INTRODUCTION
The 2021 New Laws Report of the League of Arizona Cities and Towns is designed to guide those enactments of the first regular session and the first special session of the 55th Arizona Legislature that have demonstrable impacts on municipalities.

During the last regular session, 1,774 bills were introduced in the House and Senate. Two bills were introduced in the House and Senate during the special session. Of these, 474 passed the Legislature and were sent to the governor, 28 were vetoed, and 446 were signed into law. Almost 24% 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 on 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 understanding the statutory modification. Furthermore, the Report focuses on only those new laws with broad statewide applicability to cities and towns.

Effective Dates
Unless otherwise noted, the effective date of the new laws described in the Report is September 29, 2021. This date – 90 days after the legislative session’s conclusion – is the general effective date for all enactments that are passed without an emergency clause or alternative effective date. This Report 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 League members, does not necessarily identify every law impacting 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 Report does highlight action items that cities and towns should consider. However, in no case should this Report substitute for the independent judgment of your city or town manager, or attorney.
Part One:
Courts, Civil and Criminal
Justice, and Law
Enforcement

HB 2098 missing children; law enforcement;
reporting
(Chapter 364)

Requires law enforcement agencies that receive a report of
a missing, kidnapped, or runaway child to submit specified
information to the Arizona Crime Information Center, the
National Crime Information Center (NCIC), and the National
Missing and Unidentified Persons system within two hours
of receiving a report. If a law enforcement agency receives
a report of a missing, kidnapped, or runaway child in the
foster care system, the agency must notify the National Center
for Missing & Exploited Children. Prohibits an entry from
being removed from any database until the child is found or
if the case is closed.

HB 2110 civil penalties; mitigation; restitution
(Chapter 288)

If requested by a person other than a juvenile offender, the bill
authorizes a court to order the person to perform community
restitution instead of paying a monetary obligation for a civil traffic
violation at sentencing and at the person’s request. Specifies that
a defendant may request for community restitution (in lieu of a
monetary obligation) to be credited at a rate of the state minimum
wage rounded to the nearest dollar, rather than $10 per hour.
Sets the same rate for community restitution of a juvenile adjudicated
delinquent for a specified criminal damage violation. It also defines
monetary obligation as a civil penalty, a surcharge, an assessment,
or a fee, except for a time payment fee.

HB 2111 2nd amendment; unenforceable federal
laws
(Chapter 182)

Prohibits any political subdivision from using personnel or financial
resources to enforce, cooperate with, or administer any federal
law, act, order, rule, treaty or regulation that is inconsistent with
Arizona law regarding the regulation of firearms.

HB 2168 use of force; reports; analysis
(Chapter 290)

Requires law enforcement agencies to collect and report use-of-force
incidents to the Arizona Criminal Justice Commission at least
once a year. Data collection and reporting must be consistent
with the guidelines adopted by ACJC and the National Use
of Force Data Collection. Defines law enforcement agency,
national use-of-force data collection, serious physical injury and
use-of-force incident.

Effective Date: January 1, 2022

HB 2171 marijuana violations; court jurisdiction;
procedures
(Chapter 222)

An emergency measure that grants court jurisdiction over civil
marijuana violations, including those committed by people
under 18. It allows a civil marijuana violation case to be
commenced by: (1) the issuing of a uniform traffic ticket and
complaint by a peace officer within 60 days after the alleged
violation (and the complaint will need to be filed with the court
within 10 court days after its issuance), or (2) the filing of
a uniform traffic ticket and complaint within 60 days after the
alleged violation (and later delivering a copy to the person by
any means authorized by the Arizona Rules of Civil Procedure
within 90 days after the filing date). The original citation
must be amended through the court if a peace officer seeks
to change the date, time, or location of the violation of the
section of the law on the citation. It allows a peace officer to
stop and detain a person reasonably necessary to investigate
an actual or suspected violation of A.R.S. § 36-2853 and
serve the complaint.

Effective Date: April 14, 2021

HB 2242 agency actions; procedures; fee awards
(Chapter 161)

Changes the cap on the award of attorney fees in non-tax actions
against political subdivisions to the amount the prevailing party
agreed to pay the attorney or a maximum rate of $350 per
hour. It removes the $10,000 cap on awards of fees against
a city or town in specified actions. It increases, from $75,000
to $125,000, the maximum award of fees against the state
or a political subdivision for fees incurred at each level of judicial
appeal in specified actions.

HB 2294 yielding to emergency vehicles;
penalties
(Chapter 292)

Specifies the penalties for not yielding to or proceeding with
caution around a vehicle displaying warning lights: $275 for
a first violation, $500 for a second violation within five years,
and $1,000 for any subsequent offense within five years.

HB 2295 law enforcement officers; database;
rules
(Chapter 336)

Requires a prosecuting agency to mail written notices to a law
enforcement officer at least ten days, or as soon as practicable,
before the agency submits the officer’s name to a 15.1 rule
database. Specifies what must be included in the written notice.
Directs the law enforcement officer’s current or last known employer,
on receipt of the written notice from a prosecuting agency, to
provide written notice to the officer if the officer’s contact
information is available. Directs a prosecuting agency that
maintains a database to adopt a policy that meets specific
requirements. Prohibits employment actions against an officer solely because the officer’s name is in the database, but the underlying facts may serve as grounds for taking a disciplinary action against the officer. States the name must be removed from the database if the officer’s request for reconsideration is approved by the prosecuting agency. States prosecutors are not restricted from rule 15.1 disclosures, including while a decision or a request for reconsideration is still under consideration. States a prosecuting agency is not limited from removing a name from the database as appropriate. Defines prosecuting agency and rule 15.1 database.

