

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HOUSE BILL 2766

AN ACT

AMENDING TITLE 9, CHAPTER 4, ARTICLE 6.4, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-468; AMENDING TITLE 11, CHAPTER 2, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-323; AMENDING SECTIONS 11-876, 15-213, 15-213.01, 15-342 AND 15-349, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-910.02; AMENDING TITLE 30, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 7; AMENDING SECTIONS 34-201 AND 34-451, ARIZONA REVISED STATUTES; REPEALING SECTION 34-453, ARIZONA REVISED STATUTES; AMENDING SECTIONS 34-454 AND 34-455, ARIZONA REVISED STATUTES; REPEALING SECTION 34-456, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 10, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1511; AMENDING SECTION 41-2121, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 15, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-2122.02; AMENDING TITLE 41, CHAPTER 23, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-2560; AMENDING SECTIONS 41-3953, 42-11054, 44-1375, 44-1375.01, 44-1375.02 AND 44-1554, ARIZONA REVISED STATUTES; REPEALING SECTION 49-409, ARIZONA REVISED STATUTES; AMENDING TITLE 49, CHAPTER 3, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 49-447.01; RELATING TO ENERGY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 9, chapter 4, article 6.4, Arizona Revised Statutes,
3 is amended by adding section 9-468, to read:

4 9-468. Energy efficiency construction; report; definition

5 A. A CITY OR TOWN SHALL REPORT TO THE DEPARTMENT OF COMMERCE ENERGY
6 OFFICE INFORMATION COLLECTED AS PART OF THE MUNICIPAL BUILDING PERMIT
7 APPLICATION AND APPROVAL PROCESS WHETHER THE BUILDING WILL MEET THE
8 REQUIREMENTS OF AN ENERGY EFFICIENT RESIDENTIAL OR COMMERCIAL BUILDING AND
9 SHALL REPORT THE ENERGY RATING SYSTEM VALUE FOR THE BUILDING IF THE BUILDING
10 RECEIVES AN ENERGY RATING.

11 B. ON OR BEFORE FEBRUARY 1, 2009 AND EACH YEAR THROUGH 2021, EACH CITY
12 AND TOWN SHALL REPORT TO THE DEPARTMENT OF COMMERCE ENERGY OFFICE:

13 1. THE TOTAL NUMBER OF BUILDING PERMITS ISSUED IN THE CITY OR TOWN IN
14 THE PRECEDING CALENDAR YEAR FOR ALL NEW RESIDENTIAL BUILDINGS AND FOR ALL NEW
15 COMMERCIAL BUILDINGS.

16 2. THE NUMBER AND PERCENTAGE OF THOSE PERMITS THAT WERE ISSUED FOR NEW
17 ENERGY EFFICIENT RESIDENTIAL AND COMMERCIAL BUILDINGS AND THE ENERGY RATING
18 SYSTEM VALUES FOR NEW BUILDINGS FOR WHICH ENERGY RATINGS WERE PERFORMED.

19 C. FOR THE PURPOSES OF THIS SECTION AND FOR PURPOSES OF REPORTING
20 ENERGY EFFICIENT BUILDINGS PURSUANT TO SECTION 41-1511, "ENERGY EFFICIENT
21 BUILDING" MEANS NEW RESIDENTIAL AND COMMERCIAL BUILDINGS THAT MEET OR EXCEED
22 THE ENERGY EFFICIENCIES PRESCRIBED BY THE UNITED STATES ENVIRONMENTAL
23 PROTECTION AGENCY ENERGY STAR PROGRAM OR BY A LEADERSHIP IN ENERGY AND
24 ENVIRONMENTAL DESIGN GREEN BUILDING RATING STANDARD DEVELOPED BY THE UNITED
25 STATES GREEN BUILDING COUNCIL, OR AN EQUIVALENT GREEN BUILDING STANDARD, OR
26 THAT ARE AT LEAST FIFTEEN PER CENT MORE ENERGY EFFICIENT THAN THE 2006
27 INTERNATIONAL ENERGY CONSERVATION CODE.

