

COMMITTEE ON REGULATORY OVERSIGHT  
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2031  
(Reference to printed bill)

Amendment instruction key:  
[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.  
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.  
[GREEN STRIKEOUT IN BRACKETS] indicates new text removed from statute or previously enacted session law.  
[Green strikeout in brackets] indicates text removed from existing statute, previously enacted session law or new session law.  
<<Green carets>> indicate a section added to the bill.  
<<Green strikeout in carets>> indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 <<Section 1. Section 3-102, Arizona Revised Statutes, is amended to  
3 read:

4 ~~3-102. Department organization~~

5 ~~A. The Arizona department of agriculture is established consisting~~  
6 ~~of the following divisions:~~

7 ~~1. The animal services division, which is responsible for milk,~~  
8 ~~dairy, livestock and aquaculture regulation, the state veterinarian, AND~~  
9 ~~meat, poultry and egg inspection and performing the administrative~~  
10 ~~functions authorized or contracted pursuant to law for the Arizona beef~~  
11 ~~council.~~

12 ~~2. The plant services division, which is responsible for~~  
13 ~~entomological services.~~

14 ~~3. The environmental services division, which is responsible for~~  
15 ~~regulating seed, feed and agricultural chemicals, including pesticides and~~  
16 ~~fertilizers, and for native plant protection.~~

17 ~~4. The weights and measures services division, which is responsible~~  
18 ~~for the inspection, testing and licensing of commercial weighing,~~  
19 ~~measuring and counting devices.~~

20 ~~5. The pest management division, which is responsible for~~  
21 ~~regulating pest management and pest management services as defined in~~  
22 ~~section 3-3601.~~

23 ~~6. The citrus, fruit and vegetable division, which is responsible~~  
24 ~~for the citrus, fruit and vegetable standardization and produce safety~~  
25 ~~program under chapter 3, articles 2, 4, 4.1 and 4.3 of this title.~~

26 ~~B. The following are established in addition to and separate from~~  
27 ~~the divisions of the department:~~

28 ~~1. The state agricultural laboratory.~~

1           ~~2. The office of agriculture safety.~~  
2           ~~3. The office of inspections.~~  
3           ~~4. The office of commodity development and promotion.~~  
4           ~~6. The department shall have a central administrative service~~  
5 ~~office providing:~~  
6           ~~1. Data processing, accounting and budgeting, records management,~~  
7 ~~publications, property control and personnel services and training.~~  
8           ~~2. A program to cross-train appropriate personnel to enable them to~~  
9 ~~perform similar functions or comparable work for different administrative~~  
10 ~~units in the department.~~  
11           ~~Sec. 2. Section 3-107, Arizona Revised Statutes, is amended to~~  
12 ~~read:~~  
13           ~~3-107. Organizational and administrative powers and duties of~~  
14                   ~~the director~~  
15           ~~A. The director shall:~~  
16           ~~1. Formulate the program and policies of the department and adopt~~  
17 ~~administrative rules to effect its program and policies.~~  
18           ~~2. Ensure coordination and cooperation in the department in order~~  
19 ~~to achieve a unified policy of administering and executing its~~  
20 ~~responsibilities.~~  
21           ~~3. Subject to section 35-149, accept, expend and account for gifts,~~  
22 ~~grants, devises and other contributions of money or property from any~~  
23 ~~public or private source, including the federal government. All~~  
24 ~~contributions shall be included in the annual report under paragraph 6 of~~  
25 ~~this subsection. Monies received under this paragraph shall be deposited,~~  
26 ~~pursuant to sections 35-146 and 35-147, in special funds for the purpose~~  
27 ~~specified, which are exempt from the provisions of section 35-190 relating~~  
28 ~~to lapsing of appropriations.~~  
29           ~~4. Contract and enter into interagency and intergovernmental~~  
30 ~~agreements pursuant to title 11, chapter 7, article 3 with any private~~  
31 ~~party or public agency.~~  
32           ~~5. Administer oaths to witnesses and issue and direct the service~~  
33 ~~of subpoenas requiring witnesses to attend and testify at or requiring the~~  
34 ~~production of evidence in hearings, investigations and other proceedings.~~  
35           ~~6. Not later than September 30 each year, issue a report to the~~  
36 ~~governor and the legislature of the department's activities during the~~  
37 ~~preceding fiscal year. The report may recommend statutory changes to~~  
38 ~~improve the department's ability to achieve the purposes and policies~~  
39 ~~established by law. The director shall provide a copy of the report to~~  
40 ~~the Arizona state library, archives and public records.~~  
41           ~~7. Establish, equip and maintain a central office in Phoenix and~~  
42 ~~field offices as the director deems necessary.~~  
43           ~~8. Sign all vouchers to expend money under this title, which shall~~  
44 ~~be paid as other claims against this state out of the appropriations to~~  
45 ~~the department.~~

1       ~~9. Coordinate agricultural education efforts to foster an~~  
2 ~~understanding of Arizona agriculture and to promote a more efficient~~  
3 ~~cooperation and understanding among agricultural educators, producers,~~  
4 ~~dealers, buyers, mass media and the consuming public to stimulate the~~  
5 ~~production, consumption and marketing of Arizona agricultural products.~~  
6       ~~10. Employ staff subject to title 41, chapter 4, article 4 and~~  
7 ~~terminate employment for cause as provided by title 41, chapter 4,~~  
8 ~~article 5.~~  
9       ~~11. Conduct hearings on appeals by producers regarding the assessed~~  
10 ~~actual costs of the plow up and the penalty of one hundred fifty per cent~~  
11 ~~for unpaid costs pursuant to section 3-204.01. The director may adopt~~  
12 ~~rules to implement this paragraph.~~  
13       ~~12. 11. Cooperate with the Arizona-Mexico commission in the~~  
14 ~~governor's office and with researchers at universities in this state to~~  
15 ~~collect data and conduct projects in the United States and Mexico on~~  
16 ~~issues that are within the scope of the department's duties and that~~  
17 ~~relate to quality of life, trade and economic development in this state in~~  
18 ~~a manner that will help the Arizona-Mexico commission to assess and~~  
19 ~~enhance the economic competitiveness of this state and of the~~  
20 ~~Arizona-Mexico region.~~  
21       ~~B. The director may:~~  
22       ~~1. Authorize in writing any qualified officer or employee in the~~  
23 ~~department to perform any act that the director is authorized or required~~  
24 ~~to do by law.~~  
25       ~~2. Construct and operate border inspection stations or other~~  
26 ~~necessary facilities in this state and cooperate by joint agreement with~~  
27 ~~an adjoining state in constructing and operating border inspection~~  
28 ~~stations or other facilities within the boundaries of this state or of the~~  
29 ~~adjoining state.~~  
30       ~~3. Cooperate with agencies of the United States and other states~~  
31 ~~and other agencies of this state and enter into agreements in developing~~  
32 ~~and administering state and federal agricultural programs regarding the~~  
33 ~~use of department officers, inspectors or other resources in this state,~~  
34 ~~in other states or in other countries.~~  
35       ~~4. Cooperate with the office of tourism in distributing Arizona~~  
36 ~~tourist information.~~  
37       ~~5. Enter into compliance agreements with any person, state or~~  
38 ~~regulatory agency. For the purposes of this paragraph, "compliance~~  
39 ~~agreement" means any written agreement or permit between a person and the~~  
40 ~~department for the purpose of enforcing the department's requirements.~~  
41       ~~6. Abate, suppress, control, regulate, seize, quarantine or destroy~~  
42 ~~any agricultural product or foodstuff that is adulterated or contaminated~~  
43 ~~as the result of an accident at a commercial nuclear generating station as~~  
44 ~~defined in section 26-301, paragraph 1. A person owning WHO OWNS an~~  
45 ~~agricultural product or foodstuff that has been subject to this paragraph~~  
46 ~~may request a hearing pursuant to title 41, chapter 6, article 10.~~

1 ~~7. Engage in joint venture activities with businesses and commodity~~  
2 ~~groups that are specifically designed to further the mission of the~~  
3 ~~department, that comply with the constitution and laws of the United~~  
4 ~~States and that do not compete with private enterprise.~~

5 ~~8. Sell, exchange or otherwise dispose of personal property labeled~~  
6 ~~with the "Arizona grown" trademark. Revenues received pursuant to this~~  
7 ~~paragraph shall be credited to the commodity promotion fund established by~~  
8 ~~section 3-109.02.>>~~

9 Section 1. Section 3-108, Arizona Revised Statutes, is amended to  
10 read:

11 3-108. Administrative support fund; use; exemption

12 A. A department of agriculture administrative support fund is  
13 established. All monies collected pursuant to any interagency agreement  
14 with the department pursuant to section 3-588, subsection A shall be  
15 deposited, pursuant to sections 35-146 and 35-147, in the fund.

16 B. All monies collected pursuant to any interagency agreement with  
17 the department in accordance with [section 3-468.03, subsection A] ~~and~~  
18 ~~[section 3-526.03, subsection A]~~ shall be deposited in the administrative  
19 support fund or deposited in the citrus, fruit and vegetable trust fund  
20 established by section 3-447 pursuant to the terms of the interagency  
21 agreement. Deposits in the administrative support fund shall be made  
22 pursuant to sections 35-146 and 35-147.

23 C. Monies in the fund are continuously appropriated and exempt from  
24 the provisions of section 35-190 relating to lapsing of appropriations.

25 ~~<<Sec. 4. Section 3-204, Arizona Revised Statutes, is amended to~~  
26 ~~read:~~

27 ~~3-204. Summary abatement of imminently dangerous nuisance;~~  
28 ~~procedure; expense; lien; public sale; reimbursement~~  
29 ~~costs and penalties to state for certain abatements;~~  
30 ~~civil penalty~~

31 ~~A. If, in the opinion of the director, the danger to the~~  
32 ~~agricultural and horticultural industry of the state is imminent if the~~  
33 ~~nuisance caused by a plant or thing is not speedily abated or suppressed,~~  
34 ~~and if the director finds it is practical to summarily abate the nuisance,~~  
35 ~~either by the destruction of the plant or thing or by the treatment~~  
36 ~~thereof OF THE PLANT OR THING so as to destroy or eradicate the crop pest~~  
37 ~~or disease without actually destroying the plant or thing, the director~~  
38 ~~shall in writing SHALL direct the owner or person in charge of the~~  
39 ~~nuisance, if the owner or person is found in the county, forthwith and at~~  
40 ~~the owner's or person's expense to abate and suppress the nuisance in the~~  
41 ~~manner provided in the written direction. If the owner or person in~~  
42 ~~charge fails or neglects to comply with the direction for a period of five~~  
43 ~~days after the date on which the direction was delivered to or served on~~  
44 ~~the owner or person, the director shall summarily abate the nuisance in~~  
45 ~~the manner specified in the written direction.~~

1       ~~B. If the owner or person in charge or control of the nuisance is a~~  
2 ~~nonresident of the state or cannot, after reasonable diligence by the~~  
3 ~~director, CANNOT be found within the county where the nuisance exists, the~~  
4 ~~director shall publish the notice and the direction one time in a~~  
5 ~~newspaper published in the county, and shall post a copy at, on or in the~~  
6 ~~immediate vicinity of the nuisance, and after seven days from AFTER the~~  
7 ~~first publication and posting, the director shall abate the nuisance in~~  
8 ~~the manner specified in the direction.~~

9       ~~C. If the nuisance is abated by the director, the expense shall be~~  
10 ~~borne by the state, but, when the abatement does not involve the~~  
11 ~~destruction of the plant or thing and it has some value after the crop~~  
12 ~~pest or disease has been eradicated, the state shall have a first claim~~  
13 ~~and lien thereon ON THE PLANT OR THING for the payment of expenses~~  
14 ~~incurred in the abatement of the nuisance.~~

15       ~~D. The director shall notify the owner or person in charge or~~  
16 ~~control of the nuisance of the amount of the expenses, and that unless the~~  
17 ~~amount is paid within ten days after the date of service of the notice on~~  
18 ~~the owner or person in charge, the plant or thing will be sold at public~~  
19 ~~sale, and the proceeds, or so much thereof OF THE PROCEEDS as may be~~  
20 ~~necessary, applied to the payment of the expenses. The notice shall be~~  
21 ~~personally served or posted as required in this section for notices to~~  
22 ~~abate.~~

23       ~~E. If the owner or person in charge of the plant or thing fails to~~  
24 ~~pay the expenses within the time specified in the notice, the director~~  
25 ~~shall give public notice of the time and place of sale with a description~~  
26 ~~of the plant or thing to be sold, and the amount of expenses against it,~~  
27 ~~which shall include costs of publication, posting and service of~~  
28 ~~notice. The notice of sale shall be published and posted as provided in~~  
29 ~~this section for the publication and posting of direction to suppress the~~  
30 ~~nuisance.~~

31       ~~F. The owner or person in charge of a plant or thing constituting~~  
32 ~~the nuisance may waive in writing the service of all directions and~~  
33 ~~notices in connection with the abatement or sale thereof.~~

34       ~~G. If the director is required to abate the nuisance of stub, soca~~  
35 ~~or volunteer cotton following the refusal by the owner or person in charge~~  
36 ~~or control of the nuisance to do so, the owner or person in charge or~~  
37 ~~control of the nuisance shall reimburse the department for the actual~~  
38 ~~costs of the state's abatement of the nuisance. An injunction shall not~~  
39 ~~be granted to stay this state from abating the nuisance. The director may~~  
40 ~~request the cotton research and protection council to provide monies~~  
41 ~~pursuant to section 3-1085, subsection B to help defray the department's~~  
42 ~~cost of abatement until the owner or person in charge reimburses the~~  
43 ~~department for those costs. If the actual costs of abatement are not paid~~  
44 ~~within ten days after the owner or person in charge receives notice of the~~  
45 ~~amount of the costs, the director may impose a civil penalty of fifty~~  
46 ~~per cent PERCENT of the costs of abatement. At the director's request,~~  
47 ~~the attorney general shall file an action in superior court to recover~~

1 ~~civil penalties assessed pursuant to this subsection. All civil penalties~~  
2 ~~collected under this subsection shall be deposited, pursuant to sections~~  
3 ~~35-146 and 35-147, in the dangerous plants, pests and diseases trust fund~~  
4 ~~established by section 3-214.01.~~

5 ~~Sec. 5. Repeat~~

6 ~~Section 3-204.01, Arizona Revised Statutes, is repealed.~~

7 ~~Sec. 6. Section 3-205, Arizona Revised Statutes, is amended to~~  
8 ~~read:~~

9 ~~3-205. Abatement of nuisance not imminently dangerous;~~  
10 ~~procedure; lien; foreclosure; release of lien;~~  
11 ~~reimbursement costs and penalties to state for~~  
12 ~~certain abatements; civil penalty~~

13 ~~A. If the director believes the danger to the agricultural and~~  
14 ~~horticultural industry is not imminent, or if impractical for any reason~~  
15 ~~to summarily abate the nuisance, as described in sections 3-203, 3-204,~~  
16 ~~3-206 and 3-207, the director shall not require summary destruction or~~  
17 ~~eradication, but shall set forth the measures required to be taken by the~~  
18 ~~owner or person in charge to control, suppress or eradicate the danger,~~  
19 ~~and shall require the person, at the person's expense, to take and comply~~  
20 ~~with the measures specified in the direction and subsequent directions.~~

21 ~~B. The directions shall be made, given and served as prescribed for~~  
22 ~~summary abatement, and if they are not complied with, the director may~~  
23 ~~proceed as provided by the directions, and the expense shall be charged~~  
24 ~~against the THIS state.~~

25 ~~C. If the plant or thing constituting the nuisance consists only of~~  
26 ~~personalty and is not attached to land or contained in a building,~~  
27 ~~enclosure, vehicle or place belonging to the person, the THIS state shall~~  
28 ~~have the same lien and it is enforceable in the same manner as provided~~  
29 ~~for summary abatement of the nuisance under section 3-204.~~

30 ~~D. If the plant or thing is attached to land or contained in a~~  
31 ~~building, enclosure or vehicle that is the property of the person, the~~  
32 ~~lien shall also attach to the land, building, enclosure or vehicle, and~~  
33 ~~the director shall prepare and file in the office of the county recorder~~  
34 ~~where the property is situated a notice of the lien, setting forth the~~  
35 ~~amount and the name of the owner or person in charge, and stating that the~~  
36 ~~amount of the lien shall be paid within thirty days from filing AFTER THE~~  
37 ~~DIRECTOR FILES the notice, or otherwise the property will be subjected to~~  
38 ~~payment thereof.~~

39 ~~E. The lien shall be prior to all other liens against the property~~  
40 ~~except liens for state and county taxes. If the amount of the lien is not~~  
41 ~~paid within the thirty days, the county attorney, on written request of~~  
42 ~~the director, shall foreclose the lien against the property impressed~~  
43 ~~therewith as other liens are foreclosed.~~

44 ~~F. On satisfaction of the lien, the director shall issue a release~~  
45 ~~of the lien to the person against whom the lien was claimed. Such release~~  
46 ~~shall be a document in a form as specified in section 11-480.~~

1 ~~6. If the director is required to abate the nuisance of stub, soca~~  
2 ~~or volunteer cotton following the refusal by the owner or person in charge~~  
3 ~~or control of the nuisance to do so, the owner or person in charge or~~  
4 ~~control of the nuisance shall reimburse the department for the actual~~  
5 ~~costs of the THIS state's abatement of the nuisance. An injunction shall~~  
6 ~~not be granted to stay this state from abating the nuisance. The director~~  
7 ~~may request the cotton research and protection council to provide monies~~  
8 ~~pursuant to section 3-1085, subsection B to help defray the department's~~  
9 ~~cost of abatement until the owner or person in charge reimburses the~~  
10 ~~department for those costs. If the actual costs of abatement are not paid~~  
11 ~~within ten days after the owner or person in charge receives notice of the~~  
12 ~~amount of the costs, the director may impose a civil penalty of one~~  
13 ~~hundred fifty per cent PERCENT of the costs of abatement. At the~~  
14 ~~director's request, the attorney general shall file an action in superior~~  
15 ~~court to recover civil penalties assessed pursuant to this subsection.~~  
16 ~~All civil penalties collected under this subsection shall be deposited,~~  
17 ~~pursuant to sections 35-146 and 35-147, in the dangerous plants, pests and~~  
18 ~~diseases trust fund established by section 3-214.01.~~

19 ~~Sec. 7. Section 3-205.01, Arizona Revised Statutes, is amended to~~  
20 ~~read:~~

21 ~~3-205.01. Summary abatement of noxious weeds, crop pests or~~  
22 ~~diseases under preapproved programs~~  
23 ~~The director may treat, spray, control, suppress or eradicate~~  
24 ~~noxious weeds, crop pests or diseases through a countywide, area wide or~~  
25 ~~statewide program or programs that have been approved or authorized by the~~  
26 ~~department. If such countywide, area-wide or statewide program or~~  
27 ~~programs affect cotton, the program or programs must also be approved by~~  
28 ~~the cotton research and protection council. The director may take~~  
29 ~~whatever actions that are necessary to assist, support or enforce such~~  
30 ~~programs, including entering any fields to treat, spray, control, suppress~~  
31 ~~or eradicate noxious weeds, crop pests or diseases under these authorized~~  
32 ~~or approved programs.~~

33 ~~Sec. 2. Section 3-403, Arizona Revised Statutes, is amended to~~  
34 ~~read:~~

35 ~~3-403. Exemptions~~  
36 ~~This article ~~shall~~ DOES not apply to article ~~[2.1]~~ [~~, 4.2~~] or 4.3 of~~  
37 ~~this chapter.~~

38 ~~Sec. 9. Repeat~~  
39 ~~A. Title 3, chapter 3, article 2.1, Arizona Revised Statutes, is~~  
40 ~~repealed.~~

41 ~~B. Title 3, chapter 10, Arizona Revised Statutes, is repealed.~~

42 ~~C. Title 3, chapter 11, article 2, Arizona Revised Statutes, is~~  
43 ~~repealed.>>~~

44 ~~<<Sec. 3. Repeal~~  
45 ~~Title 3, chapter 3, article 4.2, Arizona Revised Statutes, is~~  
46 ~~repealed.>>~~

1           <<Sec. 10. ~~Section 3-1337, Arizona Revised Statutes, is amended to~~  
2 ~~read:~~

3           ~~3-1337. Service charge and inspection fee; self-inspection~~

4           ~~A. Livestock officers and inspectors shall collect from the person~~  
5 ~~in charge of cattle inspected a service charge of three dollars \$3 plus an~~  
6 ~~inspection fee of twenty-five cents \$.25 per head for making inspections~~  
7 ~~for the transfer of ownership, sale, slaughter or transportation of~~  
8 ~~cattle.~~

9           ~~B. Livestock officers and inspectors shall collect from the person~~  
10 ~~in charge of sheep inspected a service charge of three dollars \$3 plus an~~  
11 ~~inspection fee of five cents \$.05 per head for making inspections for the~~  
12 ~~transfer of ownership, sale, slaughter or transportation of sheep.~~