**HB 2410 safe havens; newborn infant age** *(Chapter 195)*

Expands the age of a newborn infant for children left with safe haven providers to be a child 30 days old or younger. Clarifies that safe haven providers should only follow protocols when the child is not alleged to have been neglected or abused.

**HB 2462 civilian review board members; training** *(Chapter 338)*

Requires civilian review board members to complete either a community college police academy or 80 hours of AZPOST board-certified training in specific subjects. For individuals currently serving on a civilian review board, the measure allows members to complete the required training within one year after the bill’s effective date.

The criminal justice budget reconciliation bill (HB 2893) amended HB 2462 to allow individuals that are currently or were previously AZPOST certified to serve on civilian review boards. HB 2893 stipulates that setting and maintaining standards of professionalism and integrity for law enforcement officers is of statewide concern.

**Effective Date: January 1, 2021 (See section 28 of HB 2893 criminal justice; budget reconciliation; 2021-2022)**

**HB 2615 epinephrine injections; first responders immunity** *(Chapter 165)*

Authorizes a first responder to inject a person they believe is experiencing anaphylaxis with an epinephrine injection. Additionally, it protects the first responder who gives the injection from professional liability and criminal prosecution.

**HB 2624 public officials; entities; civil liability** *(Chapter 324)*

A public entity is not liable for damages because of an injury caused by any act or omission by a public officer who renders emergency care gratuitously and in good faith in a public building, at a public gathering on the grounds of a public building or at the scene of an emergency. This act does not apply if the public officer is guilty of gross negligence while rendering emergency care.

**HB 2810 civil asset forfeiture; conviction; procedures** *(Chapter 327)*

Stipulates that property may only be subject to seizure or forfeiture if the owner is convicted of an offense where forfeiture applies, and the state establishes by clear and convincing evidence that the property is subject to seizure. After an individual is convicted of an applicable offense, a court may order a person to forfeit property acquired by committing the offense, including property used to facilitate the offense. A court may waive the conviction requirement for forfeiture if prosecutors can show that the

**HB 2567 peace officers; investigator membership requirements** *(Chapter 322)*

For government committees, boards, agencies, departments, or entities that investigate law enforcement officer misconduct or recommend disciplinary actions, HB 2567 requires two-thirds of voting members to be AZPOST certified officers from the same department or agency as the officer subject to an investigation. Allows a supervisor, department, or agency head to investigate and impose discipline for an officer’s misconduct if the supervisor, department, or agency head acts independently of the committee, board, or entity. Exempts the AZPOST Board and any government committee, board, or entity that does not determine an initial level of discipline from the membership requirements outlined in the bill.

The criminal justice budget reconciliation bill (HB 2893) amended HB 2567 to stipulate that setting and maintaining standards of professionalism and integrity for law enforcement officers is of statewide concern.
defendant has died, no longer resides in the U.S., fled the jurisdiction of the state, or abandoned the property.

Officers making a warrantless seizure for forfeiture must have probable cause to believe the property is subject to forfeiture and are prohibited from requesting a person to relinquish an interest in or right to property. Finally, it extends the period to 60 days rather than 30 days for an owner of seized property to file a claim during forfeiture proceedings.

**SB 1249 conviction; set aside; traffic violations**  
(Chapter 209)

Allows individuals convicted of criminal offenses related to a traffic violation, including driving on a suspended or revoked license to apply to the court to have a judgment of guilt set aside.

**SB 1256 victim’s privacy; criminal case information**  
(Chapter 40)

Requires any information relating to a victim’s identity or location obtained by law enforcement or prosecution agency be redacted from records about the victim’s criminal case.

**SB 1265 court rules; signatures; court documents**  
(Chapter 138)

Allows the court to accept documents signed electronically, including a written declaration, verification, certificate, statement, oath, or affidavit.

**SB 1420 consular identification; validity; biometric verification**  
(Chapter 42)

Requires cities and towns to accept consular identification cards issued by foreign governments as valid forms of identification. It defines biometric identity verification techniques that must be met for the consular identification cards to qualify for acceptance.

**SB 1533 obstructing highways; racing; assessment; impoundment**  
(Chapter 433)

Requires law enforcement officers to either impound or immobilize a vehicle if a person is driving the vehicle in violation of reckless driving, racing on highways, or obstructing a highway or public thoroughfare. Assesses an additional $1,000 penalty on every fine imposed for a violation of racing on highways. It makes it a Class 2 misdemeanor to aid and abet the commission of racing on highways or reckless driving.

Lowers from a Class 2 misdemeanor to a Class 3 misdemeanor obstructing a public thoroughfare by intentionally activating a pedestrian signal to stop traffic to solicit donation or business.

**SB 1551 driver license suspensions; restrictions**  
(Chapter 189)

Removes the requirement for a court to suspend or restrict a license for failure to pay a civil penalty for civil traffic violations. This bill does not apply to commercial driver’s licenses.
Part Two: Campaigns, Elections, and Recordkeeping

HB 2181 write-ins; residency; filing deadline
[Chapter 318]

Allows the tallying of early ballots to begin immediately after the envelope and completed affidavit are processed and delivered to the early election board, rather than 14 days before an election. Requires, at the time of filing, a person desiring to become a write-in candidate for an elective office, other than a city or town office, to be a qualified elector of the county or district the person proposes to represent; and a resident of the county or district the person proposes to represent for 120 days before the date of the election. Please note that this bill does not impact the residency requirements for a write-in candidate for a city or town council. A candidate running for election to a city or town council must be at least 18 years old, a qualified elector residing within the city or town and a resident of the city or town for at least one year preceding the next election, with certain exceptions [A.R.S. § 9-232].

