



County Supervisors

A S S O C I A T I O N
o f a r i z o n a

1905 W. Washington St., Ste. 100, Phoenix, AZ 85009
(602) 252-5521 fax: (602) 253-3227

COUNTY SUPERVISORS ASSOCIATION LEGISLATIVE POLICY COMMITTEE AGENDA

February 2, 2024

(Conducted Via Teleconference and [Webinar](#))

Teleconference 1-669-900-9128 OR 1-253-215-8782

Meeting ID: 861 5821 3273 Password: 256912

County Supervisors Association

1905 W. Washington St.

Phoenix, AZ

8:30 a.m. Call to Order ~ CSA President Stephen Miller

A. Minutes for Review

- 1) Consideration and Approval of the Minutes of the January 26, 2024, CSA Legislative Policy Committee Meeting (*previously distributed*)

B. CSA Legislative Agenda

- 1) Adopted Budget Priorities
- 2) Adopted Policy Priorities

C. Legislative Bills for Discussion and Possible Action

- 1) [SB 1054](#) state construction project delivery methods (Carroll)
- 2) Secure Behavioral Health Facilities
 - a. [SB 1068](#) secure behavioral health facilities; appropriations (Shope)
 - b. [SB 1101](#) appropriations; secure behavioral health facilities (Miranda)
- 3) [SB 1076](#) marijuana funds; uses; enforcement (Shope) & [HB 2452](#) marijuana funds; uses; enforcement (Montenegro)
- 4) [SB 1286](#) elections; voting centers; polling places (Hoffman)
- 5) [SB 1495](#) personal property exemption; increase (Mesnard)
- 6) [SB 1498](#) insurance; lienholder; third-party liability (Mesnard)
- 7) Maricopa County Division
 - a. [HCR 2025](#) division; Maricopa county; new counties (Kolodin)
 - b. [SB 1292](#) Maricopa county; division; new counties (Hoffman)
- 8) Type 03 School District Property Tax
 - a. [HB 2173](#) county aid; school districts; revisions (Pingerelli)
 - b. [SB 1663](#) common school districts; tuition; expenditures (Gowan)
- 9) [HB 2097](#) gray water; definition; residential standards (B Parker)
- 10) [HB 2632](#) zoning violations; enforcement; notice; service (Chaplik)

D. Other Legislative Issues

E. Consideration and Approval of CSA President's Temporary Position Authority on Legislative Matters

F. Next Meeting Date and Time (*Friday, February 16, at 8:30 a.m.*) [PLEASE NOTE DATE]

G. Other Business

H. Adjourn



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B. CSA Legislative Agenda

- 1) Adopted Budget Priorities
- 2) Adopted Policy Priorities

C. Legislative Bills for Discussion and Possible Action

- 1) [SB 1054](#) state construction project delivery methods (Carroll)

Summary: Extends the sunset of "design-build projects," "construction-manager-at-risk construction services," "job-order-contracting constructions services" from December 31, 2025 to December 31, 2030.

- 2) Behavioral Health Facilities

- a. [SB 1068](#) secure behavioral health facilities; appropriations (Shope)

Summary: Appropriates \$25 million from the state's general fund in FY25 to AHCCCS for "the support and construction of secure behavioral health residential facilities to be licensed pursuant to § 36-425.06." Specifies that three facilities shall be located in the central geographic area, while one each will be located in the north and south geographic areas. Permits allocation of \$5 million to each facility. Appropriates \$10 million in general fund monies, and around \$18.7 million in Medicaid Expenditure Authority, to AHCCCS for "ongoing secure behavioral health provider rate increases."

- b. [SB 1101](#) appropriations; secure behavioral health facilities (Miranda)

Summary: Appropriates \$25 million from the state's general fund in FY25 to ADOA for "the support and construction of secure behavioral health residential facilities to be licensed pursuant to § 36-425.06." Specifies that three facilities shall be located in the central geographic area, while one each will be located in the north and south geographic areas. Permits allocation of \$5 million to each facility. Appropriates \$10 million in general fund monies, and around \$18.7 million in Medicaid Expenditure Authority, to AHCCCS for "ongoing secure behavioral health provider rate increases."

Committee: On **January 30, 2024**, the **Senate Health and Human Services Committee** adopted an amendment to replace **ADOA** with **AHCCCS** and to permit the funding to be used for persons "committed pursuant to a court order issued pursuant to § 13-4521".