13           ~~C. Livestock officers and inspectors shall collect from the person~~  
14 ~~in charge of dairy cattle inspected a service charge of three dollars \$3~~  
15 ~~plus an inspection fee of twenty-five cents \$.25 per head for making~~  
16 ~~inspections for the transfer of ownership, sale, slaughter or~~  
17 ~~transportation of dairy cattle.~~

18           ~~D. The division may approve self-inspection by movers of livestock~~  
19 ~~and feedlots and dairies pursuant to section 3-1203, subsection D.~~  
20 ~~Movement shall be documented on simple and concise self-inspection forms~~  
21 ~~that are provided by the department and that include only the following~~  
22 ~~information:~~

23           ~~1. The certificate number.~~

24           ~~2. The department contact information.~~

25           ~~3. For out-of-state shipments, official identification.~~

26           ~~4. For dairy cattle, back tag numbers.~~

27           ~~5. The amount collected pursuant to section 3-1236.~~

28           ~~6. 5. The number and description of livestock.~~

29           ~~7. 6. The livestock owner's or agent's name, signature and~~  
30 ~~address.~~

31           ~~8. 7. The transporter's name.~~

32           ~~9. 8. The location of the place and date of shipment.~~

33           ~~10. 9. The destination or buyer's name and address.~~

34           ~~11. 10. For branded animals, the animal's registered brand,~~  
35 ~~including brand number, location and expiration date.~~

36           ~~E. Movers of livestock and feedlots and dairies that utilize USE~~  
37 ~~self-inspection shall purchase the self-inspection book from the~~  
38 ~~department. The director, in consultation with the department of~~  
39 ~~agriculture advisory council established pursuant to section 3-104, may~~  
40 ~~establish a fee for the self-inspection book.~~

41           ~~F. Any fees collected by the livestock officers and inspectors and~~  
42 ~~by movers of livestock and feedlots and dairies utilizing THAT USE~~  
43 ~~self-inspection shall be remitted to the division. Any fees incurred by~~  
44 ~~movers of livestock and feedlots and dairies shall be remitted to the~~  
45 ~~department within ten days after the end of the month in which the~~  
46 ~~livestock were inspected.>>~~

1           Sec. 4. Section 10-122, Arizona Revised Statutes, is amended to  
2 read:

3           10-122. Filing, service and copying fees; expedited report  
4                           filing and access; same day and next day services;  
5                           posted wait times; advance monies; definition

6           A. The commission shall collect and deposit, pursuant to sections  
7 35-146 and 35-147, the following nonrefundable fees when the documents  
8 described in this subsection are delivered to the commission:

| <u>Document</u>   | <u>Fee</u> |
|---|------------|
| 10           1. Articles of incorporation                     | \$50       |
| 11           2. Application for use of indistinguishable name | 10         |
| 12           3. Application for reserved name                 | 10         |
| 13           4. Notice of transfer of reserved name           | 10         |
| 14           5. Application for registered name               | 10         |
| 15           6. Application for renewal of registered name    | 10         |
| 16           7. Agent's statement of resignation              | 10         |
| 17           8. Amendment of articles of incorporation        | 25         |
| 18           9. Restatement of articles of incorporation with |            |
| 19                 amendment of articles                      | 25         |
| 20           10. Statement of merger, interest exchange,      |            |
| 21                 conversion, domestication or division if   |            |
| 22                 the entity responsible for filing the      |            |
| 23                 statement is a corporation                 | 100        |
| 24           11. Articles of dissolution                      | 25         |
| 25           12. Articles of revocation of dissolution        | 25         |
| 26           13. Application for reinstatement following      |            |
| 27                 administrative dissolution, in addition    |            |
| 28                 to other fees and penalties due            | 100        |
| 29           14. Application for authority                    | 150        |
| 30           15. Application for withdrawal                   | 25         |
| 31           16. Annual report                                | 45         |
| 32           17. Articles of correction                       | 25         |
| 33           18. Application for certificate of good standing | 10         |
| 34           19. Any other document required or permitted     |            |
| 35                 to be filed by chapters 1 through 17       |            |
| 36                 of this title                              | 25         |

37           B. The commission shall collect a nonrefundable fee of ~~twenty-five~~  
38 ~~dollars~~ \$25 each time process is served on it under chapters 1 through 17  
39 of this title. The party to a proceeding causing service of process is  
40 entitled to recover this fee as costs if the party prevails in the  
41 proceeding.

42           C. The commission shall charge and collect a reasonable fee for  
43 copying documents on request, provided the fee does not exceed the cost of  
44 providing the service as determined by the commission. The commission  
45 shall also charge a reasonable fee for certifying the copy of a filed  
46 document, ~~provided~~ IF the fee does not exceed the cost of providing the  
47 service as determined by the commission.

1 D. A penalty of ~~one hundred dollars~~ \$100 THAT IS payable in  
2 addition to other fees accrues and is payable if a foreign corporation  
3 fails to file an amendment, restated articles that include an amendment,  
4 or articles of merger within sixty days after the time of filing in the  
5 jurisdiction in which the corporation is domiciled. The penalty collected  
6 pursuant to this subsection shall be deposited, pursuant to sections  
7 35-146 and 35-147, in the state general fund.

8 E. ~~One-third of~~ The fees for the annual report of domestic and  
9 foreign corporations paid pursuant to subsection A, paragraph 16 of this  
10 section shall be deposited ~~in the Arizona arts trust fund established by~~  
11 ~~section 41-983.01 and two-thirds of these fees shall be deposited,~~  
12 pursuant to sections 35-146 and 35-147, in the public access fund  
13 established by section 10-122.01.

14 F. The commission shall provide for and establish an expedited  
15 service for the filing of all documents and services provided pursuant to  
16 this title as follows:

17 1. The expedited filing shall be a priority service to be completed  
18 as soon as possible after the documents are delivered to the commission.

19 2. In addition to any other fees required by this section or any  
20 other law, the commission shall charge a nonrefundable fee for expedited  
21 services, including those requested by fax. The fee shall be determined  
22 by a supermajority vote of the commissioners.

23 3. The commission may provide for and establish same day and next  
24 day services for the filing of any documents and services provided  
25 pursuant to this title as follows:

26 (a) The commission shall suspend same day or next day service if  
27 the commission determines that it does not have the necessary resources to  
28 perform the service within the established time period.

29 (b) In addition to any other fees required by this section or any  
30 other law, the commissioners may charge a nonrefundable fee for the same  
31 day or next day service or both. The fee shall be determined by a  
32 supermajority vote of the commissioners.

33 4. The commission shall publicly post the current wait times for  
34 processing regular, expedited and same day and next day services.

35 G. The commission may charge persons who access the commission's  
36 data processing system that is maintained pursuant to section 10-122.01  
37 from remote locations and persons requesting special computer generated  
38 printouts, reports and tapes a reasonable fee that does not exceed the  
39 cost of the time, equipment and personnel necessary to provide this  
40 service or product as determined by the commission.

41 H. Except as provided in section 10-122.01, subsection B, paragraph  
42 3, in addition to any fee charged pursuant to this section, the commission  
43 may charge and collect the following nonrefundable fees to help defray the  
44 cost of the improved data processing system that is maintained pursuant to  
45 section 10-122.01:

46 1. Filing articles of incorporation of a domestic corporation, ~~ten~~  
47 ~~dollars~~ \$10.

1           2. Filing an application of a foreign corporation for authority to  
2 transact business in this state, ~~twenty-five dollars~~ \$25.

3           I. All monies received pursuant to subsections F, G and H of this  
4 section shall be deposited, pursuant to sections 35-146 and 35-147, in the  
5 public access fund established by section 10-122.01.

6           J. Fees charged pursuant to this section are exempt from section  
7 39-121.03, subsection A, paragraph 3.

8           K. The commission may allow any person to advance monies to the  
9 commission to pay fees required pursuant to this section for future  
10 filings and services. All monies received pursuant to this subsection  
11 shall be deposited, pursuant to sections 35-146 and 35-147, in the money  
12 on deposit account in the public access fund established by section  
13 10-122.01.

14           L. In addition to any other fees prescribed by law, the commission  
15 may establish a fee for the filing of an annual benefit report delivered  
16 to the commission pursuant to section 10-2442. The fee shall be  
17 determined by a majority vote of the commissioners.

18           M. For the purposes of this section, "supermajority" means an  
19 affirmative vote of at least four commissioners.

20           Sec. 5. Section 11-811, Arizona Revised Statutes, is amended to  
21 read:

22           11-811. Zoning ordinance; zoning districts; definitions

23           A. Pursuant to this article, the board of supervisors may adopt a  
24 zoning ordinance in order to conserve and promote the public health,  
25 safety, convenience and general welfare. The zoning ordinance and all  
26 rezonings and zoning regulations amendments adopted under this article  
27 shall be consistent with and conform to the adopted comprehensive plan.  
28 In addition to the other matters that are required or authorized under  
29 this section and article 1 of this chapter, the zoning ordinance:

30           1. Shall show the zoning districts designated as appropriate for  
31 various classes of residential, business and industrial uses and shall  
32 provide for the establishment of setback lines and other plans providing  
33 for adequate light, air and parking facilities and for expediting traffic  
34 within the districts.

35           2. May establish the percentage of a lot or parcel that may be  
36 covered by buildings and the size of yards, courts and other open spaces.

37           3. Shall consider access to incident solar energy.

38           4. May provide for retirement community zoning districts.

39           5. May provide for the regulation and use of business licenses,  
40 adult oriented business manager permits and adult service provider permits  
41 in conjunction with the establishment or operation of adult oriented  
42 businesses and facilities, including adult arcades, adult bookstores or  
43 video stores, cabarets, adult live entertainment establishments, adult  
44 motion picture theaters, adult theaters, massage establishments and nude  
45 model studios. With respect to cabarets, the ordinance shall not conflict  
46 with specific statutory or valid regulatory requirements applicable to  
47 persons licensed to dispense alcoholic beverages, but the ordinance may

1 include regulation of the age and conduct of erotic entertainers in a  
2 manner at least as restrictive as rules adopted under title 4.  
3 Notwithstanding section 11-812, a county in regulating or licensing  
4 businesses and facilities pursuant to this paragraph may impose reasonable  
5 operating requirements that affect the existing uses of businesses and  
6 facilities.

7         6. Shall designate and zone appropriate areas of reasonable size in  
8 which there may be established with reasonable permanency canneries,  
9 fertilizer plants, refineries, commercial feedlots, meat packing plants,  
10 tallow works and other like businesses. A dairy operation, including  
11 areas designated for the raising of replacement heifers or bulls owned by  
12 the same dairy operation, is not subject to this paragraph, and is a  
13 general agricultural purpose under subsection D, paragraph 2 of this  
14 section and section 11-812, subsection A, paragraph 2. A replacement  
15 heifer or bull raising operation of a dairy that is not on contiguous  
16 property of the dairy is subject to this paragraph unless the operation  
17 begins within one-quarter mile of the dairy.

18         B. To carry out the purposes of this article, the board may adopt  
19 overlay zoning districts and regulations applicable to particular  
20 buildings, structures and land within individual zones. For the purposes  
21 of this subsection, "overlay zoning district" means a special zoning  
22 district that includes regulations that modify regulations in another  
23 zoning district with which the overlay zoning district is combined.  
24 Overlay zoning districts and regulations shall be adopted pursuant to  
25 section 11-813. The provisions of overlay zoning shall apply  
26 retroactively to authorize overlay zoning districts and regulations  
27 adopted before April 20, 1993.

28         C. In accordance with article II, sections 1 and 2, Constitution of  
29 Arizona, the board shall consider the individual property rights and  
30 personal liberties of the residents of the county before adopting any  
31 zoning ordinance.

32         D. This section does not authorize:

33         1. The imposition of dedications, exactions, fees or other  
34 requirements that are not otherwise authorized by law.

35         2. The regulation or restriction of the use or occupation of land  
36 or improvements for railroad, mining, metallurgical, grazing or general  
37 agricultural purposes, if the tract concerned is five or more contiguous  
38 commercial acres. For the purposes of this paragraph, general  
39 agricultural purposes do not include the cultivation of cannabis as  
40 defined in section 13-3401 or marijuana as defined in section 13-3401 or  
41 36-2801.

42         E. For the purposes of this section:

43         1. "Adult arcade" means any place to which the public is allowed or  
44 invited and in which coin-operated or slug-operated or electronically,  
45 electrically or mechanically controlled still or motion picture machines,  
46 projectors or other image-producing devices are maintained to show images

1 involving specific sexual activities or specific anatomical areas to  
2 persons in booths or viewing rooms.

3       2. "Adult bookstore or video store" means a commercial  
4 establishment that offers for sale or rent any of the following as one of  
5 its principal business purposes:

6       (a) Books, magazines, periodicals or other printed matter,  
7 photographs, films, motion pictures, videocassettes or reproductions or  
8 slides or other visual representations that depict or describe specific  
9 sexual activities or specific anatomical areas.

10       (b) Instruments, devices or paraphernalia that are designed for use  
11 in connection with specific sexual activities.

12       3. "Adult live entertainment establishment" means an establishment  
13 that features either:

14       (a) Persons who appear in a state of nudity.

15       (b) Live performances that are characterized by the exposure of  
16 specific anatomical areas or specific sexual activities.

17       4. "Adult motion picture theater" means a commercial establishment  
18 in which for any form of consideration films, motion pictures,  
19 videocassettes, slides or other similar photographic reproductions that  
20 are characterized by the depiction or description of specific sexual  
21 activities or specific anatomical areas are predominantly shown.

22       5. "Adult oriented business" means adult arcades, adult bookstores  
23 or video stores, cabarets, adult live entertainment establishments, adult  
24 motion picture theaters, adult theaters, massage establishments that offer  
25 adult service or nude model studios.

26       6. "Adult oriented business manager" means a person on the premises  
27 of an adult oriented business who is authorized to exercise overall  
28 operational control of the business.

29       7. "Adult service" means dancing, serving food or beverages,  
30 modeling, posing, wrestling, singing, reading, talking, listening or other  
31 performances or activities conducted for any consideration in an adult  
32 oriented business by a person who is nude or seminude during all or part  
33 of the time that the person is providing the service.

34       8. "Adult service provider" or "erotic entertainer" means any  
35 natural person who provides an adult service.

36       9. "Adult theater" means a theater, concert hall, auditorium or  
37 similar commercial establishment that predominantly features persons who  
38 appear in a state of nudity or who engage in live performances that are  
39 characterized by the exposure of specific anatomical areas or specific  
40 sexual activities.

41       10. "Cabaret" means an adult oriented business licensed to provide  
42 alcoholic beverages pursuant to title 4, chapter 2, article 1.

43       11. "Discernibly turgid state" means the state of being visibly  
44 swollen, bloated, inflated or distended.

45       12. "Massage establishment" means an establishment in which a  
46 person, firm, association or corporation engages in or permits massage  
47 activities, including any method of pressure on, friction against,

1 stroking, kneading, rubbing, tapping, pounding, vibrating or stimulating  
2 of external soft parts of the body with the hands or with the aid of any  
3 mechanical apparatus or electrical apparatus or appliance. This paragraph  
4 does not apply to:

5 (a) Persons who are licensed pursuant to title 32, chapter 7, 8,  
6 13, 14 or 17.

7 (b) Registered nurses, licensed practical nurses or technicians who  
8 are acting under the supervision of a physician who is licensed pursuant  
9 to title 32, chapter 13 or 17.

10 (c) Registered nurse practitioners who are licensed pursuant to  
11 title 32, chapter 15.

12 (d) Persons who are employed or acting as trainers for a bona fide  
13 amateur, semiprofessional or professional athlete or athletic team.

14 ~~(e) Persons who are licensed pursuant to title 32, chapter 5 if the~~  
15 ~~activity is limited to the head, face or neck.~~

16 13. "Nude model studio" means a place in which a person who appears  
17 in a state of nudity or who displays specific anatomical areas is  
18 observed, sketched, drawn, painted, sculptured, photographed or otherwise  
19 depicted by other persons who pay money or other consideration. Nude  
20 model studio does not include a proprietary school that is licensed by  
21 this state, a college, community college or university that is supported  
22 entirely or in part by taxation, a private college or university that  
23 maintains and operates educational programs in which credits are  
24 transferable to a college, community college or university that is  
25 supported entirely or in part by taxation or a structure to which the  
26 following apply:

27 (a) A sign is not visible from the exterior of the structure and no  
28 other advertising appears indicating that a nude person is available for  
29 viewing.

30 (b) A student must enroll at least three days in advance of a class  
31 in order to participate.

32 (c) No more than one nude or seminude model is on the premises at  
33 any time.

34 14. "Nude", "nudity" or "state of nudity" means any of the  
35 following:

36 (a) The appearance of a human anus, genitals or a female breast  
37 below a point immediately above the top of the areola.

38 (b) A state of dress that fails to opaquely cover a human anus,  
39 genitals or a female breast below a point immediately above the top of the  
40 areola.

41 15. "Principal business purposes" means that a commercial  
42 establishment derives fifty percent or more of its gross income from the  
43 sale or rental of items listed in paragraph 2 of this subsection.

44 16. "Seminude" means a state of dress in which clothing covers no  
45 more than the genitals, pubic region and female breast below a point  
46 immediately above the top of the areola, as well as portions of the body  
47 that are covered by supporting straps or devices.

1 17. "Specific anatomical areas" means any of the following:

2 (a) A human anus, genitals, the pubic region or a female breast  
3 below a point immediately above the top of the areola that is less than  
4 completely and opaquely covered.

5 (b) Male genitals in a discernibly turgid state even if completely  
6 and opaquely covered.

7 18. "Specific sexual activities" means any of the following:

8 (a) Human genitals in a state of sexual stimulation or arousal.

9 (b) Sex acts, normal or perverted, actual or simulated, including  
10 acts of human masturbation, sexual intercourse, oral copulation or sodomy.

11 (c) Fondling or other erotic touching of the human genitals, pubic  
12 region, buttocks, anus or female breast.

13 (d) Excretory functions as part of or in connection with any of the  
14 activities under subdivision (a), (b) or (c) of this paragraph.

15 Sec. 6. Section 15-923, Arizona Revised Statutes, is amended to  
16 read:

17 15-923. Contracts for transportation; requirement; report

18 A. As an alternative to maintaining and operating a transportation  
19 program or in conjunction with a transportation program, a school  
20 district, if it is found to be economically advantageous, may contract for  
21 vehicles and other transportation services. Contracts may be with another  
22 political subdivision, a common or contract carrier or a private party.

23 B. In order to expediently process contracts for the provision of  
24 transportation, a school district may select a preapproved contract  
25 carrier or private party that ~~meets both of the following criteria:~~

26 ~~1. provides one or more of the following:~~

27 ~~(a) 1. Electric school buses.~~

28 ~~(b) 2. Electric school bus charging infrastructure.~~

29 ~~(c) 3. Charging and charging management services.~~

30 ~~(d) 4. Electric school bus services.~~

31 ~~2. Has filed with and received approval from the school bus  
32 advisory council established by section 28-3053.~~

33 C. In addition to other powers and duties prescribed by title 11,  
34 chapter 2, article 4, any board of supervisors, at the request of any or  
35 all of the governing boards of the school districts within the county, may  
36 provide necessary student transportation. If the board of supervisors and  
37 the governing board or boards of such school districts mutually agree that  
38 such an arrangement is economically advantageous, the governing board of  
39 the school district is authorized to sell or lease its bus or buses to the  
40 board of supervisors for such purposes. Agreement between the parties  
41 shall be by written contract.

42 D. An eligible student who is transported part by contract and part  
43 by school district transportation facilities may not be counted as more  
44 than one eligible student.

45 E. Miles driven to transport eligible students may not be reported  
46 as daily route miles by more than one school district.

1 F. Each school district shall submit electronically to the  
2 department of education a report regarding the routes contracted, the  
3 contractor contract information, the number of eligible students  
4 transported by each contractor and any additional information requested by  
5 the department of education.

6 Sec. 7. Section 20-3151, Arizona Revised Statutes, is amended to  
7 read:

8 20-3151. Definitions

9 ~~For the purposes of~~ IN this ~~section~~ CHAPTER, UNLESS THE CONTEXT  
10 OTHERWISE REQUIRES:

11 1. "Enrollee" means an individual who is enrolled in a health care  
12 plan provided by a health care insurer.

13 2. "Health care insurer" means a disability insurer, group  
14 disability insurer, blanket disability insurer, health care services  
15 organization, hospital service corporation, medical service corporation or  
16 hospital and medical service corporation.

17 3. "Health care plan":

18 (a) Means a policy, contract or evidence of coverage issued to an  
19 enrollee. ~~Health care plan~~

20 (b) Does not include limited benefit coverage as defined in section  
21 20-1137.

22 4. "Health care professional" means a professional who is regulated  
23 pursuant to title 32, chapter 7, 8, 11, 13, 14, 15, 15.1, 16, 17, 18, 19,  
24 19.1, 25, 28, 29, 33, 34, 35, ~~39~~ or 41, title 36, chapter 6, article 7 or  
25 title 36, chapter 17.