HB 2308 recall petitions and elections; revisions
[Chapter 319]

Makes various changes to the recall petition process. Requires the submittal of a separate electronic copy of the general statement for recall when the recall application and petition are filed. In determining the legal sufficiency of a recall petition, voids and prohibits from being counted any signature that lacks an appropriately checked box indicating whether the circulator is paid or a volunteer. Prescribes the specific recall petition and circulator affidavit format for recall rather than requiring the petition to be in the same format as a petition for initiative and referendum. Decreases the allowable number of lines for signatures from 15 to 10. Requires a recall petition circulator to verify that the name and address of a petition signer were printed on the date indicated by that signer. Requires the SOS to make available a recall petition form and recall circulator affidavit format that strictly complies with statutory requirements. Prohibits any modification to the affidavit form. If the recall petition form is used, the petition will be presumed to comply with statutory requirements strictly. (HB 2308 essentially reflects the Arizona Supreme Court’s decision in Morrissey v. Garner).

HB 2363 municipal election officers; certification training
[Chapter 438]

Allows a city or town to train its election employees if the secretary of state approves the training program.

HB 2364 election pamphlet submittals; identification required
[Chapter 184]

Makes changes to requirements for arguments submitted for or against a political subdivision bond proposal, initiative, and referendums included in the informational or publicity pamphlet provided to voters. Clerks can now reject a publicity pamphlet argument that does not comply with the name, address, and phone disclosure requirements.

HB 2365 political candidates; address confidentiality
[Chapter 194]

Authorizes a person whose address is protected by statute to use a post office box or private mailbox on the nomination and petition papers when filing to become a candidate for a primary or nonpartisan election, as well as for a write-in candidate.

HB 2369 Municipal election officers; certification training
[Chapter 438]

For electronic voting machines and poll books, the bill requires ports, plugs, doors, or other physical or electronic access to be secured to prevent any unauthorized access.

HB 2431 DOR; bond election pamphlets; storage
[Chapter 131]

Removes the statutory requirement that political subdivisions submit a copy of the informational ballot within 30 days after a bond election to the Arizona Department of Revenue (DOR). Repeals provisions requiring DOR to maintain copies of the submitted pamphlets.

HB 2569 elections; private funding; prohibition
[Chapter 199]

Prohibits cities and towns and other public bodies that administer elections from accepting and using private funds to prepare, administer, conduct an election, or register voters.

HB 2794 election deadlines; modifications prohibited
[Chapter 380]

Prohibits a political subdivision or other governmental agency, unless prescribed by a court of competent jurisdiction, from modifying or agreeing to modify any deadline, filing date, submittal date, or other statutory election-related dates. It classifies, as a Class 6 felony, changing any deadline, filing date, submittal date, or other statutory election dates.
HB 2821 bonds; change of purpose; election  
[Chapter 328]

Authorizes a municipality to change the purposes to spend monies from the sale of bonds from a previous bonds election by calling for a new election. The bonds must not have yet been issued, and the election can only be held on the first Tuesday following the first Monday in November. This requirement will sunset on January 1, 2025.

HB 2905 early ballots; request required  
[Chapter 426]

Prohibits a city or town clerk from delivering or mailing an early ballot to anyone who has not requested an early ballot for that election. It establishes a Class 5 felony for knowingly violating this prohibition.

SB 1003 early voting; signature required; notice  
[Chapter 343]

Requires the county recorder or other officer in charge of elections to make reasonable efforts to contact voters and advise them of missing signatures on an early ballot envelope and allow them to add their signature by 7:00 p.m. on election day. It also requires a disclaimer on the early voter instructions notifying voters their ballot will not be counted without a signature on the envelope.

SB 1104 campaign finance; contributions; disclosures; itemization  
[Chapter 154]

Requires campaign finance reports to include contributions from out-of-state individuals and the individual’s occupation and employer. Increases the threshold amount of contributions from in-state individuals that must be reported from $50 to $100 for that election cycle. Clarifies that the aggregate amount of contributions from all in-state individuals whose contributions do not exceed $50 for the election cycle must be included in the campaign finance report.

SB 1105 ballot measures; 200-word description  
[Chapter 345]

Increases the allowable number of words to describe an initiative or referendum on initiative or referendum petitions from 100 to 200 words. This will require the SOS to revise its ballot form.

SB 1485 early voting list; eligibility  
[Chapter 359]

Makes changes to the criteria to be eligible for and remain on the Active Early Voting List, previously known as the Permanent Early Voting List. It prescribes duties to the county recorder to maintain the list, such as (1) removing persons who failed to vote in all elections for two consecutive election cycles; and (2) contacting persons to inform them they will be removed if they fail to respond within 90 days of notice.

