

2009**ARIZONA LEGISLATIVE WRAP-UP**

The Arizona Legislature adjourned for the year on July 1, 2009 at 7:31 a.m. following a session lasting 170 days. During the session, 1,133 bills were introduced, 213 were passed by the Legislature. Governor Jan Brewer vetoed 22 bills and signed 213 bills into law. The Legislature will convene for the 2010 session on January 11, 2010 at noon. The general effective date for legislative acts without the emergency clause or specified later dates was September 30, 2009.

Below are summaries of the key bills, and selected regulatory issues, APMA worked on during 2009. If you have any questions regarding this wrap-up or would like a copy of a particular bill or chaptered law, please call Andrea Martincic at (480) 460-1561.

ENVIRONMENT**HB 2195: Air Quality; Stage II; Tanks (Rep. Farley)**

Would have required that new Stage I and Stage II vapor recovery systems include a tank management system and in-station diagnostic system approved by CARB.

APMA POSITION: OPPOSE

HB 2338: Energy; Fuels Idling (Rep. Mason)

Beginning 1/1/2010 maximum idling time for heavy-duty commercial diesel vehicles would have been limited to 5 minutes in any 60 minute period. New restrictions for school bus operators. Created a civil penalty for knowingly releasing or venting vehicle refrigerant into the environment. Called for ADEQ & W&M to study the feasibility and cost-effectiveness of reducing greenhouse gas emissions from motor fuels shipped to and sold in AZ by 12/31/11.

APMA POSITION: MONITOR

SB 1147: Greenhouse Emissions; Regulations; Fuel Economy (Sen. Sylvia Allen)

Prevents a state agency from adopting or enforcing a state or regional program to regulate greenhouse gas emissions or fuel economy standards without express legislative authority. Requires ADEQ to inform the Governor, Legislature and Corporation Commission on any related proposed programs.

APMA POSITION: SUPPORT

MARKETING ISSUES

HB 2297: Pricing; Abnormal Market Disruptions; Emergencies (Rep. Schapira)

Prohibits “unconscionable” pricing or hoarding of essential goods or services during a declaration of a state emergency declared by President or Governor, or a state court finding an abnormal market disruption. Violations: Class I misdemeanor punishable by up to 6 months incarceration and a fine up to \$2,500 per incident for a person, \$20,000 per incident for a business. Fines are deposited in a “Consumer Education Revolving Fund” administered by the Attorney General.

APMA POSITION: OPPOSE

HB 2302: Liquor Licenses; Distance Restriction; Waiver (Rep. Reagan)

Would have allowed a liquor license to be issued to an establishment within 100 feet of a church, school, or school if the establishment is located in a “central business district” and the municipality has submitted a waiver request to the Dept. of Liquor Licenses and Control. Director has sole discretion to approve or deny the application for a waiver.

APMA POSITION: SUPPORT (Failed in Senate COW due to an amendment)

HB 2330: Biodiesel Fuel Dispensers; Labeling (Rep. Boone)

Biodiesel blends less than 5% no longer need to be labeled at the dispenser---AZ will follow the FTC biodiesel labeling requirements. A retailer is not prohibited from labeling under 5% as “May Contain up to 5%”. Product transfer documents must still label any volume percent of biodiesel intentionally added to the product.

CHAPTER 46, Laws 2009

APMA POSITION: SUPPORT.

HB 2336: Renewable Energy Incentive Districts (Rep. Mason)

Counties and municipalities are authorized to designate renewable energy incentive districts under certain circumstances. If formed, the county or municipality must adopt a plan to encourage the construction and operation of renewable energy equipment, including expedited zoning procedures and permitting and a waiver or abatement of certain fees. **CHAPTER 86, Laws 2009**

SB 1320: ADOT Omnibus (Sen. Nelson)

An 82 page omnibus bill– Highlights:

- Establishes a new LEEV special plate pending approval from the federal govt. LEEVS are permitted to drive in HOV lanes regardless of number of passengers. Hybrid license plates and alternative fuel license plates are not permitted to travel in HOV lanes during rush hour.
- Municipalities can finance, construct and operate toll roads within corporate boundaries.