28 Sec. 2. Title 11, chapter 2, article 9, Arizona Revised Statutes, is
29 amended by adding section 11-323, to read:

30 11-323. Energy efficiency construction; report; definition

31 A. A COUNTY SHALL REPORT TO THE DEPARTMENT OF COMMERCE ENERGY OFFICE
32 INFORMATION COLLECTED AS PART OF THE BUILDING PERMIT APPLICATION AND APPROVAL
33 PROCESS WHETHER THE BUILDING WILL MEET THE REQUIREMENTS OF AN ENERGY
34 EFFICIENT RESIDENTIAL OR COMMERCIAL BUILDING AND SHALL REPORT THE ENERGY
35 RATING SYSTEM VALUE FOR THE BUILDING IF THE BUILDING RECEIVES AN ENERGY
36 RATING.

37 B. ON OR BEFORE FEBRUARY 1, 2009 AND EACH YEAR THROUGH 2021, EACH
38 COUNTY SHALL REPORT TO THE DEPARTMENT OF COMMERCE ENERGY OFFICE:

39 1. THE TOTAL NUMBER OF BUILDING PERMITS ISSUED IN THE COUNTY IN THE
40 PRECEDING CALENDAR YEAR FOR ALL NEW RESIDENTIAL BUILDINGS AND FOR ALL NEW
41 COMMERCIAL BUILDINGS.

42 2. THE NUMBER AND PERCENTAGE OF THOSE PERMITS THAT WERE ISSUED FOR NEW
43 ENERGY EFFICIENT RESIDENTIAL AND COMMERCIAL BUILDINGS AND THE ENERGY RATING
44 SYSTEM VALUES FOR NEW BUILDINGS FOR WHICH ENERGY RATINGS WERE PERFORMED.

1 C. FOR THE PURPOSES OF THIS SECTION AND FOR PURPOSES OF REPORTING
2 ENERGY EFFICIENT BUILDINGS PURSUANT TO SECTION 41-1511, "ENERGY EFFICIENT
3 BUILDING" MEANS NEW RESIDENTIAL AND COMMERCIAL BUILDINGS THAT MEET OR EXCEED
4 THE ENERGY EFFICIENCIES PRESCRIBED BY THE UNITED STATES ENVIRONMENTAL
5 PROTECTION AGENCY ENERGY STAR PROGRAM OR BY A LEADERSHIP IN ENERGY AND
6 ENVIRONMENTAL DESIGN GREEN BUILDING RATING STANDARD DEVELOPED BY THE UNITED
7 STATES GREEN BUILDING COUNCIL, OR AN EQUIVALENT GREEN BUILDING STANDARD, OR
8 THAT ARE AT LEAST FIFTEEN PER CENT MORE ENERGY EFFICIENT THAN THE 2006
9 INTERNATIONAL ENERGY CONSERVATION CODE.

10 Sec. 3. Section 11-876, Arizona Revised Statutes, is amended to read:

11 11-876. Engine idling restrictions; exemptions; applicability;
12 civil penalty; definitions

13 ~~A. By July 1, 2002, a county that contains any portion of area A as~~
14 ~~defined in section 49-451 shall adopt, implement and enforce ordinances that~~
15 ~~place limits on the maximum idling time for engines that propel heavy-duty~~
16 ~~diesel vehicles with a gross vehicle weight rating of more than fourteen~~
17 ~~thousand pounds. The ordinances shall at least include exemptions for:~~

18 ~~1. Certain types of vehicles, such as police, fire and other emergency~~
19 ~~vehicles.~~

20 ~~2. Certain types of situations such as traffic delays or the need for~~
21 ~~a driver to sleep in the vehicle.~~

22 ~~3. Certain types of equipment operations, such as refrigeration of~~
23 ~~cargo.~~

24 ~~B. A county with a population of less than one million two hundred~~
25 ~~thousand persons shall adopt, implement and enforce the ordinances required~~
26 ~~by this section only for those portions of the county that are located in~~
27 ~~area A.~~

28 A. BEGINNING JANUARY 1, 2009, THE MAXIMUM IDLING TIME IN THIS STATE
29 FOR ENGINES THAT PROPEL HEAVY-DUTY DIESEL VEHICLES THAT ARE REQUIRED TO BE
30 REGISTERED WITH A GROSS VEHICLE WEIGHT RATING OF MORE THAN TEN THOUSAND
31 POUNDS SHALL BE LIMITED TO FIVE MINUTES IN ANY SIXTY-MINUTE PERIOD EXCEPT FOR
32 THE FOLLOWING:

33 1. VEHICLES THAT IDLE WHILE STOPPED FOR STREET OR HIGHWAY TRAFFIC, AN
34 OFFICIAL TRAFFIC CONTROL DEVICE OR AT THE DIRECTION OF A LAW ENFORCEMENT
35 OFFICER.