SB 1492 election law amendments  
[Chapter 230]

Changes these deadlines: (1) publishing the call of a nonpartisan election must occur 90 days before the election; (2) mailing the call of a nonpartisan election must occur 105 days before the election; (3) arguments advocating or opposing a ballot measure must be filed with the SOS 27 days before the primary election; and (4) write-in candidates cannot file a nomination papers more than 150 days before the election. Requires election clerks to be qualified voters of Arizona. Prohibits candidates from using any word on a nomination paper that does not constitute their actual nicknames. Requires clerks to: (1) review petitions for recognition of a new political party on a ballot in the same manner as petitions for statewide recognition of new political parties; (2) include the selection of a random sample of 20% of the total signatures eligible for verification; (3) individually verify and certify signatures from the random sample; and (4) calculate and project the total number of valid signatures and determine whether the party must be recognized on the ballot. Removes the requirement that a petition for recognition of a new political party on a ballot include the signatures of qualified electors from at least ¼ of election precincts.

SB 1495 early ballots; undeliverable; instructions  
[Chapter 332]

Requires the officer in charge of elections to ensure that early ballots are sent in an envelope that substantially states: If the addressee does not reside at this address, mark the unopened envelope “return to sender” and deposit it in the United States mail.

SB 1530 early ballots; removal date  
[Chapter 345]

Increases the period that makes covering or removing a political sign a level 2 misdemeanor to 15 days after a general election or 15 days after a primary election for a candidate that is not continuing to the general.

SB 1714 campaign expenditures; out-of-state; disclosures  
[Chapter 379]

A political action committee (P.A.C.) that makes an expenditure for an advertisement must disclose the aggregate percentage of out-of-state contributors, which must be calculated when the advertisement was produced.

The disclosure statement from out-of-state contributors must specifically say: “paid for by ____”, followed by “with ____% from out-of-state contributors” (with the blank filled by the aggregate percentage). If an advertisement is delivered by hand and paid for by a P.A.C., the height of the disclosure...
statement must at least 10% of the advertisement’s vertical height. If a P.A.C. pays for a sign or billboard advertisement, the height of the disclosure statement must be at least 10% (rather than 4%) of the vertical height of the sign or billboard. If a P.A.C. pays for television, video, or film advertisement, the height of the disclosure statement must be at least 10% (rather than 4%) of the advertisement’s vertical height.

**SB 1722 political signs; condominiums; planned communities**
*Chapter 221*

Extends the deadline to 71 days for when a city or town may prohibit the removal, defacing, alteration, or covering of political signs.
**Part Three: Taxes, Budget, and Finance**

**HB 2001 appropriations; fire suppression (Enacted in special session)**

*(Chapter 1)*

Provides a $75M supplemental appropriation in FY21 to the Department of Forestry and Fire Management for fire suppression-related expenses, including post-fire hazard mitigation. Funding may also be used to reimburse local governments for costs related to fire emergency response, sheltering, wraparound services, public infrastructure damage, and other support activities.

**Effective date: June 18, 2021**

**HB 2112 truth in taxation; press releases**

*(Chapter 98)*

Requires that a Truth in Taxation Hearing press release include the name of the newspaper the city or town will publish the truth in taxation notice and the dates that it will be issued. The governing body is also required to include the press release on its official website.

**HB 2317 community facilities districts**

*(Chapter 51)*

An emergency measure that makes changes to how general obligation bond funds can be utilized and creates requirements for the composition of district boards created after August 9, 2017, but before the effective date of this bill.

**Effective date: March 18, 2021**

**HB 2321 qualified facilities**

*(Chapter 80)*

Extends by ten years (through 2033) the period the state treasurer is to pay cities and towns TPT revenues to help fund public infrastructure projects that benefit a manufacturing facility.

**HB 2431 DOR; bond election pamphlets; storage**

*(Chapter 131)*

Removes the statutory requirement that political subdivisions submit a copy of the informational ballot within 30 days after a bond election to the Arizona Department of Revenue (DOR). It also repeals provisions requiring DOR to maintain copies of the submitted pamphlets.

**HB 2649 computer data centers; tax incentives**

*(Chapter 266)*

Clarifies the original intent at the inception of the CDC program and corrects a drafting error by moving the related Retail, Contracting, and Use tax exemptions from one subsection to another within each classification. This change will allow consistent exemptions for charges related to sales, use, installation, assembly, repair, and maintenance of CDC equipment required for the CDC to operate. It limits the cumulative total of all approved refunds based on these changes to no more than $10,000, divided proportionally amongst all claimants. These changes are retroactive to coincide with the inception date of the CDC program in 2013.

**Effective date: September 13, 2013.**

**HB 2696 government assistance; point of contact**

*(Chapter 224)*

Requires a municipality to supply the name, telephone number, and email address of a person who can provide information about written municipal communication. Applies when the municipality is communicating with a person in writing, and the communication relates to a payment of a fine, assessment, fee, penalty, or tax. The person whose information is provided must respond to an inquiry about the communication within five business days.

**HB 2821 bonds; change of purpose; election**

*(Chapter 328)*

Authorizes a municipality to change the purposes to spend monies from the sale of bonds from a previous bond election by calling for a new election so long as the bonds were not issued. The election can only be held on the first Tuesday following the first Monday in November. This requirement will sunset on January 1, 2025.

