

2020 NEW LAWS REPORT

Published annually by the League of Arizona Cities & Towns

June 12, 2020

Introduction

The *2020 New Laws Report of the League of Arizona Cities and Towns* (Report) is designed to serve as a guide to those enactments of the second regular session of the 54th Arizona Legislature that have demonstrable impacts to municipalities.

During the past session, 1,607 bills were introduced. Of these, 90 passed the Legislature and were sent to the governor, and 90 were signed into law. Almost 15% of these enactments affect cities and towns and are summarized in the Report.

Scope and Use

This digest is intended only to identify and summarize those new laws with significant impacts to Arizona municipalities. It does not describe every provision of every law in detail, but it does provide a hyperlink to the information and chaptered version of each law summarized. For a fuller understanding of new laws, readers are encouraged to review the exact language of their provisions, as well as relevant legislative history. For those new enactments that modify current law, the *Report* makes no effort to describe the underlying law, other than to provide sufficient context for an understanding of the statutory modification. Furthermore, the *Report* focuses on only those new laws that have broad statewide applicability to cities and towns.

Effective Dates

Unless otherwise noted, the effective date of the new laws described in the *Report* is **August 25, 2020**. This date – 90 days after the conclusion of the legislative session – is the general effective date for all enactments that are passed without an emergency clause or alternative effective date. This document identifies effective dates that vary from the general effective date. Where appropriate, it also includes other statutory dates, such as repeal dates, implementation dates and deadlines.

Disclaimers

This *Report*, published as a service to the members of the League of Arizona Cities and Towns, does not necessarily identify every law with impacts on municipalities. It is neither designed nor intended to provide legal advice or counsel. It should be relied upon only as a reference tool and not as a comprehensive guidance document. In certain limited instances, this document does highlight action items that should be considered by cities and towns. In no case, however, should this report substitute for the independent judgment of your city or town manager or attorney.

HB2686 building permits; utilities; restrictions; prohibitions

[\(Chapter 3\)](#)

Prohibits cities and towns from denying building permits based on the utility provider proposed to serve the project or adopting any code, ordinance, land use regulation, penalty, fine, or other requirements that prohibits or restricts the use of services of a capable and authorized utility provider. The measure requires building permit and fee conditions to be similar regardless of the utility provider. It also preserves the ability for cities and towns to review and issue permits, maintain local rights of way, and manage municipal-owned utilities.

SB1042 executive sessions; security plans

[\(Chapter 63\)](#)

A League resolution that allows city and town councils to discuss or consult with experts in an executive session about security plans, procedures or assessments regarding the safety or security of municipal buildings, facilities, and information technology, among other infrastructure. The measure exempts meeting materials and records discussed or presented during the executive session from public records laws.

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SB1121 model city tax code; procedures

[\(Chapter 71\)](#)

Modifies certain requirements for the Model City Tax Code Commission (commission) and for amendments to the Model City Tax Code (MCTC). SB1121 requires a 60-day notice to the commission of any amendments to the code and a 30-day public meeting notice to be placed on the Department of Revenue (DOR) website with the proposed amendment and commission agenda. Upon request, the measure requires an informational hearing 30 days after receipt of the proposed amendment and any testimony or comments obtained are to be provided at the public meeting scheduled to adopt the amendment. It requires all cities and towns to adopt changes to the MCTC except for model or local options adopted only by cities and towns that choose the option. However, no city or town may adopt an amendment the commission has not yet adopted.

The law does not require review of tax rates, but it does require notice to the commission and DOR of the adoption or repeal of a model or local option or any change that increases taxes. Failure to comply with this requirement results in the new or different tax rate to be void and not take effect.

SB1135 elections; counting center; electronic adjudication

[\(Chapter 1\)](#)

An emergency measure that allows the use of an electronic vote adjudication feature of the counting center automatic tabulation equipment if it is certified by the State vote equipment certification committee, authorized by the board of supervisors or election officer, subject to logic and accuracy testing, and is overseen by an electronic vote adjudication board that must implement a process to track the ballots, maintain logs of duplication and retain the original and digital duplicate of each ballot.