26 ~~<<Sec. 7. Section 28-472, Arizona Revised Statutes, is amended to~~  
27 ~~read:~~

28 ~~28-472. Fleet operation services; records; rules; vehicle~~  
29 ~~replacement rate; participating agencies;~~  
30 ~~coordinator; public service announcements; annual~~  
31 ~~report~~

32 ~~A. The director shall operate the state motor vehicle fleet for the~~  
33 ~~purpose of providing fleet operation services to agencies. The director~~  
34 ~~shall make fleet operation services available to an agency on the request~~  
35 ~~of the chosen representative for that agency.~~

36 ~~B. The director is responsible for administering the state motor~~  
37 ~~vehicle fleet, including:~~

38 ~~1. Procuring motor vehicles for the state motor vehicle fleet.~~

39 ~~2. Notwithstanding title 41, chapter 23, article 8, administering~~  
40 ~~the surplus and sale of motor vehicles in the state motor vehicle fleet.~~

41 ~~C. The director shall provide for detailed cost, operation,~~  
42 ~~maintenance, mileage and custody records for each state-owned motor~~  
43 ~~vehicle.~~

44 ~~D. The director may adopt rules necessary to administer this~~  
45 ~~article.~~

46 ~~E. The department shall recover all costs for fleet operation~~  
47 ~~services that are provided to an agency. Each agency shall pay from~~

~~1 available monies the cost of fleet operation services received from the  
2 department at a rate determined by the director, including a separate  
3 vehicle replacement rate for motor vehicle replacements. The director  
4 shall deposit, pursuant to sections 35-146 and 35-147, monies received for  
5 fleet operation services in the state fleet operations fund established by  
6 section 28-475. The director shall deposit, pursuant to sections 35-146  
7 and 35-147, monies received to pay the vehicle replacement rate in the  
8 state vehicle replacement fund established by section 28-476.~~

~~9 F. The following agencies are excluded from participation in the  
10 state motor vehicle fleet:~~

~~11 1. The department of public safety.~~

~~12 2. The department of economic security.~~

~~13 3. The state department of corrections.~~

~~14 4. Universities and community colleges.~~

~~15 [5. The cotton research and protection council.]~~

~~16 [6.] [5.] The Arizona commerce authority.~~

~~17 [7.] [6.] The department of child safety.~~

~~18 [8.] [7.] The department of transportation.~~

~~19 G. The director shall appoint a state motor vehicle fleet  
20 coordinator.~~

~~21 H. An agency may not purchase, lease or rent a motor vehicle unless  
22 the agency is excluded from participation in the state motor vehicle fleet  
23 by subsection F of this section. The director may withhold registration  
24 for any motor vehicle that is purchased, leased or rented in violation of  
25 this subsection.~~

~~26 I. Notwithstanding subsection H of this section, an agency that  
27 administers a separate account pursuant to section 28-476, subsection C  
28 shall control the purchase, lease or rental of motor vehicles. Vehicles  
29 purchased, leased or rented under this subsection shall be used by the  
30 agency only for the agency's purposes.~~

~~31 J. An agency listed in subsection F of this section may elect to  
32 participate in the state motor vehicle fleet by executing an interagency  
33 service agreement between the agency and the department.~~

~~34 K. A governmental budget unit of this state that is not an agency  
35 may elect to participate in the state motor vehicle fleet by entering into  
36 an interagency service agreement with the department.~~

~~37 L. An agency, including an agency listed in subsection F of this  
38 section, may accept compensation for placing public service announcements  
39 on state-owned motor vehicles, and monies received shall be deposited,  
40 pursuant to sections 35-146 and 35-147, in the state general fund. The  
41 agency director shall determine the appropriateness of the announcements,  
42 may exempt any motor vehicles that are not suitable for advertising and  
43 may contract with private parties to design and place the announcements.~~

~~44 M. On or before October 1 of each year, the department shall submit  
45 to the joint legislative budget committee and the governor's office of  
46 strategic planning and budgeting a report that accounts for all monies  
47 deposited in the state fleet operations fund established by section 28-475~~

1 ~~and the state vehicle replacement fund established by section 28-476,~~  
2 ~~including any monies allocated to separate agency accounts. The report~~  
3 ~~shall also include the number of motor vehicles that were replaced in the~~  
4 ~~prior fiscal year, the number of motor vehicles at each agency, the~~  
5 ~~replacement life cycle for each motor vehicle and the number of motor~~  
6 ~~vehicles the department identifies as not requiring replacement.>>~~

7 Sec. 8. Section 28-900, Arizona Revised Statutes, is amended to  
8 read:

9 28-900. School transportation rules

10 A. The department of public safety ~~in consultation with the student~~  
11 ~~transportation advisory council established by section 28-3053~~ shall adopt  
12 rules as necessary to improve the safety and welfare of student passengers  
13 by minimizing the probability of accidents involving school buses and  
14 student passengers and by minimizing the risk of serious bodily injury to  
15 student passengers in the event of an accident.

16 B. The rules may include:

17 1. Minimum standards for the design and equipment of school buses  
18 that are designed for sixteen or more passengers.

19 2. Minimum standards for the periodic inspection and maintenance of  
20 school buses that are designed for sixteen or more passengers.

21 3. Procedures for the operation of school buses that are designed  
22 for sixteen or more passengers.

23 4. Minimum standards for the design and equipment of motor vehicles  
24 described in section 15-925 that are substantially different than the  
25 minimum standards prescribed in paragraph 1 of this subsection.

26 5. Minimum standards for the periodic inspection and maintenance of  
27 motor vehicles described in section 15-925.

28 6. Procedures for the operation of motor vehicles described in  
29 section 15-925.

30 7. Other criteria as deemed by the department of public safety and  
31 the student transportation advisory council to be necessary and  
32 appropriate to ensure the safe operation of school buses and motor  
33 vehicles that are described in section 15-925. Any rules adopted pursuant  
34 to this section shall allow for a variety of vehicles to be used to meet  
35 the needs of students and systems of varying sizes and locations.

36 C. The rules shall provide, if applicable, minimum standards equal  
37 to or more restrictive than those adopted by the United States department  
38 of transportation in accordance with 23 United States Code and rules  
39 adopted pursuant to 23 United States Code.

40 D. Notwithstanding a rule adopted by the department of public  
41 safety with respect to exterior color of a school bus that is designed for  
42 sixteen or more passengers, in order to reduce the interior temperature of  
43 a school bus, the exterior top of a school bus may be painted white, but  
44 the white area shall not extend beyond the center clearance lights, front  
45 and rear, and shall not extend below a line five inches above the top of  
46 the side windows.

1 E. An officer or employee of any school district or charter school  
2 who violates any of the rules or who fails to include the obligation to  
3 comply with the rules in any contract executed by the officer or employee  
4 on behalf of the school district or charter school is guilty of misconduct  
5 and is subject to removal from office or employment. Any person who  
6 operates a school bus or motor vehicle under contract with a school  
7 district or charter school and who fails to comply with any of the rules  
8 is in breach of contract, and the school district or charter school shall  
9 cancel the contract after notice and a hearing by the responsible officers  
10 of the school district or charter school.

11 F. The department of public safety shall enforce the rules adopted  
12 pursuant to this section.

13 Sec. 9. Repeal

14 A. Sections 28-2422, 28-2422.01 and 28-2422.02, Arizona Revised  
15 Statutes, are repealed.

16 B. Title 28, chapter 8, article 2, Arizona Revised Statutes, is  
17 repealed.

18 Sec. 10. Section 28-3228, Arizona Revised Statutes, is amended to  
19 read:

20 28-3228. School bus drivers; student transportation  
21 requirements; rules; cancellation of certificate

22 A. A person shall not operate a school bus that is designed for  
23 sixteen or more passengers and that transports ~~school children~~  
24 SCHOOLCHILDREN unless the person possesses the appropriate license class  
25 for the size of school bus being operated that is issued by the department  
26 of transportation, a bus endorsement that is issued by the department of  
27 transportation and a school bus certificate that is issued by the  
28 department of public safety. A person shall not operate a MOTOR vehicle  
29 described in section 15-925 to transport schoolchildren unless the person  
30 possesses the appropriate license class for the size of the MOTOR vehicle  
31 being operated, a school bus driver certificate that is issued by the  
32 department of public safety and a valid fingerprint clearance card as  
33 required by subsection D of this section.

34 B. To be certified as a school bus driver for a vehicle that is  
35 designed for sixteen or more passengers, a person shall do both of the  
36 following:

37 1. Meet and maintain the minimum standards prescribed by this  
38 section and rules adopted by the department of public safety ~~in~~  
39 ~~consultation with the student transportation advisory council established~~  
40 ~~by section 28-3053.~~

41 2. Complete an initial instructional course on school bus driver  
42 safety and training, including behind the wheel training.

43 C. The department of public safety ~~in consultation with the student~~  
44 ~~transportation advisory council established by section 28-3053~~ shall adopt  
45 rules that establish minimum standards for the certification of school bus  
46 drivers and drivers of other MOTOR vehicles described in section 15-925.  
47 In cooperation with local school districts and charter schools, the

1 department of public safety shall provide for school transportation safety  
2 and training courses. The standards established shall:

3 1. Include requirements concerning knowledge of operating a school  
4 bus or a MOTOR vehicle described in section 15-925, pupil and motor  
5 vehicle safety, physical impairments that might affect the applicant's  
6 ability to safely operate a school bus or MOTOR vehicle described in  
7 section 15-925 or that might endanger the health or safety of passengers,  
8 knowledge of first aid, establishment of school bus and other vehicle  
9 safety and training courses, a refresher course to be completed on at  
10 least a biennial basis and other matters as the department of public  
11 safety ~~and the student transportation advisory council established by~~  
12 ~~section 28-3053 prescribe~~ PRESCRIBES for the protection of the public.

13 2. Require tests to detect the presence of alcohol or the use of a  
14 drug in violation of title 13, chapter 34 that may adversely affect the  
15 ability of the applicant to safely operate a school bus or MOTOR vehicle  
16 described in section 15-925.

17 3. Authorize the performance of hearing tests with or without the  
18 use of a hearing aid as provided in 49 Code of Federal Regulations section  
19 391.41.

20 4. Require the applicant to possess a commercial driver license  
21 issued by the department, except that:

22 (a) Notwithstanding subsection A of this section the applicant may  
23 possess a commercial driver license issued by another state if the  
24 applicant will be driving a school bus for a school district that is  
25 adjacent to that state.

26 (b) An applicant to drive a MOTOR vehicle described in section  
27 15-925 does not need to possess or obtain a commercial driver license.  
28 This subdivision applies only if a commercial driver license is not  
29 required by state or federal law to operate the vehicle based on the  
30 vehicle's gross vehicle weight rating or occupancy.

31 D. Each person who applies for a school bus driver certificate  
32 shall have a valid fingerprint clearance card that is issued pursuant to  
33 title 41, chapter 12, article 3.1 and shall submit an identity verified  
34 fingerprint card as described in section 15-106 that the department of  
35 public safety shall use to process the fingerprint clearance card as  
36 outlined in section 15-106.

37 E. A person who is issued a school bus driver certificate shall  
38 maintain a valid identity verified fingerprint clearance card for the  
39 duration of any school bus driver certification period.

40 F. The department of public safety shall suspend a school bus  
41 driver certificate if the fingerprint clearance card is invalid,  
42 suspended, canceled or revoked.

43 G. The department of public safety shall issue a school bus driver  
44 certificate to an applicant who meets the requirements of this section.  
45 The certificate is valid if the applicant maintains the minimum standards  
46 established by this section.

1 H. The department of public safety may cancel the certificate if  
2 the person's license to drive is suspended, canceled, revoked or  
3 disqualified. The department of public safety shall cancel the  
4 certificate if the person fails to maintain the minimum standards  
5 established pursuant to this section. A person whose application for a  
6 certificate is refused or whose certificate is canceled for failure to  
7 meet or maintain the minimum standards may request and receive a hearing  
8 from the department of public safety.

9 I. The department of public safety shall enforce the rules adopted  
10 pursuant to this section.

11 Sec. 11. Repeal

12 Title 32, chapter 5, Arizona Revised Statutes, is repealed.

13 Sec. 12. Section 32-2231, Arizona Revised Statutes, is amended to  
14 read:

15 32-2231. Acts constituting the practice of veterinary  
16 medicine; exceptions; definitions

17 A. A person shall be regarded as practicing veterinary medicine,  
18 surgery and dentistry within the meaning of this chapter who, within this  
19 state:

20 1. By advertisement, or by any notice, sign or other indication, or  
21 by a statement written, printed or oral, in public or in private, made,  
22 done or procured by the person or any other at the person's request  
23 claims, announces, makes known or pretends ability or willingness to  
24 diagnose any animal condition, disease, deformity, defect, wound or injury  
25 or to perform any type of surgical procedure on animals.

26 2. Advertises or makes known or claims ability and willingness to  
27 perform the following for hire, fee, compensation or reward that is  
28 directly or indirectly promised, offered, expected, received or accepted:

29 (a) Prescribe or administer any drug, medicine, treatment, method  
30 or practice for any animal.

31 (b) Perform any operation or manipulation on or apply any apparatus  
32 or appliance to any animal.

33 (c) Give any instruction or demonstration for the cure,  
34 amelioration, correction or reduction or modification of any animal  
35 condition, disease, deformity, defect, wound or injury.

36 3. Diagnoses or prognosticates any animal condition, disease,  
37 deformity, defect, wound or injury for hire, fee, reward or compensation  
38 that is directly or indirectly promised, offered, expected, received or  
39 accepted.

40 4. Prescribes or administers any drug, medicine, treatment, method  
41 or practice, performs any operation or manipulation, or applies any  
42 apparatus or appliance for the cure, amelioration, correction or  
43 modification of any animal condition, disease, deformity, defect, wound or  
44 injury for hire, fee, compensation or reward that is directly or  
45 indirectly promised, offered, expected, received or accepted.

46 B. This section does not apply to:

1           1. Duly authorized representatives of the United States department  
2 of agriculture in the discharge of any duty authorized by the director in  
3 charge of the animal disease eradication division.

4           2. A certified veterinary technician performing a task or function  
5 authorized by the rules of the board in the employ of and under the  
6 direction, supervision and control of a licensed veterinarian or a  
7 licensed veterinary faculty member.

8           3. An equine dental practitioner if all of the following apply:

9           (a) The equine dental practitioner is certified by the  
10 international association of equine dentistry or the academy of equine  
11 dentistry.

12           (b) The equine dental practitioner performs any of the following  
13 procedures under the general supervision of a licensed veterinarian:

14           (i) The application of any apparatus used to work on the oral  
15 cavity.

16           (ii) The examination of dental conditions.

17           (iii) The removal of overgrowth from the teeth of horses and the  
18 removal of sharp enamel points from the teeth of horses, excluding any  
19 extractions unless the certified equine dental practitioner is under the  
20 direct supervision of a licensed veterinarian.

21           (iv) Any treatment of the oral cavity as authorized by the animal's  
22 owner, excluding any extractions unless the certified equine dental  
23 practitioner is under the direct supervision of a licensed veterinarian.

24           (c) The equine dental practitioner provides both of the following  
25 to the board:

26           (i) Proof of current certification from the international  
27 association of equine dentistry or the academy of equine dentistry.

28           (ii) A written statement signed by the supervising veterinarian  
29 that the certified equine dental practitioner will be under the general or  
30 direct supervision of the licensed veterinarian when performing the  
31 procedures prescribed by this paragraph.

32           (d) Both the supervising veterinarian and the certified equine  
33 dental practitioner maintain dental charts for procedures done pursuant to  
34 this paragraph.

35           4. A veterinary student who performs acts of health care or  
36 prescribed veterinary procedures as a part of the student's educational  
37 experience if both of the following apply:

38           (a) The acts are assigned by a licensed veterinarian or a licensed  
39 veterinary faculty member who is responsible for the animal's care.

40           (b) The student works under the direct supervision of a licensed  
41 veterinarian or a licensed veterinary faculty member.

42           5. An acupuncturist who is treating an animal ~~pursuant to section~~  
43 ~~32-3928~~ and who is in compliance with all of the following:

44           (a) Is nationally certified by the American board of animal  
45 acupuncture or the national certification commission for acupuncture and  
46 oriental medicine to treat animals.

1           ~~(b) Provides proof of current certification in animal acupuncture~~  
2 ~~to the acupuncture board of examiners.~~  
3           ~~(c)~~ (b) Has received a referral for acupuncture treatment from a  
4 licensed veterinarian who has diagnosed the animal.  
5           ~~(d)~~ (c) Maintains records on every animal and provides the records  
6 to the treating veterinarian on request.  
7           ~~(e)~~ (d) Maintains adequate insurance to specifically cover any  
8 injuries to the animal, the animal's owner or staff members working on the  
9 animal.  
10          ~~(f)~~ (e) If the acupuncturist is not providing the treatment in a  
11 licensed veterinary premises that is operated by a licensed veterinarian,  
12 complies with all of the following:  
13           (i) The animal is not treated in the same area as human patients.  
14           (ii) The premises has secured areas to contain animals safely  
15 during any treatment.  
16           (iii) The staff is trained to properly hold any animal being  
17 treated.  
18           (iv) Protocols are in place to handle emergency situations that may  
19 arise with the animal that is being treated.  
20           (v) Sanitation protocols are in place to ensure human and animal  
21 safety.  
22          ~~(vi) Any rules adopted by the acupuncture board of examiners.~~  
23          ~~(g)~~ (f) Assesses and treats the animal consistent with the  
24 licensed acupuncturist's training and, on request, communicates the  
25 findings, treatment and results to the treating licensed veterinarian in a  
26 timely manner. On request, the treating licensed veterinarian shall  
27 provide the treating acupuncturist with all medical information that may  
28 assist in the treatment of the animal.  
29          ~~(h)~~ (g) Is solely liable for the acupuncture treatment provided to  
30 the animal that is also under the care of a licensed veterinarian.  
31          6. A rabies vaccinator who is certified pursuant to section  
32 32-2240.02.  
33          C. Notwithstanding subsection B, paragraph 3 of this section, only  
34 a licensed veterinarian and not an equine dental practitioner may  
35 prescribe or administer, or both prescribe and administer, any drug or  
36 medicine.  
37          D. For the purposes of this section:  
38           1. "Direct supervision" means a licensed veterinarian must  
39 authorize and be physically present for the procedure.  
40           2. "General supervision" means a licensed veterinarian must be  
41 available for consultation by telephone or other form of immediate  
42 communication.  
43          Sec. 13. Section 32-2901, Arizona Revised Statutes, is amended to  
44 read:  
45          32-2901. Definitions  
46          In this chapter, unless the context otherwise requires:

1           1. "Acupuncture" means a medical therapy in which ailments are  
2 diagnosed and treated by the specific application of needles, heat or  
3 physical and electromagnetic impulses or currents to specific anatomic  
4 points on the body through any of the following:

5           (a) Diagnosing and treating ailments according to the systematic  
6 principles of traditional Asian medicine.

7           (b) Diagnosing and treating pain, neuromuscular disorders and other  
8 ailments based on the body's biophysics and neuroanatomic structure.

9           (c) Using devices to determine the biologic electrical response  
10 pattern of acupuncture points as a guide to diagnose bodily ailments and  
11 to guide the prescription of homeopathic substances, orthomolecular  
12 therapy or pharmaceutical medicine.

13           2. "Adequate records" means legible medical records that contain at  
14 a minimum sufficient information to identify the patient, support the  
15 diagnosis, document the treatment, accurately describe the results,  
16 indicate advice, cautionary warnings and informed consent discussions with  
17 the patient and provide sufficient information for another licensed health  
18 care practitioner to assume continuity of the patient's care and to  
19 continue or modify the treatment plan.

20           3. "Approved internship" means that the applicant has completed  
21 training in a hospital that was approved for internship, fellowship or  
22 residency training by the council on medical education in hospitals of the  
23 American medical association, the association of American medical  
24 colleges, the royal college of physicians and surgeons of Canada, the  
25 American osteopathic association or any board-approved similar body in the  
26 United States or Canada that approves hospitals for internship, fellowship  
27 or residency training.

28           4. "Approved school of medicine":

29           (a) As it relates to a person who is seeking licensure pursuant to  
30 section 32-2912, subsection A, means a school or college that offers a  
31 course of study that on successful conclusion results in a degree of  
32 doctor of medicine or doctor of osteopathic medicine and that offers a  
33 course of study that is approved or accredited by the association of  
34 American medical colleges, the association of Canadian medical colleges,  
35 the American medical association, the American osteopathic association or  
36 any board-approved similar body in the United States or Canada that  
37 accredits this course of study.

38           (b) As it relates to a person who is seeking licensure pursuant to  
39 section 32-2912, subsection B, means a school or college that on  
40 successful completion results in a degree of doctor of homeopathy and that  
41 is approved or accredited by the accreditation commission for homeopathic  
42 education in North America or any board-approved similar body that  
43 accredits this course of study.

44           5. "Approved training program", for a person who is seeking  
45 licensure pursuant to section 32-2912, subsection B, means a program that  
46 requires the person to both:

47           (a) Successfully complete one of the following:

1 (i) A program that would qualify an applicant to become certified  
2 or licensed to practice pursuant to chapter 8, 14, ~~OR 19 or 39~~ of this  
3 title.

4 (ii) Training and testing by the United States armed forces at a  
5 level comparable to the national standards for emergency medical care  
6 technicians.