**HB 2879 DOR; procedures; administrative rulings**

*(Chapter 342)*

Codifies the implied authority of the DOR to draft rulings, procedures, and other administrative announcements that apply to and interpret tax laws and regulations, either generally or based on a specific set of facts. DOR is required to maintain a public record of all draft and final rulings, procedures, and administrative announcements on the home page of its website. Establishes requirements for drafted rulings, procedures, and other administrative announcements to become final, including a required period for public comment. Requires the DOR to incorporate the public comments received into the final ruling, procedure, or other administrative announcements, or publicly state the basis for exclusion and preserve the response as a public record. These requirements do not apply to private taxpayer rulings, tax forms and instructions, routine notices that remind taxpayers of normal filing obligations, and other routine DOR communications that do not substantively apply to and
interpret tax laws and regulations. Courts are required to decide all questions of law without deference to any determination that DOR makes.

**SB 1056 energy; water; savings accounts** *(Chapter 39)*

Increases the contract duration for energy and water savings between a municipality and an energy or water services company from 15 years to 25 years. It also requires the estimated impact required before implementation of the services to include other costs and revenues.

**SB 1124 contributions in aid of construction** *(Chapter 430)*

Among other provisions, it establishes a state low-income housing tax credit, capped at $4M per year, and a credit review committee, which will both sunset on January 1, 2026.

**SB 1720 peer-to-peer car sharing** *(Chapter 220)*

Establishes a new chapter in Title 28 (Transportation) regulating “peer-to-peer car-sharing” defined as the authorized use of a shared vehicle by an individual other than the vehicle owner through a “peer-to-peer car-sharing program.” Transactions involving individually owned vehicles are subject to transaction privilege taxes but are not subject to the AZSTA or stadium district rental vehicle surcharge. A peer-to-peer car-sharing program is required to have a TPT license and is responsible for payment of TPT otherwise due from a shared vehicle owner for any transaction facilitated by the peer-to-peer car-sharing program. A licensed peer-to-peer car-sharing program is required to report aggregate gross income by city and town. Establishes requirements for sourcing of shared vehicle transactions. A shared vehicle owner is allowed an exemption for transactions facilitated by a peer-to-peer car-sharing program if the program paid the applicable taxes. Municipalities are prohibited from imposing any additional taxes, fees, or charges on the gross proceeds or gross income of a shared vehicle transaction not imposed on every other transaction involving motor vehicles for hire without a driver.

**SB 1819 budget procedures; budget reconciliation; 2021-2022** *(Chapter 405)*

The Budget procedures BRB makes the following statutory and session law changes:

**COVID-19 Preemption:**

- Prohibits cities, towns, and counties from issuing any order, rule, ordinance, or regulation related to mitigating COVID-19 that impacts private businesses, schools, churches, or other private entities. This preemption includes an order, rule, ordinance, or regulation that mandates the use of face coverings, requires closing a business, or imposes a curfew.

- Allows cities, towns, and counties to set and enforce mitigation policies in a building owned by the city, town, or county.

**Governor’s state of emergency authority:**

- Limits a governor’s state of emergency proclamation concerning a public health emergency at 30 days and allows the governor to extend the emergency for up to 120 days. Prohibits any single extension from being more than 30 days.

- Terminates a state of emergency proclaimed by the governor after 120 days unless extended by a concurrent resolution of the legislature.

**Attorney general election authority:**

- As session law, declares the defense of the state’s elections laws is of statewide importance and assigns the authority to the attorney general to defend the laws.

- It also stipulates the authority of the attorney general to defend the law is paramount in any disagreement between the attorney general and the secretary of state or any other state official concerning the defense of a state election law.

**Major Events Fund:**

- Establishes the fund to, among other purposes, make grants to organizing committees for the operating costs of major events and other economic development-related activities. The funds may not supplant routine operating expenses of any political subdivision.

**Newspapers:**

- Modifies the definition of newspaper relating to public notice posting by removing the prerequisite that the newspaper be admitted under federal law as second-class media mail for at least one year.
The capital outlay BRB appropriates the following for targeted transportation projects of interest to cities and towns:

- $1,169,400 to improve Hill Street corridor in Globe.
- $8.5M for the 67th Ave drainage project in Peoria.
- $8M to widen Camelback Rd in Goodyear.
- $1,032,100 to repair 20th Ave in Safford.
- $5M to improve Tangerine Rd in Marana.
- $7.9M for Ocotillo Rd bridge construction in Gilbert.
- $3.5M for state route repairs in Wilcox.
- $1M for bridge replacement in Florence.
- $560K to repair Main Street in Jerome.
- $13.6M for SR77 in Oro Valley.
- $10.6M for SR90 in Fort Huachuca.
- $50M for I-10 widening south of Phoenix.

It also appropriates $18M in FY21 to the State Aviation Fund and $26M in FY22 from the State Aviation Fund to ADOT to plan, construct, develop, and improve state, county, and municipal airports.

HB 2893 criminal justice; budget reconciliation; 2021-2022
[Chapter 403]

Cybersecurity:

- Assigns the National Guard duties to prevent and respond to cyberattacks against the state and political subdivisions. SB1823 includes a 300K appropriation to fund cyber support activities.

Law Enforcement Officer Investigations:

- Effective January 1, 2021, requires two-thirds of the voting membership of any government entity that investigates or disciplines a law enforcement officer for misconduct to be Arizona Peace Officer Standards and Training Board (AZPOST) certified law enforcement officers.

- Requires any person that investigates officer misconduct, recommends disciplinary actions or that imposes discipline be an AZPOST certified officer.

- If a person, agency, or department does not meet the membership requirements in HB 2567, the legislation allows a supervisor, department, or agency head to investigate and impose discipline for an officer if the supervisor, department, or agency head acts independently of the person, agency or department that investigates the misconduct.

- Amends HB 2462 and HB 2567 as signed into law to be retroactive to Dec. 31, 2020.

