

2014 Legislative Wrap Up

51st Legislature – 2nd Regular Session

The Arizona Legislature adjourned for the year on Thursday, April 24, 2014 at 1:42 a.m. following a session that lasted 101 days. During the session, 1,205 bills were introduced, 303 of which were passed by the Legislature. Governor Jan Brewer signed 278 bills into law and vetoed 25 bills. The Secretary of State received 35 memorials and referendums. The general effective date for most legislative acts (without an emergency clause or specified later dates) is July 24, 2014.

Below please find summaries of the key bills that APMA monitored during the 2014 session. If you have any questions or would like a copy of any bill or chaptered law, please contact Amanda Gray.

PETROLEUM INDUSTRY ISSUES

HB2708 – Budget (Rep. Kavanagh)

The \$.01 (penny) per gallon UST tax is redirected to the UST assurance account on January 1, 2015. Clarifies that ADEQ is not required to take any action on an application for coverage, reimbursement or payment from the assurance account until a new UST program is effective. Clarifies that ADEQ has stop use (red tag) authority when an owner/operator does not have the legally required financial responsibility in place, following a thirty-day notice period and an opportunity to demonstrate compliance. Includes legislative intent language regarding the formation of a new UST program, which will include a baseline assessment of all existing USTs, corrective action for historical releases, removal of USTs at the owner/operator's request, standard policy private insurance, and reasonable deductibles.

Also makes various changes that impact the budget across agencies, including requirement that any unrestricted federal monies be deposited into the general fund, allowing appropriations for all budget units to be limited to one fiscal year for FY2014-15, and others.

Signed by Governor on April 11, 2014. Chap. 14, Laws 2014.

SB1314 – Board, Department and Commission Continuations (Sen. Melvin)

Extends the statutory life of ADEQ for eight years to July 1, 2022, retroactive to July 1, 2014. Also extends the statutory life of other Commissions and Boards.

Modifies the legislative intent language from HB2708 to note that as an alternative to the baseline assessment or the standard insurance policy, the new program must allow an owner/operator to demonstrate to ADEQ that the financial responsibility requirements in state and federal law are already being met.

Signed by Governor on April 30, 2014.

HB2128 – Vapor Recovery Systems (Rep. Pratt)

Stage II vapor recovery system controls will be decommissioned and removed from existing fueling stations between October 1, 2016 and September 30, 2018 or the date

approved by the U.S. Environmental Protection Agency. Installation of stage II controls in newly built fueling stations is no longer required. Maintenance of stage II systems in existing fueling stations must continue until decommissioning occurs. Makes no changes to requirements for stage I vapor recovery systems. The bill contains an emergency clause and became effective when signed by Governor Brewer on April 22, 2014. Chap. 132, Laws 2014.

TAX/BUDGET ISSUES

Budget

The FY 2014-15 budget was passed in early April. The budget provides \$9.23 billion in annual spending, including increased funding for Child Protective Services, K-12 education, higher education and various areas of tax relief. The budget also provides for \$30 million to reduce the shifted revenue from the Highway Users Revenue Fund. The budget contains legislative intent language that a special session will be called to address Child Protective Services reforms. Signed by Governor Brewer on April 11, 2014.

HB2288 – Sales Tax Reduced Reporting Requirements (Rep. Lesko)

Taxpayers with annual transaction privilege tax liability between \$2,000 and \$8,000 are required to pay TPT on a quarterly basis (instead of a monthly basis), and taxpayers with annual TPT liability less than \$2,000 are required to pay on an annual basis. Signed by Governor on April 22, 2014. Chap. 141, Laws 2014.

STATE AGENCY ISSUES

HB2112 – ADWM False Statement Penalty (Rep. Fann)

It is a class 2 (second highest) misdemeanor to knowingly file with ADWM any notice, statement or other document required by a licensing-related statute if that document is false or contains any material misstatement of fact.

Signed by Governor on April 16, 2014. Chap. 47, Laws 2014.

HB2125 – Air Quality Forecasting in Nonattainment Areas (Rep. Pratt)

ADEQ is required to develop on disseminate air quality dust forecasts for any PM-10 nonattainment or maintenance areas in Arizona beginning January 1, 2012.

Signed by Governor on April 17, 2014. Chap. 86, Laws 2014.

HB 2459 – Rulemaking Restrictions (Rep. Farnsworth)

State agencies would have been prohibited from adopting a new rule or an amendment to an existing rule that would restrain or burden the free exercise of vested rights, and could have only adopted a rule that was strictly ministerial in implementing legislative standards or part of a comprehensive effort to reduce regulatory burdens. Any person subject to a civil or criminal proceeding arising from the enforcement of a rule in violation of this would have a defense to the enforcement action.

Veto message from Governor: Discusses Governor Brewer's rulemaking moratorium and concludes that this legislation would have unintended consequences negatively impacting state agencies' ability to implement state law.

OTHER

HB2430 – Combination Vehicles Size, Weight and Load (Rep. Fann)

ADOT or a local authority is authorized to issue special permits for any combination truck/tractor/semitrailer if the overall length of the cargo carrying unit of the vehicle combination does not exceed 95 feet and the overall gross weight of the vehicle combination does not exceed 129,000 pounds. Special permits may be issued for 30 days, in addition to the previously allowed one year, and establishes fees for permits. Signed by Governor on April 16, 2014. Chap. 60, Laws 2014.

SB1306 – Government Entities Credit Card Payments (Sen. Griffin)

A governmental entity may require that a vendor accept a specific method of payment exclusively for any goods or services provided by the vendor to the entity, but the governmental entity must disclose the method of payment during the bid process or amend the contract under mutual agreement with the vendor. If a governmental entity pays a vendor by credit card, the entity is required to disclose on its annual financial report the amount of reward, discount or other financial consideration received by the entity resulting from such credit card payment. Signed by Governor on April 22. Chap. 118, Laws 2014.