



Public Affairs Summary

53rd Legislature - 1st Regular Session - 2017

General Session Information

- 122 days of session – Adjourned Sine Die May 10, 2017 at 7:00 p.m.
- 1,079 bills introduced
- 353 bills passed
- 342 bills signed by Governor
- 11 bills vetoed

GPCC Tracked Bills Update

- Total of bills on all tracking lists: 393
- Total of bills on PA tracking list: 95
- Total of bills on PA tracking list GPCC opposed: 20
- Total of bills on PA tracking list GPCC supported: 75
- 37 GPCC supported bills signed into law
- 2 GPCC opposed bills signed into law

Key Bills

- HB 2047 (liquor serving age reduction)
SUPPORTED - Signed into law
All employees manufacturing, selling or handling spirituous liquors are required to be 18 years of age, reduced from 19 years of age.
- HB 2064 (jet fuel; municipal excise tax)
SUPPORTED - Signed into law
Any municipal tax on jet fuel is limited to amounts of not more than 10 million gallons of jet fuel purchased by each purchaser in each calendar year, and the levy and measure of the tax is required to be structured to affirmatively exempt purchases in excess of 10 million gallons per purchaser per year. Beginning December 1, 2017, the revenues generated from any municipal tax on jet fuel by each public airport must be segregated in separate accounts for the exclusive expenditure for the capital or operating costs of the airport, the airport system or other local airport facilities owned or operated by the municipality and directly and substantially related to the air transportation of passengers or property.

- HB 2152 (AZ emissions bank; credits)

SUPPORTED - Signed into law

The Arizona Emissions Bank is renamed the Voluntary Arizona Emissions Bank, and statutes regulating the Bank are modified. The state, a political subdivision and any person that reduces “qualifying emissions” may apply to the Department of Environmental Quality to certify “emission reduction credits” to be deposited in the Bank. The Dept is required to act on an application and certify the credits under rules adopted by the Dept before the credits may be deposited and used to offset future increases in emissions. Except to the extent required by the federal Clean Air Act, Dept rules must provide for the award of emission reduction credits equal to the full amount of reductions in qualifying emissions that are permanent, quantifiable, surplus, real and otherwise enforceable. Emission reduction credits can no longer be used, traded, sold or otherwise expended within the same nonattainment area, maintenance area or modeling domain. Emission reduction credits do not expire and may not be reduced or withdrawn without permission of the owner.

- HB 2191 (tax credit cap; angel investor)

SUPPORTED - Signed into law

From July 1, 2017 through June 30, 2021, the Arizona Commerce Authority may certify tax credits for qualified investments made in a qualified small business for up to \$2.5 million each fiscal year, plus any unused credit capacity which carries over from the preceding fiscal years.

- HB 2244 (initiatives; standard of review)

SUPPORTED - Signed into law

Constitutional and statutory requirements for statewide initiative measures are required to be strictly construed, and persons using the initiative process are required to strictly comply with those requirements. The Secretary of State is required to make available a sample initiative petition that strictly complies with statutory requirements, and any committee that uses the sample petition is presumed to have strictly complied with those requirements. Each election cycle, the Secretary of State is required to prepare and publish an initiative, referendum and recall handbook that provides guidance on interpreting, administering, applying and enforcing related laws, and must make the handbook available to the public online.

- HB 2271 (occupational licensing; military)

SUPPORTED - Signed into law

The education, training or experience requirements for a license, certificate or registration issued pursuant to Title 32 (Professions and Occupations) are completely or partially satisfied, as determined by the regulating entity, on presentation of satisfactory evidence that the applicant received substantially equivalent education, training or experience as a member of the U.S. Armed Forces.