- Exempts AZPOST board members from the training requirements outlined in HB 2462 and from the membership requirements in HB 2567.

- Makes setting and maintaining standards of professionalism and integrity for law enforcement officers a statewide concern.

SB1487 Expansion:

- Expands the ability for a legislator to request the attorney general review administrative actions of a city, town, or county, including any adopted written policies, rules, or regulations.

- The legislator making the request must first notify the city, town, or county of the alleged violation. If the issue is not resolved within 60 days, the legislator may file the complaint with the attorney general's office.

Effective date: Noted with the specific provisions summarized above.

SB 1823 general appropriations act; 2021-2022
[Chapter 408]

The following provisions in the general appropriations act are of interest to cities and towns:

- $95,000 and 1 FTE to the Industrial Commission for municipal firefighter reimbursement administration. The intent of the appropriation is that it be only used for administrative costs and that the appropriation does not convey any responsibility for firefighter cancer compensation and benefits claims on to the state.

- $2,522,600 to the Department of Economic Security (DES) for coordinated homeless services.

- $24,498,500 for the Phoenix Convention Center.

- $1,754,600 to DES for coordinated hunger services.

- $6,023,500 to the Department of Insurance and Financial Institutions for the Automobile Theft Authority Fund.

- $1,261,700 for the Border Strike Force. $761,700 is earmarked for local law enforcement positions with the task force and $500K for grants to local governments to prosecute border-related crimes.
Contains provisions preempting cities and towns from doing the following:

1. Establishing COVID-19 vaccine passport requirements.
2. Requiring persons to be vaccinated.
3. Requiring businesses to obtain proof from patrons of vaccine status.

Among other provisions, the bill establishes the Municipal Firefighter Cancer Reimbursement Fund to reimburse cities and towns for compensation of (1) disability claims, (2) death benefits, and (3) medical, surgical, and hospital benefits. After July 1, 2021, the Industrial Commission will assess a fee on cities and towns based on population, not to exceed $15M in the aggregate, to be deposited into the fund. It also repeals the annual assessment on cities and towns to fund the Department of Revenue.

Among other provisions, the bill changes the Urban Revenue Sharing (URS) sharing percentage from 15% to 18% effective in FY24. In addition, it changes individual income tax rates as stated below, with the stated bracket limits subject to annual inflation adjustment (the maximum 4.5% rate bracket begins at $250,000, but it is not adjusted for inflation):

- Effective January 1, 2022, the new income tax rates are 2.55% up to $27,272; 2.98% on any portion above that limit, with a max rate of 4.5% applied to income over $250,000.

- Not earlier than January 1, 2023, tax rates can take the second step toward the flat tax (2.53% up to $27,272; 2.75% on any portion above that limit, with a max rate of 4.5% applied to income over $250,000). The trigger to begin using this set of rates is when total state revenue collections for the immediately preceding fiscal year meet or exceed $12,782,800,000 as stated in new A.R.S. § 43-243.

- Not earlier than January 1, 2024, tax rates can take the final step down to the new flat tax rate (2.5% on all income, with a max rate of 4.5% applied to income over $250,000). The trigger to begin using this rate is when total state revenue collections for the immediately preceding fiscal year meet or exceed $12,976,300,000.

The simplified impacts these changes will have on URS calculations are as follows:

- URS received by cities and towns in FY21/22 = 15% of net state income tax collections during FY19/20 = current tax rates; includes a full year of state income tax withholding collections (W/H) but DOES NOT include the 2019 Tax Return payments due to CY2019 filing deadline being extended to July 2020 (Note: individual income tax revenues from W/H come in monthly and totaled ~$4.5 billion in state revenue in FY19, while a significant portion of tax return payments typically arrive on or near the filing deadline and totaled ~$1.5 billion in FY19.)

- URS for FY22/23 = 15% of collections in FY20/21 = current tax rates; full year of W/H and includes two Tax Return payments due to CY2019 filing extension. (CY2019 returns filed on/near the extended deadline could add ~$500m to 600m to this year’s total. The CY2020 deadline extension remained in FY21, so it does not shift collection years.)

- URS for FY23/24 = 18% of collections in FY21/22 = current tax rates on W/H for six months and the CY2021 tax return payments, plus six months of W/H at the first set of new tax rates. (Note: the increased shared percentage effectively begins to apply six months BEFORE the first new tax rates are implemented.)

- URS for FY24/25 = 18% of collections in FY22/23 = new rates on W/H and CY2022 tax return payments. The calculation continues in this manner using the 18% sharing percentage in perpetuity. However, as the next two tax rate changes are implemented, potentially as early as CY2023 and CY2024, the URS calculation in each “change” year will again be based on six months of W/H and a Tax Return payment at the prior rates, plus six months of W/H at the new rates.

Includes provisions that repeal the Freight Advisory Council and Railroad Review Fund at the Department of Transportation. It also removes several provisions of law regarding major rail project review requirements.

Effective date: July 1, 2021
Part Four: General Government

HB 2029 commerce; masks; barbering; cosmetology; licensing
(Chapter 334)

Among other provisions, amends Laws 2021, Chapter 201 (HB 2770 mask mandates; business exception) to state that businesses are not required to enforce a mask mandate on patrons instead of premises.

HB 2034 noxious weeds; government projects
(Chapter 9)

Authorizes cities and towns to remove noxious weeds when completing routine maintenance and capital projects and prohibits noxious weeds in landscaping.