36 2. VEHICLES THAT IDLE WHILE OPERATING DEFROSTERS, HEATERS OR AIR
37 CONDITIONERS, WHILE PROVIDING A POWER SOURCE NECESSARY FOR MECHANICAL
38 OPERATIONS OTHER THAN PROPULSION OR WHILE INSTALLING EQUIPMENT THAT IS
39 OPERATED SOLELY TO PREVENT A HEALTH OR SAFETY EMERGENCY.

40 3. A POLICE, FIRE AMBULANCE, PUBLIC SAFETY, MILITARY OR OTHER
41 EMERGENCY OR LAW ENFORCEMENT VEHICLE OR ANY VEHICLE THAT IS BEING USED IN AN
42 EMERGENCY CAPACITY AND THAT IDLES WHILE IN AN EMERGENCY OR TRAINING MODE AND
43 NOT FOR THE CONVENIENCE OF THE VEHICLE OPERATOR.

1 4. A PRIMARY PROPULSION ENGINE THAT IS IDLING FOR MAINTENANCE,
2 SERVICING, REPAIRING OR DIAGNOSTIC PURPOSES IF IDLING IS REQUIRED FOR THAT
3 ACTIVITY.

4 5. A PRIMARY PROPULSION ENGINE THAT IS IDLING AS NECESSARY FOR
5 POWERING WORK-RELATED MECHANICAL OR ELECTRICAL OPERATIONS OTHER THAN
6 PROPULSION, INCLUDING OPERATING A POWER TAKE OFF MECHANISM OR OTHER
7 MECHANICAL DEVICE THAT PERFORMS THE SAME FUNCTION AS A POWER TAKE OFF
8 MECHANISM, MIXING OR PROCESSING CARGO OR FOR TRUCK REFRIGERATION. THIS
9 EXEMPTION DOES NOT APPLY TO IDLING FOR CABIN COMFORT OR TO OPERATING
10 NONESSENTIAL ONBOARD EQUIPMENT.

11 6. VEHICLES THAT IDLE PURSUANT TO A STATE OR FEDERAL INSPECTION THAT
12 IS INTENDED TO VERIFY THAT ALL EQUIPMENT IS IN GOOD WORKING ORDER IF IDLING
13 IS REQUIRED AS A PART OF THE INSPECTION.

14 7. ARMORED VEHICLES THAT IDLE WHILE A PERSON REMAINS INSIDE THE
15 VEHICLE TO GUARD THE CONTENTS OR WHILE THE VEHICLE IS BEING LOADED OR
16 UNLOADED.

17 8. VEHICLES THAT IDLE BECAUSE OF ADVERSE WEATHER CONDITIONS AFFECTING
18 THE SAFE OPERATION OF THE VEHICLE OR THE HEALTH AND SAFETY OF THE DRIVER.

19 9. IDLING OF THE PRIMARY PROPULSION ENGINE IS NECESSARY TO SUPPLY HEAT
20 OR AIR CONDITIONING NECESSARY FOR PASSENGER COMFORT OR SAFETY IN THOSE
21 VEHICLES OPERATING FOR COMMERCIAL PASSENGER TRANSPORTATION OR SCHOOL PURPOSES
22 FOR UP TO A MAXIMUM OF THIRTY MINUTES PER HOUR. IF AMBIENT TEMPERATURES
23 EXCEED SEVENTY-FIVE DEGREES FAHRENHEIT, VEHICLES OPERATING FOR COMMERCIAL
24 PASSENGER TRANSPORTATION OR SCHOOL PURPOSES PURSUANT TO THIS PARAGRAPH MAY
25 IDLE FOR UP TO A MAXIMUM OF SIXTY MINUTES IN ANY NINETY MINUTE TIME PERIOD.

26 10. IDLING OF THE PRIMARY PROPULSION ENGINE IS NECESSARY TO COMPLY WITH
27 THE 40 CODE OF FEDERAL REGULATIONS PART 395 AND RULES ADOPTED BY THE ARIZONA
28 DEPARTMENT OF TRANSPORTATION REGARDING HOURS OF SERVICE RESTRICTIONS.