- HB 2365 (wireless facilitates; rights-of-way)

SUPPORTED – Signed into law

Adds a new article to Title 9 and Title 11 (Cities, Towns and Counties) regulating the use of public highways by wireless providers. An "authority" (defined as a municipality, special district or political subdivision) is prohibited from entering into an exclusive arrangement with a wireless provider for use of a right-of-way for the construction, installation, maintenance, modification, operation or replacement of utility poles or monopoles, or for the collocation of small wireless facilities on utility poles or wireless support structures, or for the collocation of wireless facilities on monopoles. An authority may charge a wireless provider a rate or fee for the use of a right-of-way for these purposes only if the authority charges other communications service providers for the use of the right-of-way and the authority has the legal authority to do so. The rate or fee for a wireless provider is limited to the direct and actual cost of managing the right-of-way and is required to be competitively neutral in regard to other users of the right-of-way. Establishes prohibited rate or fee practices and sets the maximum fee at \$50 times the number of small wireless facilities in the authority's geographic jurisdiction that are placed by the wireless provider in the right-of-way. Authorities are prohibited from requiring applicants to perform services that are unrelated to the collocation or instituting a moratorium on applications for the collocation of a small wireless facility.

- HB 2422 (annual report; corporate tax credits)

OPPOSED - Defeated

Bill would have, beginning in 2018, required the Department of Revenue to annually report to the Governor and the Legislature specified information on corporate income tax credits that were originally enacted by the Legislature beginning January 1, 2017, for any corporation that claims or carries forward an amount exceeding \$5,000. The bill would have allow the department to disclose confidential taxpayer information for this purpose.

- HB 2547 (university infrastructure capital)

SUPPORTED – Signed into law

Establishes a Capital Infrastructure Fund for each university, and appropriates the following amounts from the general fund in FY2018-19 for deposit in the Fund of each university: \$11.93 million to Arizona State University, \$10.55 million to the University of Arizona, and \$4.52 million to Northern Arizona University. In FY2019-20 through FY2042-43, an amount is appropriated annually to the Fund of each university that is equal to the amount appropriated in the preceding FY adjusted by a specified growth rate calculation.

- SB 1080 (teenage drivers; communication devices; prohibition)

SUPPORTED – Signed into law

For the first six months that a class G driver licensee holds the license, the licensee is prohibited from driving a motor vehicle while using a wireless communication device for any reason, except during an emergency in which stopping the vehicle is impossible or will create an additional hazard, or when using an audible turn-by-turn navigation

system if the licensee does not manually enter or adjust the device while driving. Does not apply beginning on the licensee's 18th birthday. Instruction permit holders for a class D or G driver license are prohibited from driving a motor vehicle while using a wireless communication device for any reason, except during an emergency in which stopping the vehicle is impossible or will create an additional hazard. Effective July 1, 2018.

- SB 1242 (tax information; disclosure; municipal auditors)

OPPOSED - Defeated

Would have allowed confidential information relating to transaction privilege taxes and any other tax collected by the Department of Revenue on behalf of any jurisdiction to be disclosed to a "third party" (defined) who is under contract with a county or municipality for audit purposes.

- SB 1243 (weapons; public places)

OPPOSED - Defeated

Would have allowed a person who possesses a valid concealed weapons permit to be exempt from the prohibition on carrying a concealed weapon in a public establishment or at a public event.

- SB 1272 (business entities; omnibus)

SUPPORTED - Signed into law

Numerous changes to statutes relating to Corporation Commission regulations of business entities. Various businesses filings and notices are authorized to be sent or filed by "electronic transmission". Any person that authorizes or signs a report, certificate, notice or other document with respect to a corporation that is delivered for filing with the Corporation Commission and that has knowledge at the time of delivery that the information contained in that document is materially false or misleading is liable to the corporation and its creditors for all damages resulting from the act. The list of conditions under which the Corporation Commission is authorized to commence a proceeding to revoke the authority of a foreign corporation to transact business in Arizona is expanded to include if the corporation has failed to pay fees, penalties and costs required by statute or failed to comply with specified requirements for withdrawal of a foreign corporation. A notice under the Limited Liability Company act is required to be in writing unless oral notice is reasonable under the circumstances.