7 (iii) A program that is approved or accredited by the accreditation  
8 commission for homeopathic education in North America, or its successor  
9 organization, or any similar board-approved body that accredits this  
10 course of study.

11 (b) Meet one of the following:

12 (i) Hold, or pass the examination to hold, a certification from the  
13 council for homeopathic certification or its successor as designated by  
14 the board.

15 (ii) Complete a program that is approved by the board and that is  
16 designed to prepare the person for the practice of homeopathic medicine.

17 6. "Board" means the board of homeopathic and integrated medicine  
18 examiners.

19 7. "Chelation therapy" means an experimental medical therapy to  
20 restore cellular homeostasis through the use of intravenous, metal-binding  
21 and bioinorganic agents such as ethylene diamine tetraacetic acid.  
22 Chelation therapy is not an experimental therapy if it is used to treat  
23 heavy metal poisoning.

24 8. "Controlled substance" means a drug or substance or a drug's or  
25 substance's immediate precursor that is defined or listed in title 36,  
26 chapter 27, article 2 or the rules adopted pursuant to title 36, chapter  
27 27, article 2.

28 9. "Drug" means a medication or substance that is any of the  
29 following:

30 (a) Recognized in the official compendia or for which standards or  
31 specifications are prescribed in the official compendia.

32 (b) Intended for use in diagnosing, curing, mitigating, treating or  
33 preventing human diseases.

34 (c) Articles other than food that are intended to affect the  
35 structure or function of the human body.

36 10. "Homeopathic medication" means a substance of animal, vegetable  
37 or mineral origin that is prepared according to homeopathic pharmacology  
38 and that is given usually in a homeopathic microdosage.

39 11. "Homeopathic microdosage" means a substance prepared so that it  
40 is diluted from ten to the minus one to ten to the minus ten-thousandth or  
41 higher of its original concentration.

42 12. "Homeopathy" means a system of medicine that employs  
43 homeopathic medication in accordance with the principle that a substance  
44 that produces symptoms in a healthy person can cure those symptoms in an  
45 ill person.

1           13. "Immediate family" means a person's spouse, natural or adopted  
2 children, parents and siblings and the natural or adopted children,  
3 parents and siblings of the person's spouse.

4           14. "Letter of concern" means an advisory letter to notify a  
5 licensee that, while there is insufficient evidence to support  
6 disciplinary action, the board believes the licensee should modify or  
7 eliminate certain practices.

8           15. "Licensee" means a person who is licensed pursuant to this  
9 chapter.

10          16. "Medical assistant" means an unlicensed person who has  
11 completed an educational program approved by the board, who assists in a  
12 homeopathic practice under the supervision of a doctor of homeopathy or  
13 homeopathic physician and who performs delegated procedures commensurate  
14 with the assistant's education and training but who does not diagnose,  
15 interpret, design or modify established treatment programs or violate any  
16 statute.

17          17. "Medical incompetence" means the lack of sufficient medical  
18 knowledge or skill by a licensee to a degree that is likely to endanger a  
19 patient's health. Medical incompetence includes the range of knowledge  
20 expected for basic licensure pursuant to this chapter or as a medical or  
21 osteopathic physician in any professional regulatory jurisdiction of the  
22 United States and additional knowledge of homeopathic treatments and  
23 modalities expected of persons who are licensed pursuant to this chapter.

24          18. "Minor surgery":

25           (a) Means surgical procedures that are conducted by a licensee who  
26 is licensed pursuant to section 32-2912, subsection A in an outpatient  
27 setting and that involve the removal or repair of lesions or injuries to  
28 the skin, mucous membranes and subcutaneous tissues, the use of topical,  
29 local or regional anesthetic agents, the treatment by stabilizing or  
30 casting nondisplaced and uncomplicated fractures of the extremities and  
31 diagnostic endoscopies of the intestinal tract, nasopharynx and vagina.

32           (b) Includes diagnostic aspiration of joints and subcutaneous  
33 cysts, therapeutic injections of muscular trigger points, tendons,  
34 ligaments and scars and the subcutaneous implantation of medical  
35 therapeutic agents.

36           (c) Does not include the use of general, spinal or epidural  
37 anesthesia, the opening of body cavities, the repair of blood vessels and  
38 nerves or the biopsy by incision, excision or needle aspiration of  
39 internal organs, the breast or the prostate.

40          19. "Neuromuscular integration" means musculoskeletal therapy that  
41 uses any combination of manual methods, physical agents and physical  
42 medicine procedures and devices to improve physiological function by  
43 normalizing body structure.

44          20. "Nutrition" means the recommendation by a licensee of  
45 therapeutic or preventative dietary measures, food factor concentrates,  
46 fasting and cleansing regimens and the rebalancing by a licensee of

1 digestive system function to correct diseases of malnutrition, to resolve  
2 conditions of metabolic imbalance and to support optimal vitality.

3 21. "Orthomolecular therapy" means therapy to provide the optimum  
4 concentration of substances normally present in the human body such as  
5 vitamins, minerals, amino acids and enzymes. Orthomolecular therapy  
6 includes the diagnosis of ailments or physiologic stresses that occur as a  
7 result of genetic or environmental influences as well as acquired or  
8 inherited allergy and hypersensitivity responses.

9 22. "Pharmaceutical medicine" means a drug therapy that uses  
10 prescription-only and nonprescription pharmaceutical agents as well as  
11 medicinal agents of botanical, biological or mineral origin and that is  
12 based on current scientific indications or traditional or historical usage  
13 indications.

14 23. "Practice of homeopathic medicine",

15 (a) For the purposes of a person who is licensed pursuant to  
16 section 32-2912, subsection A, means the practice of medicine in which the  
17 person purports to diagnose, treat or correct actual or imagined human  
18 diseases, injuries, ailments, infirmities and deformities of a physical or  
19 mental origin using treatment modalities that include acupuncture,  
20 chelation therapy, homeopathy, minor surgery, neuromuscular integration,  
21 nutrition, orthomolecular therapy and pharmaceutical medicine.

22 (b) For the purposes of a person who is licensed pursuant to  
23 section 32-2912, subsection B, means the practice of medicine in which the  
24 person purports to diagnose, treat or correct actual or imagined human  
25 diseases, injuries, ailments, infirmities and deformities of a physical or  
26 mental origin by means of homeopathy or nutrition.

27 24. "Preceptorship" means an extended period of individual study  
28 with one or more experienced homeopathic physicians or institutions.

29 25. "Prescription-only drug" does not include a controlled  
30 substance but does include:

31 (a) A drug that is generally regarded by medical experts to be  
32 unsafe if its use and dosage are not supervised by a medical practitioner.

33 (b) A drug that is approved for use under the supervision of a  
34 medical practitioner pursuant to the federal new drug application law or  
35 section 32-1962.

36 (c) A potentially harmful drug if its labeling does not contain  
37 full directions for its use by the patient.

38 (d) A drug that is required by federal law to bear on its label the  
39 following words: "Caution: Federal law prohibits dispensing without  
40 prescription."

41 26. "Professional negligence" means any of the following:

42 (a) That a licensee administers treatment to a patient in a manner  
43 that is contrary to accepted practices and that harms the patient if it  
44 can be shown to the board's satisfaction that accepted practices are  
45 inherently less hazardous.

46 (b) That a licensee commits an act of unprofessional conduct or  
47 displays an unreasonable lack of professional skill or fidelity.

1 (c) That a licensee's negligence, carelessness or disregard of  
2 established principles or practice results in a patient's injury,  
3 unnecessary suffering or death.

4 27. "Special purpose licensing examination" means an examination  
5 developed by the national board of medical examiners on behalf of the  
6 federation of state medical boards for use by state licensing boards to  
7 test the basic medical competence of physicians who are applying for  
8 licensure and who have been in practice in another jurisdiction of the  
9 United States and to determine the competence of a physician under  
10 investigation by a state licensing board.

11 Sec. 14. Section 32-2904, Arizona Revised Statutes, is amended to  
12 read:

13 32-2904. Powers and duties

14 A. The board shall:

15 1. Conduct all examinations for applicants for a license under this  
16 chapter, issue licenses, conduct hearings, regulate the conduct of  
17 licensees and administer and enforce this chapter.

18 2. Enforce the standards of practice prescribed by this chapter and  
19 board rules.

20 3. Collect and account for all fees under this chapter and deposit,  
21 pursuant to sections 35-146 and 35-147, the monies in the appropriate  
22 fund.

23 4. Maintain a record of its acts and proceedings, including the  
24 refusal to issue a license or the issuance, renewal, suspension or  
25 revocation of licenses to practice according to this chapter.

26 5. Maintain a roster of all persons who are licensed pursuant to  
27 this chapter that includes:

28 (a) The licensee's name.

29 (b) The current professional office address.

30 (c) The date and number of the license issued under this chapter.

31 (d) Whether the licensee is in good standing.

32 6. Adopt and use a seal, the imprint of which is evidence of the  
33 board's official acts.

34 7. Contract with the department of administration for  
35 administrative and recordkeeping services.

36 8. Charge additional fees that do not exceed the cost of the  
37 services for services the board deems necessary to carry out its intent  
38 and purposes.

39 9. Adopt rules regarding the regulation and the qualifications of  
40 medical assistants.

41 10. Keep board records open to public inspection during normal  
42 business hours.

43 ~~11. Meet each January with the acupuncture board of examiners to set~~  
44 ~~financial compensation for staff and operating expense sharing.~~

45 B. The board may:

46 1. Adopt rules necessary or proper to administer this chapter.

1           2. Subject to title 41, chapter 4, article 4, hire personnel to  
2 carry out the purposes of this chapter.

3           3. Hire investigators subject to title 41, chapter 4, article 4 or  
4 contract with investigators to assist in investigating violations of this  
5 chapter and contract with other state agencies if required to carry out  
6 this chapter.

7           4. Appoint one of its members to the jurisdiction arbitration panel  
8 pursuant to section 32-2907, subsection B.

9           5. Subject to title 41, chapter 4, article 4, employ consultants to  
10 perform duties the board determines are necessary to implement this  
11 chapter.

12          6. Compile and publish an annual directory.

13          7. Adopt rules to establish competency or professional review  
14 standards for any minor surgical procedure.

15          8. Appoint two or more board members to a subcommittee that reviews  
16 and approves applications and issues permits pertaining to homeopathic  
17 medical assistants and associated practical educational programs, pursuant  
18 to board rules.

19          9. Appoint two or more board members to a subcommittee that reviews  
20 and approves applications and issues permits pertaining to drugs and  
21 device dispensing practices, pursuant to board rules.

22          Sec. 15. Section 32-2905, Arizona Revised Statutes, is amended to  
23 read:

24          32-2905. Executive director; personnel; duties; compensation

25          ~~A. The executive director of the acupuncture board of examiners~~  
26 ~~shall serve as the executive director of the board of homeopathic and~~  
27 ~~integrated medicine examiners. The staff of the acupuncture board of~~  
28 ~~examiners shall carry out the administrative responsibilities of the board~~  
29 ~~of homeopathic and integrated medicine examiners.~~

30          A. SUBJECT TO TITLE 41, CHAPTER 4, ARTICLE 4, THE BOARD MAY APPOINT  
31 AN EXECUTIVE DIRECTOR WHO SERVES AT THE PLEASURE OF THE BOARD. THE  
32 EXECUTIVE DIRECTOR MAY NOT BE A BOARD MEMBER.

33          B. THE EXECUTIVE DIRECTOR IS ELIGIBLE TO RECEIVE COMPENSATION SET  
34 BY THE BOARD WITHIN THE RANGE DETERMINED PURSUANT TO SECTION 38-611.

35          ~~B.~~ C. The executive director shall:

36           1. Collect all monies due and payable to the board.

37           2. Deposit, pursuant to sections 35-146 and 35-147, all monies  
38 received by the board in the appropriate fund.

39           3. Prepare bills for authorized expenditures of the board and  
40 obtain warrants from the department of administration.

41           4. Act as custodian of the seal, books, records, minutes and  
42 proceedings of the board.

43           5. Perform all duties prescribed by the board.

44           6. Perform all administrative duties of the board.

45           7. Subject to title 41, chapter 4, article 4, employ personnel  
46 necessary to carry out board functions.

1           Sec. 16. Section 32-2932, Arizona Revised Statutes, is amended to  
2 read:

3           32-2932. Use of title or abbreviation by licensees

4           A. A person who is licensed pursuant to section 32-2912, subsection  
5 A may use the designation and sign the licensee's name, wherever required,  
6 in any capacity, as "homeopathic doctor", ~~OR~~ "homeopathic physician". If  
7 the licensee is a graduate of a board-approved allopathic school of  
8 medicine, the licensee may also use the designation "medical doctor  
9 (homeopathic)". If the licensee is a graduate of a board-approved  
10 osteopathic school of medicine, the licensee may also use the designation  
11 "doctor of osteopathic medicine (homeopathic)".

12           B. A person who is licensed pursuant to section 32-2912, subsection  
13 B may use the designation "homeopathic practitioner", "doctor of  
14 homeopathy" or "homeopathic doctor". A person may use the designation  
15 "homeopathic doctor" or "doctor of homeopathy" only if the person holds a  
16 doctorate and is licensed pursuant to chapter 8, 14, ~~OR~~ 19 ~~or~~ ~~39~~ of this  
17 title.

18           C. The board may adopt in rule abbreviations for the titles listed  
19 in subsections A and B of this section.

20           Sec. 17. Section 32-3021, Arizona Revised Statutes, is amended to  
21 read:

22           32-3021. Private vocational program license; qualifications;  
23           provision of information; exemptions

24           A. A person shall not operate a private vocational program unless  
25 the person holds a private vocational program license issued pursuant to  
26 this chapter. Each program offered by a private vocational program  
27 licensee shall be authorized on a private vocational program license. The  
28 board shall prescribe the manner in which the programs are identified on  
29 the license.

30           B. An applicant for a private vocational program license shall meet  
31 all of the following requirements:

32           1. Furnish a letter of credit, surety bond or cash deposit as  
33 provided in section 32-3023.

34           2. Make specific information concerning educational programs,  
35 including statements of purpose, objectives, course of study, policies,  
36 fees and other pertinent information, available to prospective students  
37 and the general public.

38           3. Be financially responsible and have management capability.

39           4. Maintain a qualified faculty.

40           5. Maintain facilities, equipment and materials that are  
41 appropriate for the stated program. All facilities shall meet applicable  
42 state and local health and safety laws.

43           6. Maintain appropriate records as the board prescribes that are  
44 properly safeguarded and preserved.

45           7. Use only advertisements that are consistent with the information  
46 made available as provided in paragraph 2 of this subsection.

47           8. Provide courses of instruction that meet stated objectives.

1 9. Provide a grievance procedure for students.

2 10. Comply with all federal and state laws relating to the  
3 operation of a private postsecondary educational institution.

4 11. Other requirements the board deems necessary.

5 C. An applicant for a private vocational program license shall  
6 submit evidence of meeting the requirements prescribed in subsection B of  
7 this section to the board. The board shall verify the evidence submitted.  
8 Verification shall include on-site verification.

9 D. The filing of an application grants the board the authority to  
10 obtain information from any of the following:

11 1. A licensing board or agency in any state, district, territory or  
12 county of the United States or any foreign country.

13 2. The Arizona criminal justice information system as defined in  
14 section 41-1750.

15 3. The federal bureau of investigation.

16 E. The board, on application, may issue a private vocational  
17 program license to a new educational institution as provided in this  
18 section, except that the board shall establish separate minimum standards  
19 for licensure requirements of new educational institutions. These minimum  
20 standards may include the modification of licensure requirements as  
21 provided in subsection B, paragraphs 3, 5, 6, 7 and 8 of this section to  
22 meet the circumstances of new educational institutions. The board, on  
23 application, may issue a private vocational program license to an  
24 educational institution that is otherwise exempt under subsection F of  
25 this section. The board shall monitor the new educational institution to  
26 ensure compliance with the licensure requirements. The board shall issue  
27 a private vocational program license as provided in this subsection one  
28 time only to new educational institutions.

29 F. This section does not apply to any of the following:

30 ~~1. A school licensed pursuant to chapter 5 of this title.~~

31 ~~2.~~ 1. An instructional program or course sponsored by a bona fide  
32 trade association solely for its members.

33 ~~3.~~ 2. Privately owned academic schools engaged in the process of  
34 general education that is designed to produce a level of development  
35 equivalent to that necessary to meet the requirements for entrance into a  
36 public community college or public university in this state and that may  
37 incidentally offer technical and vocational courses as part of the  
38 curriculum.

39 ~~4.~~ 3. Schools or private instruction conducted by any person  
40 engaged in training, tutoring or teaching individuals or groups, if the  
41 instruction is related to hobbies, avocations, academic improvement or  
42 recreation and may only incidentally lead to gainful employment.

43 5. Schools conducted by any person solely for training the person's  
44 own employees.

45 6. An instructional program or course offered solely for employees  
46 and for the purpose of improving the employees in their employment if both  
47 of the following apply:

1 (a) The employee is not charged a fee.

2 (b) The employer provides or funds the program or course pursuant  
3 to a valid written contract between the employer and a program or course  
4 provider.

5 7. Training conducted pursuant to 14 Code of Federal Regulations  
6 part 141.

7 8. A school that solely provides an instructional program for  
8 certified nursing assistants and licensed nursing assistants and that is  
9 licensed by the nursing board pursuant to section 32-1606, subsection B,  
10 paragraph 11.

11 9. A professional driving training school licensed by the  
12 department of transportation pursuant to chapter 23, articles 1, 2 and 3  
13 of this title.

14 10. A training program approved by the board of examiners of  
15 nursing care institution administrators and assisted living facility  
16 managers that solely provides training for managers and caregivers of  
17 assisted living facilities.

18 11. A yoga teacher training course or program or a yoga  
19 instructional course or program.

20 12. A private instructional program or course that is less than  
21 forty contact hours in length and that charges a fee of less than  
22 \$1,000. For the purposes of this paragraph, "contact hour" means a  
23 fifty-minute session of scheduled in-class or online instruction.

24 Sec. 18. Section 32-3101, Arizona Revised Statutes, is amended to  
25 read:

26 32-3101. Definitions

27 In this chapter, unless the context otherwise requires:

28 1. "Certification" means a voluntary process by which a regulatory  
29 entity grants recognition to an individual who has met certain  
30 prerequisite qualifications specified by that regulatory entity and who  
31 may assume or use the word "certified" in a title or designation to  
32 perform prescribed health professional tasks.

33 2. "Grandfather clause" means a provision that is applicable to  
34 practitioners who are actively engaged in the regulated health profession  
35 before the effective date of a law and that exempts the practitioners from  
36 meeting the prerequisite qualifications set forth in the law to perform  
37 prescribed occupational tasks.

38 3. "Health professional group" means any health professional group  
39 or organization, any individual or any other interested party that  
40 proposes that any health professional group that is not presently  
41 regulated be regulated.

42 4. "Health professions" means professions that are regulated  
43 pursuant to chapter 7, 8, 11, 13, 14, 15, 15.1, 16, 17, 18, 19, 19.1, 21,  
44 25, 28, 29, 33, 34, 35, ~~39~~ or 41 of this title, title 36, chapter 6,  
45 article 7 or title 36, chapter 17.

46 5. "Inspection" means the periodic examination of practitioners by  
47 a state agency in order to ascertain whether the practitioners' occupation

1 is being carried out in a fashion consistent with the public health,  
2 safety and welfare.

3 6. "Licensure" or "license" means an individual, nontransferable  
4 authorization to carry on a health activity that would otherwise be  
5 unlawful in this state in the absence of the permission and that is based  
6 on qualifications that include graduation from an accredited or approved  
7 program and acceptable performance on a qualifying examination or a series  
8 of examinations.

9 7. "Practitioner" means an individual who has achieved knowledge  
10 and skill by practice and who is actively engaged in a specified health  
11 profession.

12 8. "Public member" means an individual who is not and never has  
13 been a member or the spouse of a member of the health profession being  
14 regulated and who does not have and never has had a material financial  
15 interest in either rendering the health professional service being  
16 regulated or an activity directly related to the profession being  
17 regulated.

18 9. "Registration" means the formal notification that, before  
19 rendering services, a practitioner must submit to a state agency setting  
20 forth the name and address of the practitioner, the location, nature and  
21 operation of the health activity to be practiced and, if required by a  
22 regulatory entity, a description of the service to be provided.

23 10. "Regulatory entity" means any board, commission, agency or  
24 department of this state that regulates one or more health professions in  
25 this state.

26 11. "State agency" means any department, board, commission or  
27 agency of this state.

28 Sec. 19. Section 32-3201, Arizona Revised Statutes, is amended to  
29 read:

30 32-3201. Definitions

31 In this chapter, unless the context otherwise requires:

32 ~~2.~~ 1. "Health professional" means a person who is certified or  
33 licensed pursuant to chapter 7, 8, 11, 13, 14, 15, 15.1, 16, 17, 18, 19,  
34 19.1, 21, 25, 28, 29, 33, 34, 35, ~~39~~, 41 or 42 of this title, title 36,  
35 chapter 4, article 6, title 36, chapter 6, article 7 or title 36, chapter  
36 17.