29 B. BEGINNING JANUARY 1, 2009, AN OWNER OR OPERATOR OF A TRUCK STOP OR
30 A DISTRIBUTION CENTER SHALL POST AND MAINTAIN PERMANENT SIGNS THAT ARE AT
31 LEAST TWELVE INCHES BY EIGHTEEN INCHES IN SIZE AND THAT SPECIFY THE MAXIMUM
32 IDLE TIME, THE RELEVANT STATUTORY REFERENCE AND THE MAXIMUM CIVIL PENALTY
33 AMOUNT FOR VIOLATIONS OF IDLING RESTRICTIONS.

34 ~~C. Any other county may adopt, implement and enforce ordinances that~~
35 ~~comply with this section.~~

36 C. THE DEPARTMENT OF TRANSPORTATION SHALL POST AND MAINTAIN PERMANENT
37 SIGNS OF SUFFICIENT SIZE AT ALL POINTS OF ENTRY INTO THIS STATE THAT ARE
38 MAINTAINED BY THE DEPARTMENT OF TRANSPORTATION AND THAT SPECIFY THE MAXIMUM
39 IDLE TIME AND THE RELEVANT STATUTORY REFERENCE FOR ENGINE IDLING
40 RESTRICTIONS.

41 D. A driver who violates ~~an ordinance adopted pursuant to~~ this section
42 is subject to:

43 1. The imposition of a civil penalty of one hundred dollars for the
44 first violation.

1 2. The imposition of a civil penalty of three hundred dollars for a
2 second or any subsequent violation.

3 E. ~~Ordinances adopted pursuant to~~ This section may be enforced by a
4 county control officer or any law enforcement officer who is authorized to
5 enforce traffic laws. For violations of ~~ordinances adopted pursuant to~~ this
6 section, an officer shall use a uniform civil ticket and complaint
7 substantially similar to a uniform traffic ticket and complaint prescribed by
8 the rules of procedure in civil traffic cases adopted by the supreme court.
9 The officer may issue citations to persons who violate ~~an ordinance adopted~~
10 ~~pursuant to~~ this section.

11 F. In enforcing ~~ordinances adopted pursuant to~~ this section, a county
12 control officer or authorized law enforcement officer shall only issue one
13 citation per traffic stop or investigation of a driver whose vehicle exceeds
14 the maximum idling limits established pursuant to this section.

15 G. THIS SECTION APPLIES THROUGHOUT THIS STATE AND COUNTIES, CITIES AND
16 TOWNS MAY NOT ENACT OR ENFORCE AN ORDINANCE, RULE OR REGULATION THAT
17 CONFLICTS WITH THIS SECTION.

18 ~~G.~~ H. For the purposes of this section: ~~;-~~

19 1. "DISTRIBUTION CENTER" MEANS A PLACE WITH THREE OR MORE BAYS WHERE
20 VEHICLES LOAD OR UNLOAD MATERIALS.

21 2. "Idling" means the operation of an engine in the operating mode
22 where the engine is not engaged in gear, where the engine operates at a speed
23 at the revolutions per minute specified by the engine or vehicle manufacturer
24 for when the accelerator is fully released and there is no load on the
25 engine.

26 3. "POWER TAKE OFF MECHANISM" MEANS A UNIT THAT PROVIDES POWER FROM
27 THE ENGINE TO A TRAILER OR OTHER EQUIPMENT.

28 4. "PRIMARY PROPULSION ENGINE" MEANS ANY ENGINE FOR WHICH THE PRIMARY
29 FUNCTION IS TO PROVIDE MECHANICAL POWER TO PROPEL OR DIRECT A VEHICLE,
30 REGARDLESS OF WHETHER THAT POWER IS APPLIED DIRECTLY TO THE PROPELLER SHAFT
31 OR INDIRECTLY BY WAY OF AN ELECTRICAL SYSTEM, AND THAT MEETS ALL OF THE
32 FOLLOWING CRITERIA:

33 (a) THE ENGINE PROVIDES A POWER SOURCE NECESSARY FOR MECHANICAL
34 OPERATIONS OTHER THAN PROPULSION.