- SB 1332 (workers' compensation; unemployment insurance)

SUPPORTED - Signed into law

Effective November 1, 2017, the interested parties to a workers' compensation claim are authorized to settle and release all or any part of an accepted claim, or to negotiate a full and final settlement if the period of disability is terminated by the insurance carrier or self-insured employer. Establishes requirements for any "full and final settlement", including specified attestations that must be included if the employee is represented by counsel. A full and final settlement is not valid and enforceable unless approved by the Industrial Commission. Establishes criteria that the Industrial Commission is required to consider when determining whether to approve a settlement. The list of entities that the Department of Economic Security or Office of Economic Opportunity is authorized to

disclose unemployment insurance information to is expanded to include the Industrial Commission, Department of Insurance or Attorney General for use by those agencies in the prevention, investigation and prosecution of workers' compensation fraud.

- SB 1376 (compact; prosperity districts)

OPPOSED - Defeated

Would have enacted and adopted a prosperity states compact to establish prosperity districts to advance each enacting state's mutual sovereign interest in promoting prosperity by creating a "stable public policy environment consisting of optimal regulatory and fiscal policy." Would have established a framework for prosperity district governance structure and legal capacity, including a district managing board, and specifies that every prosperity district has exclusive governing jurisdiction within its boundaries. Provides for concurrent law enforcement jurisdiction. Established a process for prosperity district formation, expansion and withdrawal. When at least two member states are contractually bound to the compact, a Prosperity States Compact Commission is established, and powers and duties of the Commission and Commissioners were specified.

- SB 1406 (public accommodation; civil action)

SUPPORTED - Signed into law

Before filing a civil action that alleges a public accommodation operated by a private entity has a building, facility or parking lot that violates public accommodation statutes, an aggrieved person or the person's attorney is required to provide written notice to the covered person or entity that includes "sufficient detail" to allow the covered person or entity to identify and cure the violation or to comply with the law. If the covered person or entity does not cure the violation or comply with the law within 30 days after receiving the notice, the person may file the civil action. When filing a civil action, an aggrieved person is required to file an affidavit, under penalty of perjury, that the aggrieved person has read the entire complaint and agrees with all of the allegations and facts contained in the complaint, and is not receiving and has not been promised anything of value in exchange for filing the civil action. The court is authorized to stay an action to determine whether the person or the person's attorney is a vexatious litigant or to determine if there are multiple civil actions that involve the same plaintiff and that should be consolidated. The court is authorized to impose a sanction on a plaintiff or the plaintiff's attorney if the court determines that an action or series of actions is brought for the primary purpose of obtaining a payment from the defendant due to the costs of defending the action in court. Also, public accommodation statutes do not apply to websites.

- SB 1416 (tax incentives and credits)

SUPPORTED - Signed into law

The owner of a business located in Arizona before July 2025, extended from July 2017, is eligible for income tax credits or an insurance premium tax credit for net increases in full-time employees residing in Arizona and hired in qualified employment positions in

Arizona. The qualifications for the tax credits are modified. Personal property in a military reuse zone or foreign trade zone that is acquired during or after tax year 2017 and initially classified during or after tax year 2018 as class 6 property is subject to a depreciated value schedule for the first five tax years of assessment. Through tax year 2021, the income tax credit for increased research activities is increased to 24 percent of an excess of \$2.5 million or less, from 20 percent, and to \$600,000 plus 15 percent of any amount exceeding \$2.5 million, from \$500,000 plus 11 percent. The State Treasurer is prohibited from making any payments of prime contracting transaction privilege tax (TPT) revenues used for public infrastructure until 10 percent, decreased from 25 percent, of the qualifying capital investment that has been certified by the Arizona Commerce Authority has been made by the manufacturing facility. Effective January 1, 2018.

More Information

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