37 ~~1.~~ 2. "Health profession regulatory board" means any board that  
38 regulates one or more health professionals in this state.

39 3. "Medical ~~record~~ RECORDS" has the same meaning prescribed in  
40 section 12-2291 but does not include prescription orders.

41 Sec. 20. Section 32-3218, Arizona Revised Statutes, is amended to  
42 read:

43 32-3218. Health profession regulatory boards: members:  
44 training; definitions

45 A. ~~Beginning January 1, 2015~~, Each member of a health profession  
46 regulatory board shall complete a twelve-hour training within one year  
47 after the member's initial appointment to the board. ~~Any member of a~~

~~1 health profession regulatory board whose initial appointment was before~~  
~~2 January 1, 2015 has until January 1, 2016 to complete the training~~  
~~3 required by this subsection.~~ The training must include the subjects of  
4 governance and administrative management, disciplinary procedures, conduct  
5 of quasi-judicial proceedings, administrative procedure and rule adoption  
6 and licensure as they apply to the health profession regulatory board.  
7 Any training completed by a current board member on and after January 1,  
8 2014 on the topics specified in this subsection may count toward the  
9 requirements of this subsection.

10 B. The training of board members required by this section may be  
11 provided by the staff of any health profession regulatory board, the  
12 office of the attorney general, the department of administration, the  
13 auditor general or an outside educational institution or any other  
14 provider that is approved by the health profession regulatory board on  
15 which the member is serving.

16 C. Any board action taken by a health profession regulatory board  
17 is not subject to challenge or invalidation because a board member has not  
18 completed the training required by this section.

19 D. For the purposes of this section:

20 ~~2.~~ 1. "Health professional" means a person who is certified or  
21 licensed pursuant to chapter 7, 8, 11, 13, 14, 15, 15.1, 16, 17, 18, 19,  
22 19.1, 21, 25, 28, 29, 34, 35, ~~39,~~ 41 or 42 of this title.

23 ~~1.~~ 2. "Health profession regulatory board" means any board that  
24 regulates one or more health ~~professiona~~ PROFESSIONALS in this state.

25 Sec. 21. Section 32-3231, Arizona Revised Statutes, is amended to  
26 read:

27 32-3231. Definitions

28 In this article, unless the context otherwise requires:

29 1. "Administer" means the direct application of or dispensing or  
30 furnishing a prescription medication or a prescription-only device,  
31 whether by injection or any other means, to the body of a patient by a  
32 health professional or by the health professional's authorized agent at  
33 the direction of the health professional.

34 ~~2. "Aesthetician" has the same meaning prescribed in section~~  
35 ~~32-501.~~

36 ~~3.~~ 2. "Cosmetic purpose" means for the purpose of beautifying,  
37 preserving or conferring comeliness, excluding therapeutic massage and  
38 manipulations.

39 ~~4.~~ 3. "Department" means the department of health services.

40 ~~5.~~ 4. "Directly supervised" means a health professional who is  
41 licensed in this state and whose scope of practice allows the supervision  
42 supervises the use of a laser or IPL device for cosmetic purposes while  
43 the health professional is present at the facility where and when the  
44 device is being used.

45 ~~6.~~ 5. "Indirect supervision" means supervision by a health  
46 professional who is licensed in this state, whose scope of practice allows  
47 the supervision and who is readily accessible by telecommunication.

1       ~~7.~~ 6. "IPL device" ~~has the same meaning prescribed in section~~  
2 ~~32-516~~ MEANS AN INTENSE PULSE LIGHT CLASS II SURGICAL DEVICE CERTIFIED IN  
3 ACCORDANCE WITH THE STANDARDS OF THE DEPARTMENT FOR COSMETIC PROCEDURES.  
4       ~~8.~~ 7. "Laser" ~~has the same meaning prescribed in section 32-516~~  
5 MEANS ANY DEVICE THAT CAN PRODUCE OR AMPLIFY ELECTROMAGNETIC RADIATION  
6 WITH WAVELENGTHS IN THE RANGE OF ONE HUNDRED EIGHTY NANOMETERS TO ONE  
7 MILLIMETER PRIMARILY BY THE PROCESS OF CONTROLLED STIMULATED EMISSION AND  
8 CERTIFIED IN ACCORDANCE WITH THE STANDARDS FOR THE DEPARTMENT FOR COSMETIC  
9 PROCEDURES.  
10       ~~9.~~ 8. "Laser technician" means a person who is or has been  
11 certified by the department pursuant to its rules and this article.  
12       ~~10.~~ 9. "Registrant" means a person or entity that owns or operates  
13 a laser or IPL device for which the application for registration is on  
14 file with the department and that is in compliance with department rules.  
15       Sec. 22. Repeal  
16       Title 32, chapter 39, Arizona Revised Statutes, is repealed.  
17       Sec. 23. Section 36-3601, Arizona Revised Statutes, is amended to  
18 read:  
19       36-3601. Definitions  
20       For the purposes of this chapter:  
21       1. "Health care decision maker" has the same meaning prescribed in  
22 section 12-2801.  
23       2. "Health care provider":  
24       (a) Means a person licensed pursuant to title 32, chapter 7, 8, 13,  
25 14, 15, 15.1, 16, 17, 18, 19, 19.1, 25, 28, 29, 33, 34, 35, ~~39~~, 41 or 42,  
26 or chapter 4, article 6 of this title, chapter 6, article 7 of this title  
27 or chapter 17 of this title.  
28       (b) Includes:  
29       (i) A health care institution licensed pursuant to chapter 4 of  
30 this title.  
31       (ii) A person who holds a training permit pursuant to title 32,  
32 chapter 13 or 17.  
33       3. "Health care provider regulatory board or agency" means a board  
34 or agency that regulates one or more health care provider professions in  
35 this state.  
36       4. "Telehealth" means:  
37       (a) The interactive use of audio, video or other electronic media,  
38 including asynchronous store-and-forward technologies and remote patient  
39 monitoring technologies, for the practice of health care, assessment,  
40 diagnosis, consultation or treatment and the transfer of medical data.  
41       (b) Includes the use of an audio-only telephone encounter between  
42 the patient or client and health care provider if an audio-visual  
43 telehealth encounter is not reasonably available due to the patient's  
44 functional status, the patient's lack of technology or telecommunications  
45 infrastructure limits, as determined by the health care provider.  
46       (c) Does not include the use of a fax machine, instant messages,  
47 voice mail or email.

1           Sec. 24. Section 41-619.51, Arizona Revised Statutes, is amended to  
2 read:

3           41-619.51. Definitions

4           In this article, unless the context otherwise requires:

5           1. "Agency" means the supreme court, the department of economic  
6 security, the department of child safety, the department of education, the  
7 department of health services, the department of juvenile corrections, the  
8 department of emergency and military affairs, the department of public  
9 safety, the department of transportation, the state real estate  
10 department, the department of insurance and financial institutions, the  
11 Arizona game and fish department, the Arizona department of agriculture,  
12 the board of examiners of nursing care institution administrators and  
13 assisted living facility managers, the state board of dental examiners,  
14 the Arizona state board of pharmacy, the board of physical therapy, the  
15 state board of psychologist examiners, the board of athletic training, the  
16 board of occupational therapy examiners, the state board of podiatry  
17 examiners, ~~the acupuncture board of examiners~~ the state board of technical  
18 registration, ~~or~~ the board of massage therapy or the Arizona department of  
19 housing.

20           2. "Board" means the board of fingerprinting.

21           3. "Central registry exception" means notification to the  
22 department of economic security, the department of child safety or the  
23 department of health services, as appropriate, pursuant to section  
24 41-619.57 that the person is not disqualified because of a central  
25 registry check conducted pursuant to section 8-804.

26           4. "Expedited review" means an examination, in accordance with  
27 board rule, of the documents an applicant submits by the board or its  
28 hearing officer without the applicant being present.

29           5. "Good cause exception" means the issuance of a fingerprint  
30 clearance card to an employee pursuant to section 41-619.55.

31           6. "Person" means a person who is required to be fingerprinted  
32 pursuant to this article or who is subject to a central registry check and  
33 any of the following:

- 34           (a) Section 3-314.
- 35           (b) Section 8-105.
- 36           (c) Section 8-322.
- 37           (d) Section 8-463.
- 38           (e) Section 8-509.
- 39           (f) Section 8-802.
- 40           (g) Section 8-804.
- 41           (h) Section 15-183.
- 42           (i) Section 15-503.
- 43           (j) Section 15-512.
- 44           (k) Section 15-534.
- 45           (l) Section 15-763.01.
- 46           (m) Section 15-782.02.
- 47           (n) Section 15-1330.

- 1 (o) Section 15-1881.
- 2 (p) Section 17-215.
- 3 (q) Section 28-3228.
- 4 (r) Section 28-3413.
- 5 (s) Section 32-122.02.
- 6 (t) Section 32-122.05.
- 7 (u) Section 32-122.06.
- 8 (v) Section 32-823.
- 9 (w) Section 32-1232.
- 10 (x) Section 32-1276.01.
- 11 (y) Section 32-1284.
- 12 (z) Section 32-1297.01.
- 13 (aa) Section 32-1904.
- 14 (bb) Section 32-1941.
- 15 (cc) Section 32-1982.
- 16 (dd) Section 32-2022.
- 17 (ee) Section 32-2063.
- 18 (ff) Section 32-2108.01.
- 19 (gg) Section 32-2123.
- 20 (hh) Section 32-2371.
- 21 (ii) Section 32-3430.
- 22 (jj) Section 32-3620.
- 23 (kk) Section 32-3668.
- 24 (ll) Section 32-3669.
- 25 ~~(mm) Section 32-3922.~~
- 26 ~~(nn) Section 32-3924.~~
- 27 ~~(oo)~~ (mm) Section 32-4222.
- 28 ~~(pp)~~ (nn) Section 32-4128.
- 29 ~~(qq)~~ (oo) Section 36-113.
- 30 ~~(rr)~~ (pp) Section 36-207.
- 31 ~~(ss)~~ (qq) Section 36-411.
- 32 ~~(tt)~~ (rr) Section 36-425.03.
- 33 ~~(uu)~~ (ss) Section 36-446.04.
- 34 ~~(vv)~~ (tt) Section 36-594.01.
- 35 ~~(ww)~~ (uu) Section 36-594.02.
- 36 ~~(xx)~~ (vv) Section 36-766.01.
- 37 ~~(yy)~~ (ww) Section 36-882.
- 38 ~~(zz)~~ (xx) Section 36-883.02.
- 39 ~~(aaa)~~ (yy) Section 36-897.01.
- 40 ~~(bbb)~~ (zz) Section 36-897.03.
- 41 ~~(ccc)~~ (aaa) Section 36-3008.
- 42 ~~(ddd)~~ (bbb) Section 41-619.53.
- 43 ~~(eee)~~ (ccc) Section 41-1964.
- 44 ~~(fff)~~ (ddd) Section 41-1967.01.
- 45 ~~(ggg)~~ (eee) Section 41-1968.
- 46 ~~(hhh)~~ (fff) Section 41-1969.
- 47 ~~(iii)~~ (ggg) Section 41-2814.

1       ~~(jjj)~~ (hhh) Section 41-4025.  
2       ~~(kkk)~~ (iii) Section 46-141, subsection A or B.  
3       ~~(lll)~~ (jjj) Section 46-321.

4       ~~<<Sec. 33. Section 41-712, Arizona Revised Statutes, is amended to~~  
5 ~~read:~~

6       ~~41-712. Telecommunications program office; state contractor;~~  
7       ~~cost of operation; employees; report; exception~~

8       ~~A. The director shall establish a telecommunications program office~~  
9 ~~within the department to enter into a primary contract with a corporation~~  
10 ~~authorized to do business in this state for the contractor to provide for~~  
11 ~~the installation and maintenance of telecommunication systems and to act~~  
12 ~~as the state's agent for telecommunication carrier services to the~~  
13 ~~offices, departments and agencies of this state. Each office, department~~  
14 ~~and agency of this state shall contract with the primary contractor~~  
15 ~~through the telecommunications program office and make payment to the~~  
16 ~~primary contractor for its telecommunications needs.~~

17       ~~B. With the approval of the director, the telecommunications~~  
18 ~~program office may enter into more than one contract for each statewide~~  
19 ~~telecommunications product or service not provided by the primary~~  
20 ~~contractor.~~

21       ~~C. The director shall pay administrative costs of the~~  
22 ~~telecommunications program office, and each office, department or other~~  
23 ~~state agency shall pay from available monies the proportionate cost of~~  
24 ~~administration of the office as determined by the director. In carrying~~  
25 ~~out this subsection, the director shall only employ those contract~~  
26 ~~managers, telephone operators, help desk personnel and forensic~~  
27 ~~investigators required to oversee the primary contract and administer~~  
28 ~~efficiently the telecommunications program office.~~

29       ~~D. The department shall prepare and submit an annual consolidated~~  
30 ~~telecommunications budget report to the joint legislative budget committee~~  
31 ~~in connection with its annual budget request showing the previous fiscal~~  
32 ~~year's actual payments and the next fiscal year's anticipated payments~~  
33 ~~charged and received by the primary contractor from state offices,~~  
34 ~~departments and agencies for telecommunications services.~~

35       ~~E. All procurement pursuant to this section shall be as prescribed~~  
36 ~~in chapter 23 of this title unless otherwise provided by law.~~

37       ~~F. Any contract involving the use of a state highway right-of-way~~  
38 ~~is subject to approval pursuant to sections 28-304, 28-363, 28-7045,~~  
39 ~~28-7048 and 28-7209.~~

40       ~~G. This section does not apply to the cotton research and~~  
41 ~~protection council established by section 3-1082.~~

42       ~~Sec. 34. Section 41-741, Arizona Revised Statutes, is amended to~~  
43 ~~read:~~

44       ~~41-741. Definitions~~

45       ~~In this article and articles 5 and 6 of this chapter, unless the~~  
46 ~~context otherwise requires:~~

- 1       ~~1. "Appointing authority" means the person or group of persons~~  
2 ~~authorized by law or delegated authority to make appointments to fill~~  
3 ~~positions.~~
- 4       ~~2. "At will" means an employment relationship where either party to~~  
5 ~~the relationship may sever the relationship at any time for any reason~~  
6 ~~other than an unlawful reason.~~
- 7       ~~3. "Break in service" means a separation from state employment,~~  
8 ~~regardless of the reason for separation.~~
- 9       ~~4. "Change in assignment" means movement of an employee to a~~  
10 ~~different position in the same state agency or another state agency.~~
- 11       ~~5. "Covered employee" means an employee who:~~
  - 12 ~~(a) Before September 29, 2012, is in the state service, is not~~  
13 ~~uncovered pursuant to section 41-742, subsection A and has remained in~~  
14 ~~covered status without a break in service since that date.~~
  - 15 ~~(b) Before September 29, 2012, is in the state service, is employed~~  
16 ~~as a correctional officer I, correctional officer II, correctional officer~~  
17 ~~III or community corrections officer and has remained in covered status~~  
18 ~~without a break in service since that date.~~
  - 19 ~~(c) Before September 29, 2012, is in the state service, is a full~~  
20 ~~authority peace officer as certified by the Arizona peace officer~~  
21 ~~standards and training board and has remained in that status without a~~  
22 ~~break in service since that date.~~
  - 23 ~~(d) On or after September 29, 2012, is a correctional officer I,~~  
24 ~~correctional officer II, correctional officer III or community corrections~~  
25 ~~officer and is appointed to a position in the covered service, but does~~  
26 ~~not include a position in any other class in the correctional officer~~  
27 ~~class series or the community correctional officer class series or in any~~  
28 ~~other correctional class series.~~
  - 29 ~~(e) On or after September 29, 2012, is a full authority peace~~  
30 ~~officer as certified by the Arizona peace officer standards and training~~  
31 ~~board and is appointed to a position that requires such a certification in~~  
32 ~~the covered service.~~
- 33       ~~6. "Covered service" means that employment status conferring rights~~  
34 ~~of appeal as prescribed in sections 41-782 and 41-783 or section~~  
35 ~~41-1830.16, as applicable.~~
- 36       ~~7. "Director" means the director of the department of~~  
37 ~~administration, or the director's designee, who is responsible for~~  
38 ~~administering the state personnel system pursuant to applicable state and~~  
39 ~~federal laws.~~
- 40       ~~8. "Employee" means all officers and employees of this state,~~  
41 ~~whether in covered service or uncovered service, unless otherwise~~  
42 ~~prescribed.~~
- 43       ~~9. "Full authority peace officer" means a peace officer whose~~  
44 ~~authority to enforce the laws of this state is not limited by the rules~~  
45 ~~adopted by the Arizona peace officer standards and training board.~~
- 46       ~~10. "Original probationary period" means the specified period~~  
47 ~~following initial appointment to covered service.~~

- 1 ~~11. "Probationary period" means a working test period of employment~~  
2 ~~in a covered service position for evaluation of the employee's work.~~
- 3 ~~12. "Promotional probation" means the specified period of~~  
4 ~~employment following promotion of a permanent status employee to another~~  
5 ~~covered service position that has a higher pay grade.~~
- 6 ~~13. "Rules" means rules adopted by the department of~~  
7 ~~administration, human resources division.~~
- 8 ~~14. "Significant procurement role":~~  
9 ~~(a) Means any role that includes any of the following duties:~~  
10 ~~(i) Participating in the development of a procurement as defined in~~  
11 ~~section 41-2503.~~  
12 ~~(ii) Participating in the development of an evaluation tool.~~  
13 ~~(iii) Approving a procurement as defined in section 41-2503 or an~~  
14 ~~evaluation tool.~~  
15 ~~(iv) Soliciting quotes greater than ten thousand dollars \$10,000~~  
16 ~~for the provision of materials, services or construction.~~  
17 ~~(v) Serving as a technical advisor or an evaluator who evaluates a~~  
18 ~~procurement as defined in section 41-2503.~~  
19 ~~(vi) Recommending or selecting a vendor that will provide~~  
20 ~~materials, services or construction to this state.~~  
21 ~~(vii) Serving as a decision maker DECISION-MAKER or designee on a~~  
22 ~~protest or an appeal by a party regarding an agency procurement selection~~  
23 ~~or decision.~~  
24 ~~(b) Does not include making decisions on developing specifications~~  
25 ~~and the scope of work for a procurement as defined in section 41-2503 if~~  
26 ~~the decision is based on the application of commonly accepted industry~~  
27 ~~standards or known published standards of the agency as applied to the~~  
28 ~~project, services, goods or materials.~~
- 29 ~~15. "State agency":~~  
30 ~~(a) Means a department, board, office, authority, commission or~~  
31 ~~other governmental budget unit of this state and includes an agency~~  
32 ~~assigned to a department for administrative purposes. State agency~~  
33 ~~(b) Does not include the legislative and judicial branches, the~~  
34 ~~Arizona board of regents, state universities, the Arizona state schools~~  
35 ~~for the deaf and the blind, the department of public safety, the Arizona~~  
36 ~~peace officer standards and training board, the cotton research and~~  
37 ~~protection council or public corporations.~~
- 38 ~~16. "State personnel board" means the board established by section~~  
39 ~~41-781.~~
- 40 ~~17. "State personnel system" means all state agencies and employees~~  
41 ~~of those agencies that are not exempted by this article.~~
- 42 ~~18. "State service" means all offices and positions of employment~~  
43 ~~in state government that, before September 29, 2012, were subject to the~~  
44 ~~provisions of articles 5 and 6 of this chapter that were in effect before~~  
45 ~~September 29, 2012.~~

1       ~~19. "Supervisor" means a state employee who has one or more other~~  
2 ~~state employees reporting directly to the person and, for those state~~  
3 ~~employees, typically has the authority to:~~  
4       ~~(a) Approve sick or annual leave.~~  
5       ~~(b) Recommend hiring, discipline or dismissal.~~  
6       ~~(c) Assign or schedule daily work.~~  
7       ~~(d) Complete a performance evaluation.~~  
8       ~~20. "Uncovered employee" means an employee in uncovered service.~~  
9       ~~21. "Uncovered service" means employment at will and includes all~~  
10 ~~state employees except those in covered service.~~  
11       ~~Sec. 35. Section 41-742, Arizona Revised Statutes, is amended to~~  
12 ~~read:~~  
13       ~~41-742. State personnel system; covered and uncovered~~  
14               ~~employees; application; exemptions~~  
15       ~~A. Beginning September 29, 2012, unless otherwise prescribed in~~  
16 ~~this article:~~  
17       ~~1. All new hires are at will uncovered employees.~~  
18       ~~2. Any employee who meets any of the following criteria is an at~~  
19 ~~will uncovered employee:~~  
20       ~~(a) Is employed as an attorney in a position assigned to the~~  
21 ~~attorney salary schedule.~~  
22       ~~(b) Is a supervisor.~~  
23       ~~(c) Is at a pay grade of nineteen or above or, if a successor~~  
24 ~~compensation system is established, in an equivalent pay range as~~  
25 ~~determined by the director.~~  
26       ~~(d) Is in a position assigned to the information technology salary~~  
27 ~~schedule, in a position assigned to an information technology~~  
28 ~~classification or, if a successor compensation system is established, in~~  
29 ~~an equivalent pay range as determined by the director.~~  
30       ~~3. Any covered employee who voluntarily accepts a change in~~  
31 ~~assignment to a position in the uncovered service, regardless of whether~~  
32 ~~the voluntary change in assignment is a promotion, demotion or lateral~~  
33 ~~transfer, is an at will uncovered employee on the start date of the~~  
34 ~~voluntary change in assignment.~~  
35       ~~4. A covered employee may voluntarily elect to become an at will~~  
36 ~~uncovered employee without a change in assignment on approval by the state~~  
37 ~~agency head and the director. If approved, the change from covered to~~  
38 ~~uncovered status is immediate.~~  
39       ~~5. Once a covered employee becomes an at will uncovered employee,~~  
40 ~~the change is irrevocable.~~  
41       ~~B. Except as provided in subsection F of this section, the purpose~~  
42 ~~of this article is for all state agencies in the state personnel system to~~  
43 ~~treat employees pursuant to the following principles:~~  
44       ~~1. Recruiting, selecting and advancing employees on the basis of~~  
45 ~~the employee's relative ability, knowledge and skills after open~~  
46 ~~competition.~~