35 (b) THE VEHICLE INCLUDES A POWER TAKE OFF MECHANISM OR OTHER
36 MECHANICAL DEVICE PERFORMING THE SAME FUNCTION AS A POWER TAKE OFF MECHANISM
37 THAT IS POWERED BY THE ENGINE FOR ANY OF THE FOLLOWING REASONS:

38 (i) LOADING AND UNLOADING CARGO.

39 (ii) MIXING OR PROCESSING CARGO.

40 (iii) CONTROLLING CARGO TEMPERATURE.

41 (iv) PROVIDING A MECHANICAL EXTENSION TO PERFORM WORK FUNCTIONS.

42 5. "TRUCK STOP" MEANS A FACILITY THAT IS LOCATED ON OR NEAR AN
43 INTERSTATE HIGHWAY OR OTHER HIGHWAY AND THAT PROVIDES FUEL, PARKING, FOOD OR
44 OTHER SERVICES FOR MORE THAN ONE VEHICLE WITH A GROSS VEHICLE WEIGHT OF MORE
45 THAN TEN THOUSAND POUNDS.

1 Sec. 4. Section 15-213, Arizona Revised Statutes, is amended to read:
2 15-213. Procurement practices of school districts and charter
3 schools; definitions

4 A. The state board of education shall adopt rules prescribing
5 procurement practices for all school districts in this state as follows:

6 1. The state board shall submit to the auditor general proposed rules
7 consistent with the procurement practices prescribed in title 41, chapter 23,
8 modifying the provisions for public notice of invitation for bids, requests
9 for proposals and requests for qualifications to allow a governing board to
10 give public notice of the invitation for bids, requests for proposals and
11 requests for qualifications by publication in the official newspaper of the
12 county as defined in section 11-255, modifying the provisions relating to
13 disposal of materials to comply with section 15-342, paragraph 18, providing
14 for governing board delegation of procurement authority and modifying as
15 necessary other provisions which the state board determines are not
16 appropriate for school districts. The rules shall include provisions
17 specifying that school districts are not required to engage in competitive
18 bidding in order to make the decision to participate in programs pursuant to
19 section 15-382 and that a program authorized by section 15-382 is not
20 required to engage in competitive bidding for the services necessary to
21 administer the program or for purchase of insurance or reinsurance. The
22 rules for procurement of construction projects shall include provisions
23 specifying that surety bonds furnished as bid security and performance and
24 payment bonds shall be executed and furnished as required by title 34,
25 chapter 2 or 6, as applicable. The rules shall specify the total cost of a
26 procurement that is subject to invitations for bids, requests for proposals
27 and requests for clarification. The state board shall not exceed the
28 aggregate dollar amount limits for procurements prescribed in section
29 41-2535.

30 2. The state board of education shall adopt rules for procurements
31 involving construction not exceeding one hundred fifty thousand dollars which
32 shall be known as the simplified school construction procurement program. At
33 a minimum, the rules for a simplified construction procurement program shall
34 require that:

35 (a) A list be maintained by each county school superintendent of
36 persons who desire to receive solicitations to bid on construction projects
37 to which additions shall be permitted throughout the year.

38 (b) The list of persons be available for public inspection.

39 (c) A performance bond and a payment bond as required by this section
40 be provided for contracts for construction by contractors.

41 (d) All bids for construction be opened at a public opening and the
42 bids shall remain confidential until the public opening.

43 (e) All persons desiring to submit bids be treated equitably and the
44 information related to each project be available to all eligible persons.

1 (f) Competition for construction projects under the simplified school
2 construction procurement program be encouraged to the maximum extent
3 possible. At a minimum, a school district shall submit information on each
4 project to all persons listed with the county school superintendent by any
5 school district within that county.

6 (g) A provision, covenant, clause or understanding in, collateral to
7 or affecting a construction contract that makes the contract subject to the
8 laws of another state or that requires any litigation, arbitration or other
9 dispute resolution proceeding arising from the contract to be conducted in
10 another state is against this state's public policy and is void and
11 unenforceable.

12 3. IN LIEU OF THE PROCUREMENT RULES UNDER PARAGRAPH 2, THE STATE BOARD
13 OF EDUCATION SHALL ADOPT RULES FOR A SCHOOL CONSTRUCTION PROCUREMENT PROGRAM
14 FOR ENERGY PERFORMANCE CONTRACTS AND RENEWABLE ENERGY POWER PURCHASE
15 CONTRACTS TO PURCHASE ENERGY SAVING AND RENEWABLE ENERGY MEASURES.

