB 1406 **must comply with the new requirements for each procurement initiated after the effective date of the bill (July 29, 2010).**  Chapter 283.
SB 1065 motor vehicle accident reports - Adds an insurance support organization that provides services in connection with claims investigation activities, antifraud activities, rating or underwriting to the list of entities that may receive a copy of an unredacted written accident report. Effective July 29, 2010. Chapter 236.

SB 1108 concealed weapons; permit - Repeals the crime of carrying a deadly weapon without a concealed carry weapon (CCW) permit unless the person uses the weapon in furtherance of a crime, fails to inform law enforcement that the person is carrying the weapon if asked or the person is under 21 years of age. Allows a law enforcement officer to take custody of the weapon during the duration of a contact with the person.

Requires a CCW permit holder to carry the permit at all times and present the permit for inspection to any law enforcement officer on request when the permittee is both required by any other law to carry the permit and in actual possession of the concealed weapon. Removes as a petty offense the carrying of a concealed weapon by a permittee who fails to present the permit to law enforcement on request and subjects the permittee to a civil penalty not to exceed $300.

Prohibits a criminal justice agency or other entity from using the Department of Public Safety (DPS) system to conduct inquiries on CCW permittees unless reasonable suspicion exists that a person is carrying a concealed weapon during a criminal investigation, arrest, detention or investigatory stop. Provides that a firearm or handgun permit issued by another state be recognized in this state if it is valid in the issuing state, and the licensee is legally present in Arizona and not prohibited from possessing a firearm in this state.

Expands the ways in which CCW permit applicants can receive firearms safety training that demonstrates competency with firearms, which qualifies a person to receive a CCW from DPS as long as the person is otherwise eligible under current law. Effective July 29, 2010. Chapter 59.

SB 1135 aggravated assault; classification; definition - Expands the definition of aggravated assault to include the assault of a code enforcement officer and a state or municipal park ranger. Effective July 29, 2010. Chapter 241.

SB 1144 drug offenses; definitions - Adds certain substances to the definition of dangerous drugs and modifies the definition of vapor releasing substance containing a toxic substance. Effective July 29, 2010. Chapter 203.

SB 1153 state preemption; knives - Establishes that state law preempts local rules and ordinances in the regulation of knives and knife making components. Declares null and void any conflicting local ordinance. Declares that it is the intent of the Legislature that knife regulation is a matter of statewide concern. Effective July 29, 2010. Chapter 204.

HB 2062 aggravated assault; peace officer (Also cited as the "Lieutenant Eric Shuhandler Act") - States that it is a Class 4 felony to commit aggravated assault on a peace officer if the assault results in any physical injury to the officer. Stipulates that such aggravated assault is a Class 5 felony if the assault does not result in injury to the peace officer. Effective July 29, 2010. Chapter 97.

HB 2246 regulation of fireworks - Defines the types of fireworks deemed permissible for sales by a retail establishment. Directs the State Fire Marshall to adopt rules and procedures for the transportation, storage and retail sale of permissible fireworks and the ability to impose a civil penalty for violations. Allows cities and towns to regulate the usage of fireworks within their boundaries. Effective December 1, 2010. Chapter 286.
HB 2534 traffic complaints; social security number - States that a traffic complaint that is issued to an individual shall not contain a person's social security number. This subsection does not apply to copies of the traffic complaint that are retained by law enforcement and the courts. Effective July 29, 2010.  Chapter 155.

HB 2543 firearms; regulation; state preemption - Prohibits the enactment of any rule or ordinance relating to firearms that is more prohibitive than state law. Also declares pre-existing rules or ordinances inconsistent with or more prohibitive than state law null and void after the effective date of this legislation. Prohibits political subdivisions from enacting rules or ordinances that limit the possession of firearms in parks or preserves to persons possessing a concealed carry weapons permit and eliminates the related posting requirements. Effective July 29, 2010.  Chapter 19.