1           ~~2. Providing compensation based on merit, performance, job value~~  
2 ~~and competitiveness within applicable labor markets.~~  
3           ~~3. Training employees if the training will result in better~~  
4 ~~organizational and individual performance.~~  
5           ~~4. Retaining employees on the basis of the adequacy of their~~  
6 ~~performance, correcting inadequate performance where possible and~~  
7 ~~appropriate and separating employees whose performance is inadequate.~~  
8           ~~5. Managing applicants and employees in all aspects of personnel~~  
9 ~~administration without regard to political affiliation, race, color,~~  
10 ~~national origin, sex, age, disability or religious creed and with proper~~  
11 ~~regard for their privacy and constitutional rights as citizens.~~  
12           ~~6. Ensuring that employees are protected against coercion for~~  
13 ~~partisan political purposes and are prohibited from using their official~~  
14 ~~authority for the purpose of interfering with or affecting the result of~~  
15 ~~an election or nomination for office.~~  
16           ~~C. The director shall establish and administer the state personnel~~  
17 ~~system, including:~~  
18           ~~1. A classification system and job classes and associated~~  
19 ~~knowledge, skills and abilities for those classes.~~  
20           ~~2. A centralized job announcement system to streamline statewide~~  
21 ~~recruiting for applicants.~~  
22           ~~3. A centralized employment system to be used by all successful~~  
23 ~~applicants, including a common application form to be used by all state~~  
24 ~~agencies.~~  
25           ~~4. A compensation system, including assigning pay ranges for all~~  
26 ~~job classes and special pay plans for certain classes or groups of~~  
27 ~~employees considering such factors as occupational patterns, economic~~  
28 ~~conditions and pay plans common to government, business and industry.~~  
29           ~~5. A statewide training program.~~  
30           ~~6. A statewide performance management system.~~  
31           ~~7. An audit function to review state agencies' processes and~~  
32 ~~compliance with applicable statutes, personnel rules and policies.~~  
33           ~~8. An integrated system to process personnel, payroll and benefits~~  
34 ~~transactions and serve as the system of record for state employees.~~  
35           ~~D. This article and articles 5 and 6 of this chapter do not apply~~  
36 ~~to:~~  
37           ~~1. An elected state officer. An elected state officer means only~~  
38 ~~elected officials and does not include the employees of elected state~~  
39 ~~officers unless expressly provided.~~  
40           ~~2. Members of boards and commissions who are appointed by the~~  
41 ~~legislature or the governor, board members appointed pursuant to section~~  
42 ~~41-619.52 unless otherwise prescribed by law, employees of the Arizona~~  
43 ~~legislative council, employees appointed or employed by the legislature,~~  
44 ~~any legislative agency or either house of the legislature and employees of~~  
45 ~~the supreme court and the court of appeals.~~

1           ~~3. The Arizona board of regents, officers or employees of state~~  
2 ~~universities and personnel of the Arizona state schools for the deaf and~~  
3 ~~the blind.~~  
4           ~~4. Patients or inmates employed in state institutions.~~  
5           ~~5. Officers and enlisted personnel of the national guard of Arizona~~  
6 ~~and employees of the department of emergency and military affairs who~~  
7 ~~occupy Arizona national guard positions identified as mobilization assets.~~  
8           ~~6. The cotton research and protection council.~~  
9           ~~7. 6. The department of public safety.~~  
10           ~~8. 7. The Arizona peace officer standards and training board.~~  
11           ~~E. Unless otherwise prescribed in this article, subsection A,~~  
12 ~~paragraphs 1, 2 and 3 of this section do not apply to either an initial~~  
13 ~~appointment to or changes in assignment to:~~  
14           ~~1. An employee of any state agency who is a full authority peace~~  
15 ~~officer as certified by the Arizona peace officer standards and training~~  
16 ~~board.~~  
17           ~~2. An employee of the state department of corrections who is~~  
18 ~~employed as a correctional captain, correctional lieutenant, correctional~~  
19 ~~sergeant, correctional corporal, correctional officer I, correctional~~  
20 ~~officer II, correctional officer III, correctional officer IV, community~~  
21 ~~corrections unit supervisor, community corrections group supervisor,~~  
22 ~~community corrections officer or, if a successor classification system is~~  
23 ~~established, an equivalent job class as determined by the director.~~  
24           ~~F. Subsection B, paragraph 1 of this section, relating to open~~  
25 ~~competition and subsection B, paragraph 4 of this section and subsection~~  
26 ~~B, paragraph 5 of this section, relating to political affiliation, do not~~  
27 ~~apply to:~~  
28           ~~1. Employees of the governor's office.~~  
29           ~~2. Employees of offices of elected officials who either:~~  
30           ~~(a) Report directly to the elected official.~~  
31           ~~(b) Head a primary component or report directly to the head of a~~  
32 ~~primary component of the office of the elected official.~~  
33           ~~(c) As a primary duty, determine or publicly advocate substantive~~  
34 ~~program policy for the office of the elected official.~~  
35           ~~3. The state agency head and each deputy director, or equivalent,~~  
36 ~~of each state agency and employees of the state agency who report directly~~  
37 ~~to either the state agency head or deputy director.~~  
38           ~~4. Each assistant director, or equivalent, of each state agency and~~  
39 ~~employees in the state agency who report directly to an assistant~~  
40 ~~director.~~  
41           ~~5. Attorneys in the office of the attorney general.~~  
42           ~~6. Employees in investment-related positions in the state~~  
43 ~~retirement system or plans established by title 38, chapter 5, article 2,~~  
44 ~~3, 4 or 6.~~  
45           ~~G. This article and articles 5 and 6 of this chapter do not confer~~  
46 ~~any rights in excess of, or in addition to, those previously authorized to~~  
47 ~~any state employee.~~

1 ~~H. This article does not create or confer any contractual~~  
2 ~~employment right for any employee and, unless otherwise provided by law,~~  
3 ~~state agencies are prohibited from executing employment contracts with any~~  
4 ~~state employee.~~

5 ~~I. Any communications, including policy manuals, employee~~  
6 ~~handbooks, job offers and performance appraisals and other communications~~  
7 ~~as determined by the director, whether in writing or oral, that conflict~~  
8 ~~with article 1, 5 or 6 of this chapter or this article are void and do not~~  
9 ~~alter or supersede article 1, 5 or 6 of this chapter or this article.>>~~

10 Sec. 25. Repeal

11 Title 41, chapter 5, article 6, Arizona Revised Statutes, is  
12 repealed.

13 <<Sec. 37. Section 41-1005, Arizona Revised Statutes, is amended to  
14 read:

15 ~~41-1005. Exemptions~~

16 ~~A. This chapter does not apply to any:~~

17 ~~1. Rule that relates to the use of public works, including streets~~  
18 ~~and highways, under the jurisdiction of an agency if the effect of the~~  
19 ~~order is indicated to the public by means of signs or signals.~~

20 ~~2. Order or rule of the Arizona game and fish commission that does~~  
21 ~~the following:~~

22 ~~(a) Opens, closes or alters seasons or establishes bag or~~  
23 ~~possession limits for wildlife.~~

24 ~~(b) Establishes a fee pursuant to section 5-321, 5-322 or 5-327.~~

25 ~~(c) Establishes a license classification, fee or application fee~~  
26 ~~pursuant to title 17, chapter 3, article 2.~~

27 ~~(d) Limits the number or use of licenses or permits that are issued~~  
28 ~~to nonresidents pursuant to section 17-332.~~

29 ~~3. Rule relating to section 28-641 or to any rule regulating motor~~  
30 ~~vehicle operation that relates to speed, parking, standing, stopping or~~  
31 ~~passing enacted pursuant to title 28, chapter 3.~~

32 ~~4. Rule concerning only the internal management of an agency that~~  
33 ~~does not directly and substantially affect the procedural or substantive~~  
34 ~~rights or duties of any segment of the public.~~

35 ~~5. Rule that only establishes specific prices to be charged for~~  
36 ~~particular goods or services sold by an agency.~~

37 ~~6. Rule concerning only the physical servicing, maintenance or care~~  
38 ~~of agency owned or operated facilities or property.~~

39 ~~7. Rule or substantive policy statement concerning inmates or~~  
40 ~~committed youths of a correctional or detention facility in secure custody~~  
41 ~~or patients admitted to a hospital if made by the state department of~~  
42 ~~corrections, the department of juvenile corrections, the board of~~  
43 ~~executive clemency or the department of health services or a facility or~~  
44 ~~hospital under the jurisdiction of the state department of corrections,~~  
45 ~~the department of juvenile corrections or the department of health~~  
46 ~~services.~~

1       ~~8. Form whose contents or substantive requirements are prescribed~~  
2 ~~by rule or statute and instructions for the execution or use of the form.~~  
3       ~~9. Capped fee-for-service schedule adopted by the Arizona health~~  
4 ~~care cost containment system administration pursuant to title 36,~~  
5 ~~chapter 29.~~  
6       ~~10. Fees prescribed by section 6-125.~~  
7       ~~11. Order of the director of water resources adopting or modifying~~  
8 ~~a management plan pursuant to title 45, chapter 2, article 9.~~  
9       ~~12. Fees established under section 3-1086.~~  
10       ~~13. 12. Fees established under sections 41-4010 and 41-4042.~~  
11       ~~14. 13. Rule or other matter relating to agency contracts.~~  
12       ~~15. 14. Fees established under section 32-2067 or 32-2132.~~  
13       ~~16. 15. Rules made pursuant to section 5-111, subsection A.~~  
14       ~~17. 16. Rules made by the Arizona state parks board concerning the~~  
15 ~~operation of the Tonto natural bridge state park, the facilities located~~  
16 ~~in the Tonto natural bridge state park and the entrance fees to the Tonto~~  
17 ~~natural bridge state park.~~  
18       ~~18. 17. Fees or charges established under section 41-511.05.~~  
19       ~~19. 18. Emergency medical services protocols except as provided in~~  
20 ~~section 36-2205, subsection B.~~  
21       ~~20. 19. Fee schedules established pursuant to section 36-3409.~~  
22       ~~21. 20. Procedures of the state transportation board as prescribed~~  
23 ~~in section 28-7048.~~  
24       ~~22. 21. Rules made by the state department of corrections.~~  
25       ~~23. 22. Fees prescribed pursuant to section 32-1527.~~  
26       ~~24. 23. Rules made by the department of economic security pursuant~~  
27 ~~to section 46-805.~~  
28       ~~25. 24. Schedule of fees prescribed by section 23-908.~~  
29       ~~26. 25. Procedure that is established pursuant to title 23,~~  
30 ~~chapter 6, article 6.~~  
31       ~~27. 26. Rules, administrative policies, procedures and guidelines~~  
32 ~~adopted for any purpose by the Arizona commerce authority pursuant to~~  
33 ~~chapter 10 of this title if the authority provides, as appropriate under~~  
34 ~~the circumstances, for notice of an opportunity for comment on the~~  
35 ~~proposed rules, administrative policies, procedures and guidelines.~~  
36       ~~28. 27. Rules made by a marketing commission or marketing~~  
37 ~~committee pursuant to section 3-414.~~  
38       ~~29. 28. Administration of public assistance program monies~~  
39 ~~authorized for liabilities that are incurred for disasters declared~~  
40 ~~pursuant to sections 26-303 and 35-192.~~  
41       ~~30. 29. User charges, tolls, fares, rents, advertising and~~  
42 ~~sponsorship charges, services charges or similar charges established~~  
43 ~~pursuant to section 28-7705.~~  
44       ~~31. 30. Administration and implementation of the hospital~~  
45 ~~assessment pursuant to section 36-2901.08, except that the Arizona health~~  
46 ~~care cost containment system administration must provide notice and an~~

1 ~~opportunity for public comment at least thirty days before establishing or~~  
2 ~~implementing the administration of the assessment.~~

3 ~~32. 31. Rules made by the Arizona department of agriculture to~~  
4 ~~adopt and implement the provisions of the federal milk ordinance as~~  
5 ~~prescribed by section 3-605.~~

6 ~~33. 32. Rules made by the Arizona department of agriculture to~~  
7 ~~adopt, implement and administer the United States food and drug~~  
8 ~~administration produce safety rule (21 Code of Federal Regulations part~~  
9 ~~112) and any other federal produce safety regulation, order or guideline~~  
10 ~~or other requirement adopted pursuant to the FDA food safety modernization~~  
11 ~~act (P.L. 111-353; 21 United States Code sections 2201 through 2252) as~~  
12 ~~provided by title 3, chapter 3, article 4.1.~~

13 ~~34. 33. Calculations that are performed by the department of~~  
14 ~~economic security and that are associated with the adjustment of the~~  
15 ~~sliding fee scale and formula for determining child care assistance~~  
16 ~~pursuant to section 46-805.~~

17 ~~35. 34. Rules made by the Arizona department of agriculture to~~  
18 ~~implement and administer the livestock operator fire and flood assistance~~  
19 ~~grant program established by section 3-109.03.~~

20 ~~B. Notwithstanding subsection A, paragraph 21 20 of this section,~~  
21 ~~if the federal highway administration authorizes the privatization of rest~~  
22 ~~areas, the state transportation board shall make rules governing the lease~~  
23 ~~or license by the department of transportation to a private entity for the~~  
24 ~~purposes of privatization of a rest area.~~

25 ~~C. Coincident with the making of a final rule pursuant to an~~  
26 ~~exemption from the applicability of this chapter under this section,~~  
27 ~~another statute or session law, the agency shall:~~

28 ~~1. Prepare a notice and follow formatting guidelines prescribed by~~  
29 ~~the secretary of state.~~

30 ~~2. Prepare the rulemaking exemption notices pursuant to chapter 6.2~~  
31 ~~of this title.~~

32 ~~3. File a copy of the rule with the secretary of state for~~  
33 ~~publication pursuant to section 41-1012 and provide a copy to the council.~~

34 ~~D. Unless otherwise required by law, articles 2, 3, 4 and 5 of this~~  
35 ~~chapter do not apply to the Arizona board of regents and the institutions~~  
36 ~~under its jurisdiction, except that the Arizona board of regents shall~~  
37 ~~make policies or rules for the board and the institutions under its~~  
38 ~~jurisdiction that provide, as appropriate under the circumstances, for~~  
39 ~~notice of and opportunity for comment on the policies or rules proposed.~~

40 ~~E. Unless otherwise required by law, articles 2, 3, 4 and 5 of this~~  
41 ~~chapter do not apply to the Arizona state schools for the deaf and the~~  
42 ~~blind, except that the board of directors of all the state schools for the~~  
43 ~~deaf and the blind shall adopt policies for the board and the schools~~  
44 ~~under its jurisdiction that provide, as appropriate under the~~  
45 ~~circumstances, for notice of and opportunity for comment on the policies~~  
46 ~~proposed for adoption.~~

1 ~~F. Unless otherwise required by law, articles 2, 3, 4 and 5 of this~~  
2 ~~chapter do not apply to the state board of education, except that the~~  
3 ~~state board of education shall adopt policies or rules for the board and~~  
4 ~~the institutions under its jurisdiction that provide, as appropriate under~~  
5 ~~the circumstances, for notice of and opportunity for comment on the~~  
6 ~~policies or rules proposed for adoption. In order to implement or change~~  
7 ~~any rule, the state board of education shall provide at least two~~  
8 ~~opportunities for public comment. The state board of education shall~~  
9 ~~consider the fiscal impact of any proposed rule pursuant to this~~  
10 ~~subsection.~~

11 ~~G. Unless otherwise required by law, articles 2, 3, 4 and 5 of this~~  
12 ~~chapter do not apply to the state board for charter schools, except that~~  
13 ~~the board shall adopt policies or rules for the board and the charter~~  
14 ~~schools sponsored by the board that provide, as appropriate under the~~  
15 ~~circumstances, for notice of and opportunity for comment on the policies~~  
16 ~~or rules proposed for adoption. In order to implement or change any~~  
17 ~~policy or rule, the board shall provide at least two opportunities for~~  
18 ~~public comment. The state board for charter schools shall consider the~~  
19 ~~fiscal impact of any proposed rule pursuant to this subsection.>>~~

20 Sec. 26. Section 41-1092, Arizona Revised Statutes, is amended to  
21 read:

22 41-1092. Definitions

23 In this article, unless the context otherwise requires:

24 1. "Administrative law judge" means an individual or an agency  
25 head, board or commission that sits as an administrative law judge, that  
26 conducts administrative hearings in a contested case or an appealable  
27 agency action and that makes decisions regarding the contested case or  
28 appealable agency action.

29 2. "Administrative law judge decision" means the findings of fact,  
30 conclusions of law and recommendations or decisions issued by an  
31 administrative law judge.

32 3. "Adversely affected party" means:

33 (a) An individual who both:

34 (i) Provides evidence of an actual injury or economic damage that  
35 the individual has suffered or will suffer as a direct result of the  
36 action and not due to being a competitor or a general taxpayer.

37 (ii) Timely submits comments on the license application that  
38 include, with sufficient specificity, the questions of law, if applicable,  
39 that are the basis for the appeal.

40 (b) A group or association that identifies, by name and physical  
41 address in the notice of appeal, a member of the group or association who  
42 would be an adversely affected party in the individual's own right.

43 4. "Appealable agency action" means an action that determines the  
44 legal rights, duties or privileges of a party, including the  
45 administrative completeness of an application other than an application  
46 submitted to the department of water resources pursuant to title 45, and  
47 that is not a contested case. Appealable agency actions do not include

1 interim orders by self-supporting regulatory boards, rules, orders,  
2 standards or statements of policy of general application issued by an  
3 administrative agency to implement, interpret or make specific the  
4 legislation enforced or administered by it or clarifications of  
5 interpretation, nor does it mean or include rules concerning the internal  
6 management of the agency that do not affect private rights or interests.  
7 For the purposes of this paragraph, administrative hearing does not  
8 include a public hearing held for the purpose of receiving public comment  
9 on a proposed agency action.

10 5. "Director" means the director of the office of administrative  
11 hearings.

12 6. "Final administrative decision" means a decision by an agency  
13 that is subject to judicial review pursuant to title 12, chapter 7,  
14 article 6.

15 7. "Licensee":

16 (a) Means any individual or business entity that has been issued a  
17 license by a state agency to engage in any business or activity in this  
18 state and that is subject to a licensing decision.

19 (b) Includes any individual or business entity that has applied for  
20 such a license and that appeals a licensing decision pursuant to section  
21 41-1092.08 or 41-1092.12.

22 8. "Office" means the office of administrative hearings.

23 9. "Self-supporting regulatory board" means any of the following:

24 (a) The Arizona state board of accountancy.

25 ~~(b) The barbering and cosmetology board.~~

26 ~~(c)~~ (b) The board of behavioral health examiners.

27 ~~(d)~~ (c) The Arizona state boxing and mixed martial arts  
28 commission.

29 ~~(e)~~ (d) The state board of chiropractic examiners.

30 ~~(f)~~ (e) The state board of dental examiners.

31 ~~(g)~~ (f) The Arizona game and fish commission.

32 ~~(h)~~ (g) The board of homeopathic and integrated medicine  
33 examiners.

34 ~~(i)~~ (h) The Arizona medical board.

35 ~~(j)~~ (i) The naturopathic physicians medical board.

36 ~~(k)~~ (j) The Arizona state board of nursing.

37 ~~(l)~~ (k) The board of examiners of nursing care institution  
38 administrators and assisted living facility managers.

39 ~~(m)~~ (l) The board of occupational therapy examiners.

40 ~~(n)~~ (m) The state board of dispensing opticians.

41 ~~(o)~~ (n) The state board of optometry.

42 ~~(p)~~ (o) The Arizona board of osteopathic examiners in medicine and  
43 surgery.

44 ~~(q)~~ (p) The Arizona peace officer standards and training board.

45 ~~(r)~~ (q) The Arizona state board of pharmacy.

46 ~~(s)~~ (r) The board of physical therapy.

47 ~~(t)~~ (s) The state board of podiatry examiners.