16 ~~3-~~ 4. On or before December 31, 2004, the state board of education
17 shall adopt rules for the procurement of goods and information services by
18 school districts and charter schools using electronic, ~~on-line~~ ONLINE
19 bidding. The rules adopted by the state board shall include the use of
20 reverse auctions and shall be consistent with the procurement practices
21 prescribed in title 41, chapter 23, article 13, modifying as necessary those
22 provisions and the rules adopted pursuant to that article that the state
23 board determines are not appropriate for school districts and charter
24 schools. Until the rules are adopted school districts and charter schools
25 may procure goods and information services pursuant to title 41, chapter 23,
26 article 13 using the rules adopted by the department of administration in
27 implementing that article.

28 ~~4-~~ 5. The auditor general shall review the proposed rules to
29 determine whether the rules are consistent with the procurement practices
30 prescribed in title 41, chapter 23 and any modifications are required to
31 adapt the procedures for school districts.

32 ~~5-~~ 6. If the auditor general approves the proposed rules, the auditor
33 general shall notify the state board in writing and the state board shall
34 adopt such rules.

35 ~~6-~~ 7. If the auditor general objects to the proposed rules, the
36 auditor general shall notify the state board of the objections in writing and
37 the state board, in adopting the rules, shall conform the proposed rules to
38 meet the objections of the auditor general or revise the proposed rules to
39 which an objection has been made and submit the revisions to the auditor
40 general for approval.

41 B. After the bids submitted in response to an invitation for bids are
42 opened and the award is made or after the proposals or qualifications are
43 submitted in response to a request for proposals or a request for
44 qualifications and the award is made, the governing board shall make
45 available for public inspection all information, all bids, proposals and

1 qualifications submitted and all findings and other information considered in
2 determining whose bid conforms to the invitation for bids and will be the
3 most advantageous with respect to price, conformity to the specifications and
4 other factors or whose proposal or qualifications are to be selected for the
5 award. The invitation for bids, request for proposals or request for
6 qualifications shall include a notice that all information and bids,
7 proposals and qualifications submitted will be made available for public
8 inspection. The rules adopted by the state board shall prohibit the use in
9 connection with procurement of specifications in any way proprietary to one
10 supplier unless the specification includes all of the following:

11 1. A statement of the reasons why no other specification is
12 practicable.

13 2. A description of the essential characteristics of the specified
14 product.

15 3. A statement specifically permitting an acceptable alternative
16 product to be supplied.

17 C. No project or purchase may be divided or sequenced into separate
18 projects or purchases in order to avoid the limits prescribed by the state
19 board under subsection A of this section.

20 D. A contract for the procurement of construction or construction
21 services shall include a provision which provides for negotiations between
22 the school district and the contractor for the recovery of damages related to
23 expenses incurred by the contractor for a delay for which the school district
24 is responsible, which is unreasonable under the circumstances and which was
25 not within the contemplation of the parties to the contract. This subsection
26 shall not be construed to void any provision in the contract which requires
27 notice of delays, provides for arbitration or other procedure for settlement
28 or provides for liquidated damages.

29 E. The auditor general may conduct discretionary reviews,
30 investigations and audits of the financial and operational procurement
31 activities of school districts, nonexempt charter schools and school
32 purchasing cooperatives. The auditor general has final review and approval
33 authority over all school district, nonexempt charter school and school
34 purchasing cooperative audit contracts and any audit reports issued in
35 accordance with this section.

36 F. In addition to the requirements of sections 15-914 and 15-914.01,
37 school districts, nonexempt charter schools and school purchasing
38 cooperatives, in connection with any audit conducted by a certified public
39 accountant, shall contract for a systematic review of purchasing practices
40 using methodology consistent with sampling guidelines established by the
41 auditor general. The auditor general shall consider cost when establishing
42 guidelines pursuant to this subsection and to the extent possible shall
43 attempt to minimize the cost of the review. The purpose of the review is to
44 determine whether the school district, nonexempt charter school or school
45 purchasing cooperative is in compliance with the procurement laws and

1 applicable procurement rules of this state. A copy of the review shall be
2 submitted upon completion to the auditor general. The auditor general may
3 conduct discretionary reviews of school districts, nonexempt charter schools
4 and school purchasing cooperatives not required to contract for independent
5 audits.