Effective date: February 3, 2020

SB1303 annexation of territory; requirements

[\(Chapter 77\)](#)

Prohibits annexations that will result in unincorporated areas that are completely surrounded by multiple cities and towns. The law does not apply to annexations of unincorporated territory that are already completely surrounded by a combination of cities and towns.

SB1305 personal delivery devices

[\(Chapter 78\)](#)

Extends and revises statutes allowing personal delivery devices, designed to transport cargo using automated driving features, to use streets and sidewalks in cities and towns under certain conditions. It specifies minimum operational requirements of the device, including that it must yield to pedestrians, not obstruct the right of way, and comply with local regulations that are consistent with state law.

It allows cities and towns to restrict the speed of operation to no less than seven miles per hour (mph) in a pedestrian area, but otherwise allows the devices to operate up to 12 mph on a sidewalk or up to 20 mph on the side of shoulder of a highway in non-pedestrian areas. It allows cities and towns to prohibit operation in specific areas or during certain hours to protect public health and safety. It also requires business entities that operate a device to maintain an insurance policy that includes general liability coverage of at least \$100,000.

Effective date: September 1, 2020; additionally, a second version of section 28-101 is conditionally effective if the Department of Transportation establishes a reporting system for scrap metal sales pursuant to Laws 2018, Chapter 298 by October 1, 2020.

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SB1354 public retirement systems; prefunding plan

[\(Chapter 79\)](#)

Allows the Public Safety Personnel Retirement System (PSPRS) and the state treasurer to establish Social Security Section 115 Trust accounts for the purpose of paying down pension unfunded liabilities. Employers can elect to participate in remitting contributions to the Section 115 Trust and the Trust will generate interest based on the investment portfolio chosen by the employer. At the time of choosing of the employer those funds would then be transferred into the pension fund.

SB1510 public contracts; payment methods

[\(Chapter 87\)](#)

Allows contractors to assign a money market or demand deposit account to satisfy the required 10% retention for contract performance on public projects. A signed and acknowledged waiver of the bank is required to accept the assignment and the amount deposited cannot be released by the bank to the contractor without written authorization of the city or town.

SB1684 revenue; budget reconciliation; 2020-2021

[\(Chapter 52\)](#)

Among other provisions, continues to require cities, towns, and counties pay their proportionate share of \$20,755,835 to fund Department of Revenue operations.

SB1689 environment; budget reconciliation; 2020-2021

[\(Chapter 55\)](#)

Among other provisions, allows the Department of Environmental Quality to use up to \$6,531,000 of underground storage tank fund monies for remediating sewage discharge issues in Naco, AZ and other border areas and for department administration costs. It also appropriates \$15M from the state General Fund to the Water Quality Assurance Revolving Fund.

SB1690 budget procedures; budget reconciliation; 2020-2021

[\(Chapter 56\)](#)

Among other provisions, establishes the Crisis Contingency and Safety Net Fund with a \$50M appropriation. It allows monies in the fund to be used for: 1) housing assistance; 2) homeless assistance, including shelter, food, clothing, and transportation; 3) economic assistance for small businesses with less than 50 employees, non-profits and healthcare providers; and 4) monies for food banks.

The measure encourages cities and towns to review their eviction policies and procedures during the state of emergency to allow individuals and families remain in their places of residence.

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SB1691 capital outlay; appropriations; 2020-2021

[\(Chapter 57\)](#)

Among other provisions, allocates \$30M to ADOC to replace locks, HVAC and fire suppression systems at Lewis (Buckeye) and Yuma State Prisons. Additionally, appropriates \$378,733,000 from the State Highway Fund in FY21 to ADOT for highway construction and \$30M from the State Aviation Fund in FY21 for state and local airports.

SB1692 general appropriations act; 2020-2021

[\(Chapter 58\)](#)

Appropriates the following in FY21 that are of interest to cities and towns:

- \$2,522,600 to the Department of Economic Security for coordinated homeless services
- \$5,312,100 to the Department of Insurance and Financial Institutions for the Automobile Theft Authority Fund
- \$1,261,700 for Border Strike Force
- \$761,700 for Border Strike Force local law enforcement
- \$500,000 to cities, towns, and counties for costs associated with prosecuting & imprisoning individual charged with border related crimes
- \$23,997,900 for the Phoenix Convention Center