HB 2629 self-defense; political subdivisions; weapon records - States that a person has no duty to retreat before threatening to use or using deadly force. Prohibits political subdivisions from keeping records or identifying information related to firearms, except the storage of firearms at public establishments or events, where the subdivision may require a government issued identification card to be shown and stored with the weapon while the public entity has the weapon. The political subdivision may not record any description of the weapon, including serial numbers. And unless there is an active law enforcement investigation, political subdivisions also cannot record any identifying information of a person who purchases, sells or transfers a firearm, unless the transaction involves a federally licensed firearms dealer. Effective July 29, 2010.  Chapter 327.
HB 2211 political subdivisions; volunteers; noxious weeds - Provides a Structural Pest Control Commission license exemption for volunteers of political subdivisions. Volunteers must complete an approved herbicide application training program and apply commercially available product via equipment with a holding capacity of under eight gallons. Effective July 29, 2010. Chapter 65.

HB 2422 primitive roads; municipalities - A municipality may designate a road as primitive if the road was opened after June 13, 1975; the road was accepted by the city or town for maintenance before June 13, 1985, and the road was not constructed in accordance with county standards. Effective July 29, 2010. Chapter 192.

HB 2450 water and wastewater charges; payments - Municipalities are prohibited from requiring payment or refusing service from anyone other than who the municipality has contracted with to provide utility services on properties of four or fewer units. Effective July 29, 2010. Chapter 320.

HB 2604 solid waste; private enterprise - Removes the threshold from existing statute that exempted municipalities with a population of less than 60,000. Prohibits all municipalities from restraining private recycling or waste management services to commercial entities. Effective July 29, 2010. Chapter 3.

HB 2684 POW/MIA flag; display - The POW/MIA flag must be displayed at city or town halls on any day the United States flag is displayed. If flown on the same staff as the U.S. flag, it must be displayed below the Arizona flag. When flags are flown on multiple staffs, the Arizona flag must be displayed to the honor of the U.S. flag. Effective July 29, 2010. Chapter 217.
TRANSPORTATION

SB 1018 *photo enforcement procedures, justice courts* - Requires any level of government utilizing a photo enforcement system to place a speed limit sign between the two signs necessary to notify a driver of an approaching enforcement zone and prohibits systems from being placed on a street within 600 ft of a posted speed limit change, with an exception for school crossings delineated by signage. Effective July 29, 2010.  [Chapter 266.](#)

SB 1106 *removal of vehicles; notice* - Requires a police officer who removes or causes the removal of a vehicle to provide certain information to the tow truck operator and the officer's law enforcement agency. Clarifies that a police officer shall electronically communicate vehicle and contact information to the officer's law enforcement agency when removing a vehicle only if the officer has the equipment to electronically communicate that information. Effective July 29, 2010. [Chapter 239.](#)

HB 2338 *yellow lights; duration; photo enforcement* - Traffic control devices erected by local authorities must conform to the manual and specifications in A.R.S § 28-641 which includes the condition that yellow light duration must be at least 3 seconds. A traffic ticket and complaint may only be issued if the traffic control device involved in incident conforms to the manual and specifications given in current law. Local governments issuing red light running traffic citations must ensure intersection's yellow light is calibrated to be at least 3 seconds in duration, in accordance with federal and state transportation specification manuals. Effective July 29, 2010. [Chapter 213.](#)

HB 2707 *towing firm agreements; ownership disclosure* - Mandates that towing firms, at the time of application for contracts with a city or town for towing services, disclose, in writing, the owners of the firm and if they are applying for the same contracts with other firms that they own. Effective July 29, 2010. [Chapter 199.](#)
MEMORIALS AND RESOLUTIONS

SCR 1013 \textit{lieutenant governor; secretary of state} - A 2010 general election ballot measure seeks to amend the Arizona Constitution, enabling the Governor and Lieutenant Governor to run separately in the primary and as team in the general election. If approved, the amendment's effective date is 2014.

SCR 1047 \textit{state lands; exchanges} - A 2010 general election ballot measure seeks to amend the Arizona Constitution, to permit the state to exchange trust land for public lands in an effort to preserve and protect military installations in state.

HCM 2002 \textit{health care reform and Senate Concurrent Memorial (SCM) 1002 health care reform} - Sister memorials wherein the Legislature urges Congress to ensure any federal health care legislation equally distributes Medicaid funding to account for budget shortfalls and demand at the state level.

\textsuperscript{1} Senate Concurrent Resolution  
\textsuperscript{2} House Concurrent Memorial