- Powers of the State Transportation Board are changed to permissive from mandatory.
- ADOT can impose a fee for dishonored electronic payments in amounts set by the Director.
- Gross vehicle weight restrictions are modified up to 400 pounds for vehicles equipped with idle restriction technology.
- ADOT is authorized to establish a certification program to ensure that privatized rest areas permitted by state statute comply with federal requirements.
- Increases the suspension time frames and civil penalties for violations of an out-of-service order

CHAPTER 187, Laws 2009

TAXES

HB 2165: Vehicle & Use Fuel Taxes: (Rep. Bradley)

Proposed an additional six cent per gallon tax on motor vehicle fuel and use fuel when the average price of fuel is less than \$2.75 per gallon. Revenue would have gone to the General Fund. Would have required a 2/3 majority vote in each chamber to pass due to Prop 108.

APMA POSITION: MONITOR

SB 1181: Fuel Tax Repeal; Sales Tax (Sen. Harper)

Would have repealed motor fuel tax statutes, including use fuel. Taxes on aviation fuel would have remained. Counties and municipalities would have been authorized to impose a sales tax on motor fuel, but revenue would have to be dedicated exclusively to highway and street purposes.

APMA POSITION: MONITOR

OTHER

HB 2401: Administrative Rules Oversight Committee (Rep. Williams)

Establishes an Administrative Rules Oversight Committee, consisting of five members of the House and five Senators, and the governor or designee. Has oversight on all rules except those specifically exempted by statute. Legislative intent states the committee may review any rule or agency practice alleged to constitute a rule for “conformity with statute and legislative intent.” Committee sunsets on 7/1/17. **CHAPTER 171, Laws 2009**

HB2548: Critical Infrastructure; Fuel Facilities (Rep. Campbell)

Attempted to change the definition of “fuel facility” in statutes related to critical infrastructure. Would have required that fuel facility owners inform the government of security measures with an update to the Automated Critical Asset Management System maintained by Homeland Security and AZ Counterterrorism Center instead of submitting a written report.

APMA POSITION: OPPOSE

SB 1266: Worker's Comp; Drugs & Alcohol(Rep. Leff)

Deletes provisions in worker's comp statutes that allow denial of a claim for work-related injury or death if the accident was due to the impairment of the employee due to alcohol or drugs. (Required due to AZ Supreme Ct. decision that the language deleted by this act was unconstitutional.) **CHAPTER 67, Laws 2009**

SB 1403: Renewable, High-Wage Industries Incentives (Sen. Leff)

Between tax years 2010 and 2015, tax incentives (income tax credits & property tax classification with a lower assessment ratio) are allowed for expanding or locating qualified renewable energy operations. Income tax breaks are conferred depending on compliance with a set of salary and benefits requirements. Aggregate income tax credits in one year cannot exceed \$70 million. **CHAPTER 96, Laws 2009**

2009 REGULATORY ISSUES

- ⊙ ATC at Retail (National Conference of Weights & Measures)
 - ATC at Retail (permissive and mandatory) removed from the NCWM voting calendar. No consensus
 - ATC guidelines for vehicle tank meters still moving
- ⊙ ADWM: Fuel Rule/ Biodiesel Sampling & Reporting Rule
- ⊙ Western Climate Initiative- Effect of AZ's continued participation

2010 Potential Issues

- ⊙ Greenhouse gas emissions/Climate change legislation
- ⊙ ATC- Potential NCWM efforts on VTM's
- ⊙ Increased inspections and fines due to budgetary cuts at agencies
- ⊙ Renewable Fuel Mandates
- ⊙ State Assurance Fund Issues
- ⊙ UL Certification for ethanol fuel dispensers