1       ~~(t)~~ (t) The state board for private postsecondary education.  
2       ~~(v)~~ (u) The state board of psychologist examiners.  
3       ~~(w)~~ (v) The board of respiratory care examiners.  
4       ~~(x)~~ (w) The state board of technical registration.  
5       ~~(y)~~ (x) The Arizona state veterinary medical examining board.  
6       ~~(z) The acupuncture board of examiners.~~  
7       ~~(aa)~~ (y) The Arizona regulatory board of physician assistants.  
8       ~~(bb)~~ (z) The board of athletic training.  
9       ~~(cc)~~ (aa) The board of massage therapy.  
10       <<Sec. 27. Section 41-1234, Arizona Revised Statutes, is amended to  
11 read:  
12       41-1234. Publicly funded contract lobbyists: prohibition  
13       A. Notwithstanding any other law, a state agency, office,  
14 department, board or commission [OR THE ARIZONA SUPREME COURT OR THE  
15 ADMINISTRATIVE OFFICE OF THE COURTS] and any person acting on behalf of a  
16 state agency, office, department, board or commission [OR THE ARIZONA  
17 SUPREME COURT OR THE ADMINISTRATIVE OFFICE OF THE COURTS] shall not:  
18       1. Enter into a contract or other agreement with a person or entity  
19 for lobbying services.  
20       2. Spend monies for any person or entity to lobby on behalf of [THE  
21 ARIZONA SUPREME COURT OR THE ADMINISTRATIVE OFFICE OF THE COURTS OR] that  
22 agency, office, department, board or commission unless that person is a  
23 state employee.  
24       B. This section does not apply to any state agency, office,  
25 department, board or commission that is either:  
26       1. Headed by one or more elected officials.  
27       2. Exempt from [~~title 41,~~] chapter 23 [OF THIS TITLE] for the  
28 purposes of contracts for professional lobbyists.  
29       C. This section does not apply to the employment relationship of a  
30 lobbyist who is a state employee directly employed by a state governmental  
31 unit for whom the employee acts as a lobbyist or lobbying is part of the  
32 employee's job description.  
33       ~~[D. For the purposes of this section, "state employee" has the same~~  
34 ~~meaning prescribed in section 41-1231.]>>~~  
35       Sec. 28. Section 41-1758, Arizona Revised Statutes, is amended to  
36 read:  
37       41-1758. Definitions  
38       In this article, unless the context otherwise requires:  
39       1. "Agency" means the supreme court, the department of economic  
40 security, the department of child safety, the department of education, the  
41 department of health services, the department of juvenile corrections, the  
42 department of emergency and military affairs, the department of public  
43 safety, the department of transportation, the state real estate  
44 department, the department of insurance and financial institutions, the  
45 board of fingerprinting, the Arizona game and fish department, the Arizona  
46 department of agriculture, the board of examiners of nursing care  
47 institution administrators and assisted living facility managers, the

1 state board of dental examiners, the Arizona state board of pharmacy, the  
2 board of physical therapy, the state board of psychologist examiners, the  
3 board of athletic training, the board of occupational therapy examiners,  
4 the state board of podiatry examiners, ~~the acupuncture board of examiners,~~  
5 the state board of technical registration, the board of massage therapy or  
6 the Arizona department of housing.

7       2. "Division" means the fingerprinting division in the department  
8 of public safety.

9       3. "Electronic or internet-based fingerprinting services" means a  
10 secure system for digitizing applicant fingerprints and transmitting the  
11 applicant data and fingerprints of a person or entity submitting  
12 fingerprints to the department of public safety for any authorized purpose  
13 under this title. For the purposes of this paragraph, "secure system"  
14 means a system that complies with the information technology security  
15 policy approved by the department of public safety.

16       4. "Good cause exception" means the issuance of a fingerprint  
17 clearance card to an applicant pursuant to section 41-619.55.

18       5. "Person" means a person who is required to be fingerprinted  
19 pursuant to any of the following:

- 20       (a) Section 3-314.
- 21       (b) Section 8-105.
- 22       (c) Section 8-322.
- 23       (d) Section 8-463.
- 24       (e) Section 8-509.
- 25       (f) Section 8-802.
- 26       (g) Section 15-183.
- 27       (h) Section 15-503.
- 28       (i) Section 15-512.
- 29       (j) Section 15-534.
- 30       (k) Section 15-763.01.
- 31       (l) Section 15-782.02.
- 32       (m) Section 15-1330.
- 33       (n) Section 15-1881.
- 34       (o) Section 17-215.
- 35       (p) Section 28-3228.
- 36       (q) Section 28-3413.
- 37       (r) Section 32-122.02.
- 38       (s) Section 32-122.05.
- 39       (t) Section 32-122.06.
- 40       (u) Section 32-823.
- 41       (v) Section 32-1232.
- 42       (w) Section 32-1276.01.
- 43       (x) Section 32-1284.
- 44       (y) Section 32-1297.01.
- 45       (z) Section 32-1904.
- 46       (aa) Section 32-1941.
- 47       (bb) Section 32-1982.

- 1 (cc) Section 32-2022.
- 2 (dd) Section 32-2063.
- 3 (ee) Section 32-2108.01.
- 4 (ff) Section 32-2123.
- 5 (gg) Section 32-2371.
- 6 (hh) Section 32-3430.
- 7 (ii) Section 32-3620.
- 8 (jj) Section 32-3668.
- 9 (kk) Section 32-3669.
- 10 ~~(ll) Section 32-3922.~~
- 11 ~~(mm) Section 32-3924.~~
- 12 ~~(nn)~~ (ll) Section 32-4128.
- 13 ~~(oo)~~ (mm) Section 32-4222.
- 14 ~~(pp)~~ (nn) Section 36-113.
- 15 ~~(qq)~~ (oo) Section 36-207.
- 16 ~~(rr)~~ (pp) Section 36-411.
- 17 ~~(ss)~~ (qq) Section 36-425.03.
- 18 ~~(tt)~~ (rr) Section 36-446.04.
- 19 ~~(uu)~~ (ss) Section 36-594.01.
- 20 ~~(vv)~~ (tt) Section 36-594.02.
- 21 ~~(ww)~~ (uu) Section 36-766.01.
- 22 ~~(xx)~~ (vv) Section 36-882.
- 23 ~~(yy)~~ (ww) Section 36-883.02.
- 24 ~~(zz)~~ (xx) Section 36-897.01.
- 25 ~~(aaa)~~ (yy) Section 36-897.03.
- 26 ~~(bbb)~~ (zz) Section 36-3008.
- 27 ~~(ccc)~~ (aaa) Section 41-619.52.
- 28 ~~(ddd)~~ (bbb) Section 41-619.53.
- 29 ~~(eee)~~ (ccc) Section 41-1964.
- 30 ~~(fff)~~ (ddd) Section 41-1967.01.
- 31 ~~(ggg)~~ (eee) Section 41-1968.
- 32 ~~(hhh)~~ (fff) Section 41-1969.
- 33 ~~(iii)~~ (ggg) Section 41-2814.
- 34 ~~(jjj)~~ (hhh) Section 41-4025.
- 35 ~~(kkk)~~ (iii) Section 46-141, subsection A or B.
- 36 ~~(lll)~~ (jjj) Section 46-321.
- 37 6. "Rap back services" has the same meaning prescribed in section
- 38 41-1750.
- 39 7. "Vulnerable adult" has the same meaning prescribed in section
- 40 13-3623.
- 41 Sec. 29. Section 41-1758.01, Arizona Revised Statutes, is amended
- 42 to read:
- 43 41-1758.01. Fingerprinting division: powers and duties
- 44 A. The fingerprinting division is established in the department of
- 45 public safety and shall:
- 46 1. Conduct fingerprint background checks for persons and applicants
- 47 who are seeking licenses from state agencies, employment with licensees,

1 contract providers and state agencies or employment or educational  
2 opportunities with agencies that require fingerprint background checks  
3 pursuant to sections 3-314, 8-105, 8-322, 8-463, 8-509, 8-802, 15-183,  
4 15-503, 15-512, 15-534, 15-763.01, 15-782.02, 15-1330, 15-1881, 17-215,  
5 28-3228, 28-3413, 32-122.02, 32-122.05, 32-122.06, 32-823, 32-1232,  
6 32-1276.01, 32-1284, 32-1297.01, 32-1904, 32-1941, 32-1982, 32-2022,  
7 32-2063, 32-2108.01, 32-2123, 32-2371, 32-3430, 32-3620, 32-3668, 32-3669,  
8 ~~32-3922, 32-3924,~~ 32-4128, 32-4222, 36-113, 36-207, 36-411, 36-425.03,  
9 36-446.04, 36-594.01, 36-594.02, 36-766.01, 36-882, 36-883.02, 36-897.01,  
10 36-897.03, 36-3008, 41-619.52, 41-619.53, 41-1964, 41-1967.01, 41-1968,  
11 41-1969, 41-2814, ~~AND~~ 41-4025, section 46-141, subsection A or B and  
12 section 46-321.

13         2. Issue fingerprint clearance cards. On issuance, a fingerprint  
14 clearance card becomes the personal property of the cardholder and the  
15 cardholder shall retain possession of the fingerprint clearance card.

16         3. On submission of an application for a fingerprint clearance  
17 card, collect the fees established by the board of fingerprinting pursuant  
18 to section 41-619.53 and deposit, pursuant to sections 35-146 and 35-147,  
19 the monies collected in the board of fingerprinting fund.

20         4. Inform in writing each person who submits fingerprints for a  
21 fingerprint background check of the right to petition the board of  
22 fingerprinting for a good cause exception pursuant to section 41-1758.03,  
23 41-1758.04 or 41-1758.07.

24         5. If after conducting a state and federal criminal history records  
25 check the division determines that it is not authorized to issue a  
26 fingerprint clearance card to a person, inform the person in writing that  
27 the division is not authorized to issue a fingerprint clearance card. The  
28 notice shall include the criminal history information on which the denial  
29 was based. This criminal history information is subject to dissemination  
30 restrictions pursuant to section 41-1750 and Public Law 92-544.

31         6. Notify the person in writing if the division suspends, revokes  
32 or places a driving restriction notation on a fingerprint clearance card  
33 pursuant to section 41-1758.04. The notice shall include the criminal  
34 history information on which the suspension, revocation or placement of  
35 the driving restriction notation was based. This criminal history  
36 information is subject to dissemination restrictions pursuant to section  
37 41-1750 and Public Law 92-544.

38         7. Administer and enforce this article.

39         B. The fingerprinting division may contract for electronic or  
40 internet-based fingerprinting services through an entity or entities for  
41 the acquisition and transmission of applicant fingerprint and data  
42 submissions to the department, including identity verified fingerprints  
43 pursuant to section 15-106. The entity or entities contracted by the  
44 department of public safety may charge the applicant a fee for services  
45 provided pursuant to this article. The entity or entities contracted by  
46 the department of public safety shall comply with:

1 1. All information privacy and security measures and submission  
2 standards established by the department of public safety.

3 2. The information technology security policy approved by the  
4 department of public safety.

5 Sec. 30. Repeal

6 Section 41-2304, Arizona Revised Statutes, is repealed.

7 ~~<<Sec. 42. Section 41-2501, Arizona Revised Statutes, is amended to~~  
8 ~~read:~~

9 ~~41-2501. Applicability~~

10 ~~A. This chapter applies only to procurements initiated after~~  
11 ~~January 1, 1985 unless the parties agree to its application to~~  
12 ~~procurements initiated before that date.~~

13 ~~B. This chapter applies to every expenditure of public monies,~~  
14 ~~including federal assistance monies except as otherwise specified in~~  
15 ~~section 41-2637, by this state, acting through a state governmental~~  
16 ~~unit, under any contract, except that this chapter does not apply to~~  
17 ~~either grants, or contracts between this state and its political~~  
18 ~~subdivisions or other governments, except as provided in chapter 24 of~~  
19 ~~this title and in article 10 of this chapter. This chapter also applies~~  
20 ~~to the disposal of state materials. This chapter and rules adopted under~~  
21 ~~this chapter do not prevent any state governmental unit or political~~  
22 ~~subdivision from complying with the terms of any grant, gift, bequest or~~  
23 ~~cooperative agreement.~~

24 ~~C. All political subdivisions and other local public agencies of~~  
25 ~~this state may adopt all or any part of this chapter and the rules adopted~~  
26 ~~pursuant to this chapter.~~

27 ~~D. Notwithstanding any other law, sections 41-2517 and 41-2546~~  
28 ~~apply to any agency as defined in section 41-1001, including the office of~~  
29 ~~the governor.~~

30 ~~E. The Arizona board of regents and the legislative and judicial~~  
31 ~~branches of state government are not subject to this chapter except as~~  
32 ~~prescribed in subsections F and G of this section.~~

33 ~~F. The Arizona board of regents shall adopt rules prescribing~~  
34 ~~procurement policies and procedures for itself and institutions under its~~  
35 ~~jurisdiction. The rules must be substantially equivalent to the other~~  
36 ~~policies and procedures prescribed in this chapter, including sections~~  
37 ~~41-2576 and 41-2577.~~

38 ~~G. The judicial branch shall adopt rules prescribing procurement~~  
39 ~~policies and procedures for itself and institutions under its~~  
40 ~~jurisdiction. The rules must be substantially equivalent to the policies~~  
41 ~~and procedures prescribed in this chapter.~~

42 ~~H. The Arizona state lottery commission is exempt from this chapter~~  
43 ~~for procurement relating to the design and operation of the lottery or~~  
44 ~~purchase of lottery equipment, tickets and related materials. The~~  
45 ~~executive director of the Arizona state lottery commission shall adopt~~  
46 ~~rules substantially equivalent to the policies and procedures in this~~  
47 ~~chapter for procurement relating to the design and operation of the~~

1 ~~lottery or purchase of lottery equipment, tickets or related materials.~~  
2 ~~All other procurement shall be as prescribed by this chapter.~~

3 ~~I. The Arizona health care cost containment system administration~~  
4 ~~is exempt from this chapter for provider contracts pursuant to section~~  
5 ~~36-2904, subsection A and contracts for goods and services, including~~  
6 ~~program contractor contracts pursuant to title 36, chapter 29, articles 2~~  
7 ~~and 3 and contracts with regional behavioral health authorities pursuant~~  
8 ~~to title 36, chapter 34. All other procurement, including contracts for~~  
9 ~~the statewide administrator of the program pursuant to section 36-2903,~~  
10 ~~subsection B, shall be as prescribed by this chapter.~~

11 ~~J. Arizona correctional industries is exempt from this chapter for~~  
12 ~~purchases of raw materials, components and supplies that are used in the~~  
13 ~~manufacture or production of goods or services for sale entered into~~  
14 ~~pursuant to section 41-1622. All other procurement shall be as prescribed~~  
15 ~~by this chapter.~~

16 ~~K. The state transportation board and the director of the~~  
17 ~~department of transportation are exempt from this chapter other than~~  
18 ~~sections 41-2517 and 41-2586 and are subject to title 28, chapter 20 and 2~~  
19 ~~Code of Federal Regulations section 200.317 for the procurement of the~~  
20 ~~following:~~

21 ~~1. All items of construction, reconstruction, rehabilitation,~~  
22 ~~preservation or improvement undertaken on highway infrastructure.~~

23 ~~2. Engineering services and any other work or activity to carry out~~  
24 ~~engineering services related to highway infrastructure.~~

25 ~~3. Right-of-way services related to land titles, appraisals, real~~  
26 ~~property acquisitions, relocation services, property management and~~  
27 ~~facility design.~~

28 ~~4. Any other construction, reconstruction, rehabilitation,~~  
29 ~~preservation or improvement work or activity that is required pursuant to~~  
30 ~~title 28, chapter 20.~~

31 ~~L. The Arizona highways magazine is exempt from this chapter for~~  
32 ~~contracts for the production, promotion, distribution and sale of the~~  
33 ~~magazine and related products and for contracts for sole source creative~~  
34 ~~works entered into pursuant to section 28-7314, subsection A, paragraph 5.~~  
35 ~~All other procurement shall be as prescribed by this chapter.~~

36 ~~M. The secretary of state is exempt from this chapter for contracts~~  
37 ~~entered into pursuant to section 41-1012 to publish and sell the~~  
38 ~~administrative code. All other procurement shall be as prescribed by this~~  
39 ~~chapter.~~

40 ~~N. This chapter does not apply to contracts for professional~~  
41 ~~witnesses if the purpose of such contracts is to provide for professional~~  
42 ~~services or testimony relating to an existing or probable judicial~~  
43 ~~proceeding in which this state is or may become a party or to contract for~~  
44 ~~special investigative services for law enforcement purposes.~~

45 ~~O. The head of any state governmental unit, in relation to any~~  
46 ~~contract exempted by this section from this chapter, has the same~~

1 ~~authority to adopt rules, procedures or policies as is delegated to the~~  
2 ~~director pursuant to this chapter.~~

3 ~~P. Agreements negotiated by legal counsel representing this state~~  
4 ~~in settlement of litigation or threatened litigation are exempt from this~~  
5 ~~chapter.~~

6 ~~Q. This chapter is not applicable to contracts entered into by the~~  
7 ~~department of economic security.~~

8 ~~1. With a provider licensed or certified by an agency of this state~~  
9 ~~to provide child day care services.~~

10 ~~2. With area agencies on aging created pursuant to the older~~  
11 ~~Americans act of 1965 (P.L. 89-73; 79 Stat. 218; 42 United States Code~~  
12 ~~sections 3001 through 3058ff).~~

13 ~~3. For services pursuant to title 36, chapter 29, article 2.~~

14 ~~4. With an eligible entity as defined by Public Law 105-285,~~  
15 ~~section 673(1)(A)(i), as amended, for designated community services block~~  
16 ~~grant program monies and any other monies given to the eligible entity~~  
17 ~~that accomplishes the purpose of Public Law 105-285, section 672.~~

18 ~~R. The Arizona health care cost containment system may not require~~  
19 ~~that persons with whom it contracts follow this chapter for the purposes~~  
20 ~~of subcontracts entered into for the provision of the following:~~

21 ~~1. Mental health services pursuant to section 36-189, subsection B.~~

22 ~~2. Services for the seriously mentally ill pursuant to title 36,~~  
23 ~~chapter 5, article 10.~~

24 ~~3. Drug and alcohol services pursuant to section 36-141.~~

25 ~~5. The department of health services may not require that persons~~  
26 ~~with whom it contracts follow this chapter for the purpose of subcontracts~~  
27 ~~entered into for the provision of domestic violence services pursuant to~~  
28 ~~title 36, chapter 30, article 1.~~

29 ~~T. The department of health services is exempt from this chapter~~  
30 ~~for contracts for services of physicians at the Arizona state hospital and~~  
31 ~~contracts to provide medically necessary physical health care to~~  
32 ~~individuals under the care of the Arizona state hospital.~~

33 ~~U. Contracts for goods and services approved by the board of~~  
34 ~~trustees of the public safety personnel retirement system are exempt from~~  
35 ~~this chapter.~~

36 ~~V. The Arizona department of agriculture is exempt from this~~  
37 ~~chapter with respect to contracts for private labor and equipment to~~  
38 ~~effect cotton or cotton stubble plow-up pursuant to rules adopted under~~  
39 ~~title 3, chapter 2, article 1.~~

40 ~~W. The Arizona state parks board is exempt from this chapter for~~  
41 ~~purchases of guest supplies and items for resale such as food, linens,~~  
42 ~~gift items, sundries, furniture, china, glassware and utensils for the~~  
43 ~~facilities located in the Tonto natural bridge state park.~~

44 ~~X. The Arizona state parks board is exempt from this chapter for~~  
45 ~~the purchase, production, promotion, distribution and sale of~~  
46 ~~publications, souvenirs and sundry items obtained and produced for resale.~~

1       ~~Y. The Arizona state schools for the deaf and the blind are exempt~~  
2 ~~from this chapter for the purchase of textbooks and when purchasing~~  
3 ~~products through a cooperative that is organized and operates in~~  
4 ~~accordance with state law if such products are not available on a~~  
5 ~~statewide contract and are related to the operation of the schools or are~~  
6 ~~products for which special discounts are offered for educational~~  
7 ~~institutions.~~

8       ~~Z. Expenditures of monies in the morale, welfare and recreational~~  
9 ~~fund established by section 26-153 are exempt from this chapter.~~

10       ~~AA. Notwithstanding section 41-2534, the director of the state~~  
11 ~~department of corrections may contract with local medical providers in~~  
12 ~~counties with a population of less than four hundred thousand persons for~~  
13 ~~the following purposes:~~

14           ~~1. To acquire hospital and professional medical services for~~  
15 ~~inmates who are incarcerated in state department of corrections facilities~~  
16 ~~that are located in those counties.~~

17           ~~2. To ensure the availability of emergency medical services to~~  
18 ~~inmates in all counties by contracting with the closest medical facility~~  
19 ~~that offers emergency treatment and stabilization.~~