HB 2043 underground storage tanks; performance standards
(Chapter 37)

Prohibits anyone from installing an underground storage tank or piping components that are 50% or more of the total linear feet of the underground storage tank system unless it meets federal standards that are in effect as of January 1, 2020. It also requires any dispenser system installed or replaced that connects to an underground storage tank system to have an under-dispenser containment installed. This under-dispenser containment must meet the federal performance standards in effect as of January 1, 2020.

HB 2172 wireless providers; authority; applicability
(Chapter 129)

Repeals the exemption from the statutes that prescribe the authority to install small wireless facilities for a city or town located within 10 miles of the U.S.-Mexico border.

HB 2367 special event license; issuance
(Chapter 337)

Allows for an affiliate of a Section 501(c)(4) non-profit parent organization to apply for a temporary special event license by providing a copy of the I.R.S. group ruling regarding the parent’s 501(c)(4) status, as well as a copy of the charter of the parent (or a letter from the parent) recognizing the affiliate as its subordinate. The event proceeds must be used for a charitable or non-profit purpose. In addition, DLLC can deny the license if the affiliate or any of its members previously violated any statute under Title 4 of A.R.S., a fire code, or any other local requirement for special events.

HB 2400 municipal ordinances; posting
(Chapter 162)

Changes the requirement for municipal ordinances that impose a penalty, fine, forfeiture, or other punishment to be posted at city/town hall or in one public place (rather than three) within the municipality or on the municipality’s website (in addition to any additional public notice that is reasonable and practicable). Allows exhibits to the ordinance to be excluded from the postings if the city or town lists where the exhibits are available for public use and inspection.

HB 2485 urban air mobility study committee
(Chapter 197)

Establishes an urban air mobility study to review relevant state statutes and discuss necessary revisions. Of the 26 members on the committee, the governor will appoint one from the League of Arizona Cities and Towns, two from municipalities with more than 250,000, and one from a municipality with less than 100,000.

HB2570 licenses; pandemics; revocation; prohibition
(Chapter 367)

Prohibits a city or town from permanently revoking any license held by a business for failure to comply with a state-issued emergency order unless demonstrated the business caused the transmission of disease subject to the emergency order. It requires the business to be provided a written notice of non-compliance and a 30-day notice of intent before any license suspension. It prescribes dispute resolution requirements and awarding of attorney fees.

HB2671 underground storage tanks; standards; reimbursements
(Chapter 440)

Contains various provisions that do the following, among others:

- modify performance standard requirements for underground storage tanks (UST),
- stipulate UST fund reimbursements for corrective and noncorrective actions,
- remove the sunset date for the UST excise tax and instead require it be reviewed at ADEQ’s regular sunset review schedule,
- extend to January 1, 2033, the requirement to conduct baseline assessments of UST sites,
- provide processes to reimburse previously ineligible UST release claims.
HB 2696 government assistance; point of contact  
[Chapter 224]

Requires a municipality to supply the name, telephone number, and email address of a person who can provide information about written municipal communication. Applies when the municipality is communicating with a person in writing, and the communication relates to a payment of a fine, assessment, fee, penalty, or tax. The person whose information is provided must respond to an inquiry about the communication within five business days.

HB 2711 antenna use; private property  
[Chapter 307]

Prohibits a municipality from preventing, delaying, or unreasonably increasing the costs of installation, maintenance, or use of an antenna. It applies to antennas less than a meter in diameter on private property used for broadband radio services and wireless transmissions except via satellite and receives signals from several customer locations.

HB 2770 mask mandates; business exception  
[Chapter 201]

Allows a business not to enforce a mask mandate established by the state, a county, city, or town on the business’ premises.

HB 2898 K-12 education; budget reconciliation; 2021-2022  
[Chapter 404]

Contains a provision preempting cities and towns from requiring school staff or students to use face coverings during school hours and on school property.

Effective date: July 1, 2021

HB 2906 governance; audits; training  
[Chapter 427]

This bill contains two separate subjects. First, it requires the certified public accountant who completes the statutorily required financial audit of the city or town’s records to present its findings to the council on an active agenda. Second, it requires the council to demonstrate they comply with a new law that preempts cities and towns from using public monies for and requiring an employee to engage in orientation, training, or therapy that presents any form of blame or judgment based on race, ethnicity or sex.

SB 1257 state liquor board; membership  
[Chapter 211]

Among other provisions, the bill requires that one member of the state liquor board be a current or former elected municipal official.

SB 1258 state of emergency; tolling; permits  
[Chapter 212]

An emergency measure that tolls the period for a permit, license, or other authorization by a municipality during a state of emergency for the duration of the emergency proclamation. It also extends the right to exercise the permit, license, or other authorization for an additional six months after the proclamation ends.

Effective date: April 9, 2021

SB 1299 incorporation; urbanized areas  
[Chapter 41]

Changes the process for a community seeking incorporation and requires that a map of the incorporated area and the petition be filed with 24 hours of each other. The petition must also be published in a newspaper of general circulation for two consecutive weeks before signatures can be obtained for the petition of incorporation.

SB 1336 annexation; unincorporated territory  
[Chapter 216]

An emergency measure that removes the prohibition on municipalities from annexing territory that results in an unincorporated island only for annexations approved before August 25, 2020.