- 3) [SB 1076](#) marijuana funds; uses; enforcement (Shope) & [HB 2452](#) marijuana funds; uses; enforcement (Montenegro)

Summary: Amends §§ 36-2817 and 36-2856 of the Arizona revised statutes, relating to the Medical Marijuana fund and Smart and Safe Arizona fund. Allows the Department of



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Health Services to provide grants to various entities, including the Arizona Poison Control System, the Attorney General for investigating and enforcing laws related to illicit marijuana sales, and municipal police departments, county sheriff departments, and tribal police agencies for the enforcement of laws against illicit marijuana activities. The amount of funding that may be used for these grants is not specified and is taken “off-the-top” of the smart and safe fund distribution. Specifies that monies in both the Smart and Safe Arizona fund and the Medical Marijuana fund may be used interchangeably for implementation and enforcement purposes.

- 4) [SB 1286](#) elections; voting centers; polling places (Hoffman)
Summary: Closes schools on primary and general election days. Requires teachers and staff to receive or conduct in-service training, and prohibits them from using “personal, vacation, or other leave time.” Requires a state, county, city, town, or school district office to provide sufficient space for use as a polling place when requested by the Officer in Charge of Elections (OICE). States that a school with a gymnasium must provide sufficient space for use as a polling place when requested by the OCIE. Eliminates the exemption that principals may claim if their school is asked to serve as a polling place. Eliminates language directing the Board to establish an election board for a voting center. Specifies that a Board of Supervisors may only authorize the use of voting centers *in addition* to specifically-designated polling places.
- 5) [SB 1495](#) personal property exemption; increase (Mesnard)
Summary: Increases the personal property tax exemption maximum for locally assessed business personal property from \$207,366 to \$500,000 in full cash value. Effective starting in tax year 2025.
- 6) [SB 1498](#) insurance; lienholder; third-party liability (Mesnard)
Summary: Amends language related to “the amount actually collectable,” related to the “liability of [a] third” party to injured employees. Specifies that “total recovery” means the portion of “the settlement, judgment, or award that represents payment to the employee for past and future medical expenses.”
- 7) Maricopa County Division
 - a. [HCR 2025](#) division; Maricopa county; new counties (Kolodin)
Summary: Refers to the statewide ballot the question of whether to divide the current Maricopa County into three new counties: Maricopa County, Mesquite County and Saguaro County. Provides for a transition period of no more than three years, a process for the election of county officers and creates an intercounty oversight and accountability board. Requires the new counties to enter into intergovernmental agreements to manage special districts that cross county boundaries and permits counties to enter into a shared use agreement for shared capital assets. Requires the new counties to enter into an intergovernmental agreement for the continued operation of community colleges.
 - b. [SB 1292](#) Maricopa county; division; new counties (Hoffman)
Summary: Divides the current Maricopa County into four new counties: Maricopa County, Hohokam County, Mogollon County and O’odham County. Provides for a transition period of no more than three years, a process for the election of county officers and creates an intercounty oversight and accountability board. Requires the new counties to enter into intergovernmental agreements to manage special districts that cross county boundaries and permits counties to enter into a shared use agreement for shared capital assets. Requires the new counties to enter into an intergovernmental agreement for the continued operation of community colleges.



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8) Type 03 School District Property Tax

a. [HB 2173](#) county aid; school districts; revisions (Pingerelli)

Summary: Makes changes related to property taxes collected in common school districts not within a high school district. Consolidates conflicting versions of ARS 15-971 to clarify the calculation of the county aid from common school districts not within a high school district. Creates a cap for the property tax each Board of Supervisors is required to levy in each common school district not within a high school district to no more than the applicable qualifying tax rate (QTR). As session law, requires the board of supervisors to reduce the TY 2024 tax levy for common school districts not within a high school district that aren't eligible for equalization assistance. The reduction is the lesser of the amount levied in TY 2023 for the minimum QTR or the amount levied for county aid from common school districts not within a high school district.

House Education Committee amendment: Removes references to county aid from common school districts not within a high school district and deposits funds generated through tax levy required under §15-992 (F) be deposited into the state general fund. Additionally, clarifies that the §15-992 (F) tax rate is not included for the purposes of calculating fixed tax rates for these districts.

b. [SB 1663](#) common school districts; tuition; expenditures (Gowan)

Summary: Repeals changes made by Laws 2022, Ch. 285 related to how common school districts not within a high school district (Type 03 districts) are charged tuition for resident high school students. This includes repealing the requirement for county boards of supervisors to levy an additional property tax rate within Type 03 districts pursuant to §15-992 (F). Effectively restores the funding and tax structure for Type 03 districts that existed prior to FY 2024. As session law, requires that each county board of supervisors compute the amount levied in each school district pursuant to §§15-992 (F) and 42-17151 (A) and reduce the tax year 2024 levy in each school district by that amount.