20       ~~BB. The department of environmental quality is exempt from this~~  
21 ~~chapter for contracting for procurements relating to the water quality~~  
22 ~~assurance revolving fund program established pursuant to title 49, chapter~~  
23 ~~2, article 5. The department shall engage in a source selection process~~  
24 ~~that is similar to the procedures prescribed by this chapter. The~~  
25 ~~department may contract for remedial actions with a single selection~~  
26 ~~process. The exclusive remedy for disputes or claims relating to~~  
27 ~~contracting pursuant to this subsection is as prescribed by article 9 of~~  
28 ~~this chapter and the rules adopted pursuant to that article. All other~~  
29 ~~procurement by the department shall be as prescribed by this chapter.~~

30       ~~CC. The motor vehicle division of the department of transportation~~  
31 ~~is exempt from this chapter for third-party authorizations pursuant to~~  
32 ~~title 28, chapter 13, only if all of the following conditions exist:~~

33           ~~1. The division does not pay any public monies to an authorized~~  
34 ~~third party.~~

35           ~~2. Exclusivity is not granted to an authorized third party.~~

36           ~~3. The director has complied with the requirements prescribed in~~  
37 ~~title 28, chapter 13 in selecting an authorized third party.~~

38       ~~DD. This section does not exempt third-party authorizations~~  
39 ~~pursuant to title 28, chapter 13 from any other applicable law.~~

40       ~~EE. The state forester is exempt from this chapter for purchases~~  
41 ~~and contracts relating to wildland fire suppression and pre-positioning~~  
42 ~~equipment resources and for other activities related to combating wildland~~  
43 ~~fires and other unplanned risk activities, including fire, flood,~~  
44 ~~earthquake, wind and hazardous material responses. All other procurement~~  
45 ~~by the state forester shall be as prescribed by this chapter.~~

46       ~~FF. The cotton research and protection council is exempt from this~~  
47 ~~chapter for procurements.~~

1 ~~GG. FF. The Arizona commerce authority is exempt from this~~  
2 ~~chapter, except article 10 for the purpose of cooperative purchases. The~~  
3 ~~authority shall adopt policies, procedures and practices, in consultation~~  
4 ~~with the department of administration, that are similar to and based on~~  
5 ~~the policies and procedures prescribed by this chapter for the purpose of~~  
6 ~~increased public confidence, fair and equitable treatment of all persons~~  
7 ~~engaged in the process and fostering broad competition while accomplishing~~  
8 ~~flexibility to achieve the authority's statutory requirements. The~~  
9 ~~authority shall make its policies, procedures and practices available to~~  
10 ~~the public. The authority may exempt specific expenditures from the~~  
11 ~~policies, procedures and practices.~~

12 ~~HH. GG. The Arizona exposition and state fair board is exempt from~~  
13 ~~this chapter for contracts for professional entertainment.~~

14 ~~II. HH. This chapter does not apply to purchases of water, gas or~~  
15 ~~electric utilities.~~

16 ~~JJ. II. This chapter does not apply to professional~~  
17 ~~certifications, professional memberships and conference registrations.~~

18 ~~KK. JJ. The department of gaming is exempt from this chapter for~~  
19 ~~problem gambling treatment services contracts with licensed behavioral~~  
20 ~~health professionals.~~

21 ~~LL. KK. This chapter does not apply to contracts for credit~~  
22 ~~reporting services.~~

23 ~~MM. LL. This chapter does not apply to contracts entered into by~~  
24 ~~the department of child safety.~~

25 ~~1. With a provider of family foster care pursuant to section 8-503.~~

26 ~~2. With an eligible entity as defined by Public Law 105-285,~~  
27 ~~section 673(1)(A)(i), as amended, for designated community services block~~  
28 ~~grant program monies and any other monies given to the eligible entity~~  
29 ~~that accomplishes the purpose of Public Law 105-285, section 672.~~

30 ~~3. For services pursuant to title 36, chapter 29, article 1 and as~~  
31 ~~set forth in the approved medicaid state plan.~~

32 ~~NN. MM. This chapter does not apply to contracts entered into by~~  
33 ~~the department of economic security with a financial institution to serve~~  
34 ~~as a program manager and depository under section 46-903.>>~~

35 Sec. 31. Section 41-2706, Arizona Revised Statutes, is amended to  
36 read:

37 41-2706. Applicability of chapter

38 A. This chapter applies to the solicitation of grants initiated  
39 after August 6, 1999.

40 B. This chapter does not apply to:

41 1. Any grant program that was exempt from chapter 23, article 3 of  
42 this title and for which administrative rules establishing grant  
43 solicitation procedures were adopted pursuant to chapter 6 of this title  
44 before August 6, 1999.

45 2. The Arizona board of regents and schools, colleges, institutions  
46 and universities under its control if the Arizona board of regents adopts

1 rules or policies governing the award of grants that encourage as much  
2 competition as practicable.

3 ~~[3. Grants made by the cotton research and protection council for~~  
4 ~~research programs related to cotton production or protection.]~~

5 ~~4. [3. Grants made by the Arizona iceberg lettuce research council~~  
6 ~~for research programs under section 3-526.02, subsection C, paragraph 3~~  
7 ~~or 5.]~~

8 ~~5. [4. Grants made by the Arizona citrus research council for~~  
9 ~~research programs under section 3-468.02, subsection C, paragraph 3 or 5.]~~

10 ~~6. [4.] [5.]~~ Grants made by the Arizona grain research and  
11 promotion council for research projects and programs under section 3-584,  
12 subsection C, paragraph 5.

13 ~~7. [5.] [6.]~~ Grants made under section 3-268, subsection C.

14 ~~8. [6.] [7.]~~ Grants made by the Arizona commerce authority from  
15 the Arizona competes fund pursuant to chapter 10, article 5 of this title.  
16 With respect to other grants, the authority shall adopt policies,  
17 procedures and practices, in consultation with the department of  
18 administration, that are similar to and based on the policies and  
19 procedures prescribed by this chapter for the purpose of increased public  
20 confidence, fair and equitable treatment of all persons engaged in the  
21 process and fostering broad competition while accomplishing flexibility to  
22 achieve the authority's statutory requirements. The authority shall make  
23 its policies, procedures and practices available to the public.

24 ~~9. [7.] [8.]~~ Grants of less than ~~five thousand dollars~~ \$5,000  
25 from the veterans' donations fund if the department of veterans' services  
26 adopts rules or policies governing these grants that encourage as much  
27 competition as practicable.

28 ~~<<Sec. 44. Section 41-2752, Arizona Revised Statutes, is amended to~~  
29 ~~read:~~

30 ~~41-2752. State competition with private enterprise~~  
31 ~~prohibited; exceptions; definition~~

32 ~~A. A state agency shall not engage in the manufacturing,~~  
33 ~~processing, sale, offering for sale, rental, leasing, delivery,~~  
34 ~~dispensing, distributing or advertising of goods or services to the public~~  
35 ~~that are also offered by private enterprise unless specifically authorized~~  
36 ~~by law other than administrative law and executive orders.~~

37 ~~B. A state agency shall not offer or provide goods or services to~~  
38 ~~the public for or through another state agency or a local agency,~~  
39 ~~including by intergovernmental or interagency agreement, in violation of~~  
40 ~~this section or section 41-2753.~~

41 ~~C. The restrictions on activities that compete with private~~  
42 ~~enterprise contained in this section do not apply to:~~

43 ~~1. The development, operation and management of state parks,~~  
44 ~~historical monuments and hiking or equestrian trails.~~

45 ~~2. Correctional industries established and operated by the state~~  
46 ~~department of corrections if the prices charged for products sold by the~~  
47 ~~correctional industries are not less than the actual cost of producing and~~

- 1 ~~marketing the product plus a reasonable allowance for overhead and~~  
2 ~~administrative costs.~~
- 3 ~~3. The office of tourism.~~
- 4 ~~4. The Arizona highways magazine, operated by the department of~~  
5 ~~transportation.~~
- 6 ~~5. Printing and distributing information to the public if the~~  
7 ~~agency is otherwise authorized to do so, and printing or copying public~~  
8 ~~records or other material relating to the public agency's public business~~  
9 ~~and recovering through fees and charges the costs of such printing,~~  
10 ~~copying and distributing.~~
- 11 ~~6. The department of public safety.~~
- 12 ~~7. The construction, maintenance and operation of state~~  
13 ~~transportation facilities.~~
- 14 ~~8. The development, distribution, maintenance, support, licensing,~~  
15 ~~leasing or sale of computer software by the department of transportation.~~
- 16 ~~9. Agreements executed by the Arizona health care cost containment~~  
17 ~~system administration with other states to design, develop, install and~~  
18 ~~operate information technology systems and related services or other~~  
19 ~~administrative services pursuant to section 36-2925.~~
- 20 ~~10. Agreements executed by the department of economic security with~~  
21 ~~other states to design, develop, install and operate support collection~~  
22 ~~technology systems and related services. The department shall deposit,~~  
23 ~~pursuant to sections 35-146 and 35-147, monies received pursuant to this~~  
24 ~~paragraph in the public assistance collections fund established by section~~  
25 ~~46-295.~~
- 26 ~~11. Educational, vocational, treatment, training or work programs~~  
27 ~~of the department of juvenile corrections and contracts between the~~  
28 ~~department of juvenile corrections and this state, a political subdivision~~  
29 ~~of this state or a private entity in order to provide employment or~~  
30 ~~vocational educational experience.~~
- 31 ~~12. The aflatoxin control technologies of the cotton research and~~  
32 ~~protection council.~~
- 33 ~~13. 12. The lease or sublease of lands or buildings by the~~  
34 ~~department of economic security pursuant to section 41-1958.~~
- 35 ~~14. 13. The Arizona commerce authority.~~
- 36 ~~15. 14. The Arizona game and fish commission, but only for the~~  
37 ~~sale of goods or services and not firearms.~~
- 38 ~~16. 15. The lease or sublease of lands or buildings by the~~  
39 ~~department of child safety pursuant to section 8-460.~~
- 40 ~~17. 16. Agreements executed by the department of child safety with~~  
41 ~~other states to design, develop, install and operate support collection~~  
42 ~~technology systems and related services. The department shall deposit,~~  
43 ~~pursuant to sections 35-146 and 35-147, monies received pursuant to this~~  
44 ~~paragraph in the child safety collections fund established by section~~  
45 ~~8-461.~~
- 46 ~~18. 17. The lease or sublease of state hospital lands or buildings~~  
47 ~~by the department of health services.~~

1       ~~19. 18. The sale or lease of software, computer systems or~~  
2 ~~intellectual property developed by the department of education or~~  
3 ~~associated services provided for the sale or lease of software, computer~~  
4 ~~systems or intellectual property by the department of education. The~~  
5 ~~department shall deposit, pursuant to sections 35-146 and 35-147, sixty~~  
6 ~~percent of the profit from the monies generated pursuant to this paragraph~~  
7 ~~in the state general fund and the remaining forty percent in the~~  
8 ~~department of education intellectual property fund established by section~~  
9 ~~15-231.04. The department of education may not transfer or expend monies~~  
10 ~~or personnel resources for the purposes of marketing or soliciting goods~~  
11 ~~or services authorized pursuant to this paragraph that were appropriated~~  
12 ~~and authorized for other functions and programs of the department of~~  
13 ~~education.~~

14       ~~20. 19. The lease or sublease of any real estate or related~~  
15 ~~infrastructure by the department of emergency and military affairs~~  
16 ~~pursuant to section 26-262, subsection K, paragraph 4.~~

17       ~~D. The restrictions on activities that compete with private~~  
18 ~~enterprise contained in subsection A of this section do not apply to~~  
19 ~~community colleges and universities under the jurisdiction of a governing~~  
20 ~~board.~~

21       ~~E. For the purposes of this section, "profit" means any monies~~  
22 ~~generated from the sale or lease of goods and services after accounting~~  
23 ~~for the costs paid by this state, including appropriations from the state~~  
24 ~~general fund.>>~~

25       Sec. 32. Repeal  
26       Sections       [~~41-3026.03,~~               41-3026.06,               41-3030.10,  
27 ~~41-3030.25[, 41-3032.07]~~ and 43-619, Arizona Revised Statutes, are  
28 repealed.

29       Sec. 33. Section 44-6852, Arizona Revised Statutes, is amended to  
30 read:

31       44-6852. Dishonored checks; service fee  
32       Notwithstanding any other law ~~and except as provided in section~~  
33 ~~32-507~~, the holder, payee or assignee of the holder or payee of a  
34 dishonored check, draft, order or note may charge and collect from the  
35 maker or drawer a service fee of not more than \$25 plus any actual charges  
36 assessed by the financial institution of the holder, payee or assignee of  
37 the holder or payee as a result of the dishonored instrument.

38       ~~<<Sec. 47. Section 48-1301, Arizona Revised Statutes, is amended to~~  
39 ~~read:~~

40       ~~48-1301. Definitions~~  
41       ~~In this chapter, unless the context otherwise requires:~~  
42       ~~1. "Board" means the board of directors of a district.~~  
43       ~~2. "Council" means the cotton research and protection council~~  
44 ~~established by title 3, chapter 10.~~  
45       ~~2. "DEPARTMENT" MEANS THE ARIZONA DEPARTMENT OF AGRICULTURE.~~  
46       ~~3. "District" means a cotton pest control district established~~  
47 ~~pursuant to this chapter.~~

1       ~~4. "Pest" means any form of animal or plant life that is~~  
2 ~~detrimental to cotton production.~~

3       ~~5. "Producer" means a person who farms and produces cotton in a~~  
4 ~~district or proposed district.~~

5       ~~Sec. 48. Section 48-1302, Arizona Revised Statutes, is amended to~~  
6 ~~read:~~

7       ~~48-1302. Petition to form a district~~  
8       ~~Any group of cotton producers in a proposed cotton pest control~~  
9 ~~district may petition the cotton research and protection council~~  
10 ~~DEPARTMENT to establish a district under this chapter to prevent or~~  
11 ~~eradicate one or more cotton pests. Any district to be formed under this~~  
12 ~~chapter shall require the unanimous consent of the cotton producers to be~~  
13 ~~included in the district before formation of the district shall be~~  
14 ~~allowed.~~

15       ~~Sec. 49. Section 48-1303, Arizona Revised Statutes, is amended to~~  
16 ~~read:~~

17       ~~48-1303. Contents of petition~~  
18       ~~The petition to establish the district shall include:~~

19       ~~1. The signature, name and address of each producer included in the~~  
20 ~~proposed district.~~

21       ~~2. The producer's farm number established by the council~~  
22 ~~DEPARTMENT.~~

23       ~~3. The boundaries of the proposed district.~~

24       ~~4. A list of the proposed board of directors of the district.~~

25       ~~Sec. 50. Section 48-1304, Arizona Revised Statutes, is amended to~~  
26 ~~read:~~

27       ~~48-1304. Notice of petition and hearing~~  
28       ~~On receiving the petition, the council DEPARTMENT shall determine~~  
29 ~~whether the petition meets the requirements of section 48-1303. If the~~  
30 ~~petition meets those requirements, the council DEPARTMENT shall notify the~~  
31 ~~petitioners of the proposed district of a hearing on the proposed district~~  
32 ~~to be held at least thirty days after the petition was received.~~

33       ~~Sec. 51. Section 48-1305, Arizona Revised Statutes, is amended to~~  
34 ~~read:~~

35       ~~48-1305. Hearing; approval or denial~~

36       ~~A. The council DEPARTMENT shall hold a hearing to receive comments~~  
37 ~~from the petitioners of the proposed district.~~

38       ~~B. The council DEPARTMENT shall announce its findings within thirty~~  
39 ~~days after the hearing and either approve or deny the formation of the~~  
40 ~~district.~~

41       ~~C. If the council DEPARTMENT denies the formation of the district:~~

42       ~~1. Within ten days the council DEPARTMENT shall state its reasons~~  
43 ~~for denial in writing.~~

44       ~~2. Producers or owners who are qualified pursuant to section~~  
45 ~~48-1302 may submit a new petition to the council DEPARTMENT at any time.~~

1       ~~Sec. 52. Section 48-1306, Arizona Revised Statutes, is amended to~~  
2 ~~read:~~

3       ~~48-1306. Board of directors; officers~~

4       ~~A. A district shall be governed by a board of at least five but not~~  
5 ~~more than eleven directors. Only producers in the district are eligible~~  
6 ~~to serve as a director.~~

7       ~~B. Within ten days upon AFTER approval of the district by the~~  
8 ~~council DEPARTMENT, the board shall meet and elect a chairman CHAIRPERSON,~~  
9 ~~vice-chairman VICE CHAIRPERSON and secretary from among its members.~~

10       ~~Sec. 53. Section 48-1308, Arizona Revised Statutes, is amended to~~  
11 ~~read:~~

12       ~~48-1308. Financial report and budget~~

13       ~~A. The board shall issue an annual financial report showing the~~  
14 ~~receipts and expenditures of all monies and the district's assets and~~  
15 ~~liabilities at the end of the fiscal year.~~

16       ~~B. The board shall prepare an annual budget of proposed revenues~~  
17 ~~and expenditures at least sixty days before the beginning of the fiscal~~  
18 ~~year.~~

19       ~~C. The board may choose to deposit district monies with the council~~  
20 ~~DEPARTMENT to be spent at the board's direction.~~

21       ~~Sec. 54. Section 48-1309, Arizona Revised Statutes, is amended to~~  
22 ~~read:~~

23       ~~48-1309. Assessments and fees~~

24       ~~A. Each year after adopting its budget, the board shall levy an~~  
25 ~~assessment based on either:~~

26       ~~1. The number of bales of cotton that are produced in the district.~~

27       ~~2. The number of acres of cotton that are farmed in the district.~~

28       ~~3. Any other method in the district that may be appropriate to~~  
29 ~~raise sufficient monies to carry out the district's pest control program.~~

30       ~~B. The board shall not levy an assessment on any other crop.~~

31       ~~C. The board shall prescribe the schedule, procedure and forms for~~  
32 ~~use in paying, collecting and remitting the annual assessment. The board~~  
33 ~~may provide for collection and remission of the assessment in the manner~~  
34 ~~prescribed by the board.~~

35       ~~D. If the district contracts with the council DEPARTMENT for a pest~~  
36 ~~control management program, the board shall charge a fee before producers~~  
37 ~~plant cotton in the district in an amount that will raise sufficient~~  
38 ~~monies to carry out the contracted program. A producer shall pay the fee~~  
39 ~~in full before the planting date unless payment is guaranteed by the~~  
40 ~~producer's lender or other arrangements are made to the board's~~  
41 ~~satisfaction. If a producer fails to pay a fee or assessment before the~~  
42 ~~planting date, the council DEPARTMENT may abate the fields and assess the~~  
43 ~~costs of abatement to the producer. Before any abatement action, the~~  
44 ~~council DEPARTMENT shall notify the producer in writing and provide for a~~  
45 ~~hearing within ten days after the notice. The council DEPARTMENT shall~~  
46 ~~issue its decision in writing within five days after the hearing. An~~  
47 ~~abatement action may be appealed to the superior court.~~

1 ~~Sec. 55. Section 48-1311, Arizona Revised Statutes, is amended to~~  
2 ~~read:~~

3 ~~48-1311. Enlarging district boundaries~~

4 ~~A. At any time after the district has been formed, the district may~~  
5 ~~adjust its boundaries by a vote of the board and upon ON approval of the~~  
6 ~~council pursuant to subsection B.~~

7 ~~B. To expand the district, all producers in the expansion area must~~  
8 ~~petition the council DEPARTMENT to be included in the district. Within~~  
9 ~~thirty days after receiving the petition, the council DEPARTMENT shall~~  
10 ~~notify all cotton producers in the district and the expansion area of the~~  
11 ~~receipt of the petition and of a hearing on the petition.~~

12 ~~C. The council DEPARTMENT shall hold the hearing as provided by the~~  
13 ~~notice to receive oral and written comments favoring and opposing the~~  
14 ~~proposed expansion.~~

15 ~~D. The council DEPARTMENT shall announce its finding within thirty~~  
16 ~~days after the hearing and either approve or deny the expansion.~~

17 ~~E. If the council DEPARTMENT denies the expansion:~~

18 ~~1. Within ten days the council DEPARTMENT shall state in writing~~  
19 ~~the reasons for denial.~~

20 ~~2. The proponents of expansion may submit a new petition to the~~  
21 ~~council DEPARTMENT at any time.~~

22 ~~F. A decision by the council DEPARTMENT to approve the expansion is~~  
23 ~~final.~~

24 ~~Sec. 56. Section 48-1312, Arizona Revised Statutes, is amended to~~  
25 ~~read:~~

26 ~~48-1312. Dissolution~~

27 ~~A. Districts may be dissolved by a majority vote of the board of~~  
28 ~~directors of the district.~~

29 ~~B. If the district is dissolved, the council DEPARTMENT, within~~  
30 ~~sixty days after the action taken under subsection A, shall:~~

31 ~~1. Dispose of the district's assets, if any.~~

32 ~~2. Pay the district's outstanding obligations.~~

33 ~~3. Distribute any remaining district monies to producers in~~  
34 ~~proportion to the last assessment paid by the producer.>>~~

35 Sec. 34. Short title

36 This act may be cited as the "Abolition of Functionally Unnecessary  
37 Excessive Regulators Act".

38 Enroll and engross to conform  
39 Amend title to conform  
And, as so amended, it do pass

JOSEPH CHAPLIK  
CHAIRMAN

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