Effective date: April 9, 2021

SB 1373 health facilities; duty of care  
[Chapter 314]

Grants immunity from civil liability to a person who renders first aid or CPR in good faith except if they are guilty of gross negligence. It also requires CPR-certified staff to be always present at the facility and provide CPR and appropriate first aid before the arrival of emergency medical services.

SB 1377 civil liability; public health pandemic  
[Chapter 179]

Establishes that a person or provider cannot be liable for a civil claim that the person or provider failed to protect a person or the public if they acted in good faith to protect a person or public from injury during a public health state of emergency. Good faith is presumed if the person or provider implemented reasonable policies related to the public health pandemic. In addition, there must be clear and convincing evidence that the person or provider failed to act or acted with gross negligence. This bill applies to all claims filed on or after March 11, 2020.

Effective retroactive to from and after March 10, 2021.
SB 1378 office of Sonora; continuation

Continues the Office of Sonora for eight years until July 1, 2029.

Effect retroactive to July 1, 2021.

SB 1409 zoning ordinances; property rights; costs

Before adopting any zoning ordinance or zoning ordinance text amendment of general applicability, the city or town council must consider its probable impact on the cost to construct housing for sale or rent.

SB 1429 solid waste services; private provider

Prohibits a city or town from enforcing a criminal penalty against a resident who refrains from purchasing solid waste collection services from a private provider. This does not apply if the private services provider is contracted with and billed through the city or town.

SB 1442 hazardous vegetation removal; state forester

Authorizes the state forester to enter into intergovernmental agreements or memorandums of understanding with public agencies to remove hazardous vegetation on state, federal, tribal, and private lands for fire prevention, watershed restoration, and infrastructure protection.

SB 1448 agricultural operations; nuisance; costs; damages

Prohibits a city or town from declaring an agricultural operation a nuisance if the operations meet legal requirements and best practices. In the case of a nuisance action against an agricultural operation, the court cannot award punitive damages unless the operation is criminally convicted or subject to civil enforcement by a state or federal health agency related to the nuisance.

SB 1601 municipal ordinances; penalties; notice

Prohibits a municipality from enforcing a fine, penalty, or assessment for a failure to remove rubbish, trash, weeds, or dilapidated buildings before the 30-day notice requirement and the time to request an appeal has lapsed.

SB 1645 publication of notice

Allows cities and towns to publish statutorily required public notices in a newspaper printed within the city or town or a newspaper printed and published within the county in which the city or town is located that has a greater circulation to residents of the city or town.
Part Five: Transportation and Traffic Enforcement

HB 2006 speed limits; roadway turn off
(Chapter 47)
Requires a vehicle that is driving slow enough to impede traffic, defined as having five or more vehicles formed behind it, to use the nearest turn off to move off the road on a two-lane highway.

HB 2813 autonomous vehicles
(Chapter 117)
Authorizes the use of an autonomous vehicle on public roads with a driver responsible for responding to a request to intervene. For an autonomous vehicle without a driver, someone must submit a law enforcement interaction plan and confirm with the Arizona Department of Transportation and Department of Public Safety that the vehicle meets all federal and state requirements for an autonomous vehicle.

SB 1345 neighborhood electric shuttles
(Chapter 244)
Requires neighborhood electric shuttles to abide by statutes relating to neighborhood electric vehicles. States that neighborhood electric shuttles cannot be driven at a speed above 25 miles an hour and cannot be driven on a highway with a speed limit over 35 miles an hour.

SB 1843 vehicle speed limits
(Chapter 392)
Revises the excessive speed classification for locations other than a business, residential, or school district from not exceeding 85mph to not exceeding the posted speed limit by more than 20 MPH. It also changes the waste of finite resources classification by allowing the designation for exceeding the maximum speed limit by not more than 10mph on 1) a public highway of at least 35mph in an area that is outside of an urbanized area; or (2) a public highway of at least 40mph in an urbanized area.
Part Six: Labor, Employment, Retirement and Benefits

HB 2008 ASRS; employer; member; contributions
(Chapter 36)
Requires that the Arizona State Retirement System (ASRS) reduces the payment to an employer by the number of losses due to excess contributions. It also prohibits an employer from paying ASRS a corrected amount of member contributions after the member’s death.

HB 2059 retirement systems; benefit computation; return-to-work
(Chapter 23)
Redefines what an average monthly benefit compensation is in the Public Safety Personnel Retirement System. It includes a period of nonpaid or partially paid industrial leave. It also increases the start of payments made to members in the Public Safety Personnel Retirement System, Corrections Officer Retirement Plan, or Elected Officials’ Retirement Plan from 70.5 years to 72 years.

HB 2381 PSPRS; CORP; local boards; consolidation
(Chapter 34)
Expands the power of local PSPRS and CORP boards to include decision-making for eligibility and the review process. Requires each local board to hire independent legal counsel that meets specified requirements, board members to complete training within 180 days of joining the board, and local boards are subject to requests and reviews by the PSPRS Board of Trustees. If the board of trustees finds a local board is not in compliance with statutes, it has 60 days to make corrections, and the board of trustees may act on behalf of the local board if the proper corrections are not made.

Effective date: January 1, 2022

SB 1451 worker’s compensation; rates; firefighters; cancer
(Chapter 229)
Creates a separate section of statute related to the presumptive occupational diseases and cancers for firefighters. Adds ovarian and breast cancer to the presumptive cancers and changes the standard of cancer presumptions to clear and convincing. Makes changes to insurance claim filing requirements and requires insurance providers, work compensation pools, and employers to share information related to cancer rates with the Industrial Commission of Arizona.