9) [HB 2097](#) gray water; definition; residential standards (B Parker)

Summary: In §49-204, which currently contains residential standards for gray water re-use, permits a person "to use or discharge gray water at a private residence if all of the following apply:" (a) the total gray water flow is 400 gallons-per-day (GPD) or less, (b) gray water is used and contained within the property "for household gardening, composting, or landscape watering," (c) human contact with gray water or soil watered by it is avoided, (d) gray water is not used to water food plants (except for those with an edible portion that does not come into contact with gray water), (e) the gray water does not contain hazardous chemicals, (f) the gray water was not used to wash diapers or "similar soiled infectious garments," (g) application minimizes standing water and uses best practices to improve soil condition and increase filtration, (h) the operator ceases gray water usage in instances of system failure, (i) the operator restricts access to gray water surge tanks (w/ covering or lid) and holding time is minimized, (j) the system is outside of a floodway, (k) there is a minimum "vertical separation distance" of at least five feet from the point of gray water application to the top of the "seasonally high groundwater table," (l) pressure piping susceptible to cross connection clearly indicates that the piping is not potable, and (m) the operator restricts gray water application to flood distribution (including containment by horticultural mulch basins and swales) and drip distribution. Prohibits a locality from requiring a notice or permit "for the use or discharge of gray water if the gray water use is consistent with ... this section." Further, prohibits a locality from requiring a private residence to connect to an on-site wastewater treatment facility or outside sewage system if (a) the gray water is used as specified above, (b) all toilets at the residence are composting toilets, and (c) all kitchen sinks in the residence do not have a garbage disposal. Prohibits a locality from preventing installation of a composting toilet on property that (a) is in an unincorporated area zoned for construction of a private residence, (b) is on



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a lot of two acres or larger, and (c) not directly adjacent to a city or town. Exempts a system "installed at a site to treat and dispose of gray water" from the definition of "on-site wastewater treatment facility." Specifies that gray water can come from dishwashers or a kitchen sink without a garbage disposal, but that it cannot come from flush toilets or "wastewater contaminated by soiled diapers." Defines composting toilet.

10) [HB 2632](#) zoning violations; enforcement; notice; service (Chaplik)

Summary: Currently, § 11-815 notes that "a county that establishes a civil penalty for a violation of a zoning regulation or ordinance may appoint hearing officers to hear and determine zoning violations. If the zoning inspector reports a zoning violation to the hearing officer, the hearing officer shall hold a hearing after notice of the hearing has been served on the alleged violator." HB 2632 would require a zoning inspector – or "any person authorized to perform personal service by the Arizona Rules of Civil Procedure" (RCP) – to serve an alleged violator with a notice of violation prior to reporting a zoning violation to the hearing officer (which, when a hearing is scheduled, requires its own personal service of notice). States that if service is impracticable – outside of the county's boundaries or in dangerous situations – alternative service methods provided by the RCP are permitted. Further, specifies that the notice of violation must contain – among other things – "the date when steps toward compliance must be commenced and the date when compliance must be completed." In sum, creating a window for compliance. Prohibits a zoning inspector from reporting an alleged violation to a hearing officer prior to the time specified in the notice for potential cure. Specifies what information must be included in a hearing notice, and further that – at the hearing – the hearing officer must notify alleged violators of their right to appeal

- Note : While many zoning/permitting bills affect counties and municipalities equally, this bill is specific to counties.

D. Other Legislative Issues

E. Consideration and Approval of CSA President's Temporary Position Authority on Legislative Matters

- Through February 16, 2024, authorize the CSA President, upon recommendation from the Executive Director to direct staff to register CSA positions in the legislative Request to Speak System and testify before committees on measures that negatively affect county operations, resources and constituent responsiveness and are aligned with prior positions of the association.

F. Next Meeting Date and Time (*Friday, February 16, at 8:30 a.m.*) [PLEASE NOTE DATE]

G. Other Business

H. Adjourn



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2/2/24 LPC Agenda Item E: For Consideration and Approval of Granting Temporary Authorization to CSA President Miller Through February 16, 2024, on Legislative Matters

Dear Members of the LPC,

The legislature will complete hearing bills in policy committees in the chamber of origin on February 16. Currently, 1,559 bills have been introduced and only a very small number have been heard in committee. This means that agendas for the next two weeks will contain many bills and include striker amendments. CSA will not hold an LPC meeting next week, February 9, due to members traveling to NACo and will meet again on February 16.

To allow for organizational flexibility to engage issues during this two-week period, we are requesting temporary authorization to take positions on bills, if necessary. Any positions taken under this authority will be reported out at the February 16th LPC meeting to formalize the position.

Please note, currently we do not have information on whether this will be necessary during the relevant period, but we are planning ahead and wish to be prepared.

Temporary policy for consideration:

- Through February 16, 2024, authorize the CSA President, upon recommendation from the Executive Director, to direct staff to register CSA positions in the legislative Request to Speak System and testify before committees on measures that negatively affect county operations, resources and constituent responsiveness and are aligned with prior positions of the association.

This issue will be discussed at the Friday, February 2, LPC meeting.

Thank you for your consideration.

Craig Sullivan
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