6 G. The attorney general or county attorney has jurisdiction to enforce
7 this section. The attorney general or county attorney may seek relief for
8 any violation of this section through an appropriate civil or criminal action
9 in superior court including an action to enjoin a threatened or pending
10 violation of this section and including an action to enforce compliance with
11 any request for documents made by the auditor general pursuant to this
12 section.

13 H. The department of education shall enact policies and procedures for
14 the acceptance and disposition of complaints from the public regarding school
15 procurement practices and shall forward all school procurement complaints to
16 the attorney general.

17 I. The state board of education shall adopt, and the auditor general
18 shall review, rules authorizing school districts to procure construction
19 services by construction-manager-at-risk, design-build, qualified select
20 bidders list and job-order-contracting methods of project delivery. The
21 rules adopted shall require each school district that uses
22 construction-manager-at-risk, design-build, qualified select bidders list or
23 job-order-contracting to procure construction services to submit, on or
24 before January 15 of each year, a report to the secretary of state on the
25 benefits associated with the use of such procurement methods. The report
26 shall include the number of projects completed in the preceding calendar year
27 using that procurement method, the cost and description of each project and
28 an estimate of any cost savings or other benefits realized through the use of
29 that procurement method.

30 J. A school district or charter school may evaluate United States
31 general services administration contracts for materials and services. The
32 governing board or governing body may authorize purchases under a current
33 contract for materials or services without complying with the requirements of
34 the procurement rules adopted by the state board of education if the
35 governing board or governing body determines in writing that all of the
36 following apply:

37 1. The price for materials or services is equal to or less than the
38 contractor's current federal supply contract price with the general services
39 administration.

40 2. The contractor has indicated in writing that the contractor is
41 willing to extend the current federal supply contract pricing, terms and
42 conditions to the school district or charter school.

43 3. The purchase order adequately identifies the federal supply
44 contract on which the order is based.

1 4. The purchase contract is cost effective and is in the best
2 interests of the school district or charter school.

3 K. For the purposes of this section:

4 1. "Nonexempt charter school" means a charter school that is not
5 exempted from procurement laws pursuant to section 15-183, subsection E,
6 paragraph 6.

7 2. "School purchasing cooperative" means an entity engaged in
8 cooperative purchasing as defined in section 41-2631.

9 3. "Total cost" means the cost of all materials and services,
10 including the cost of labor performed by employees of the school district,
11 for all construction as provided in subsection A of this section.

12 Sec. 5. Section 15-213.01, Arizona Revised Statutes, is amended to
13 read:

14 15-213.01. Procurement practices; guaranteed energy cost
15 savings contracts; definitions

16 A. Notwithstanding section 15-213, subsection A, a school district may
17 contract for the procurement of a guaranteed energy cost savings contract
18 with a qualified provider through a competitive sealed proposal process as
19 provided by the procurement practices adopted by the state board of
20 education. To the extent the qualified provider subcontracts with
21 contractors who will be involved in any construction associated with the
22 guaranteed energy cost savings contract, the qualified provider must follow
23 ~~the provisions of~~ section 41-2533 in selecting these contractors.

24 B. A school district may enter into a guaranteed energy cost savings
25 contract with a qualified provider if it determines that the amount it would
26 spend on the energy cost savings measures recommended in the proposal would
27 not exceed the amount to be saved in energy and operational costs over the
28 expected life of the energy cost savings measures implemented or within
29 twenty-five years, whichever is shorter, after the date installation or
30 implementation is complete, if the recommendations in the proposal are
31 followed. **THE SCHOOL DISTRICT SHALL RETAIN THE SAVINGS ACHIEVED BY A**
32 **GUARANTEED ENERGY COST SAVING CONTRACT AND THESE SAVINGS MAY BE USED TO PAY**
33 **FOR THE PROJECT IMPLEMENTATION.**

34 C. The school district shall use objective criteria in selecting the
35 qualified provider, including the ~~cost of the contract, the energy and~~
36 ~~operational cost savings, the net projected energy savings, the quality of~~
37 ~~the technical approach, the quality of the project management plan, the~~
38 financial solvency of the qualified provider and the experience of the
39 qualified provider with projects of similar size and scope. The school
40 district shall set forth each criterion with its respective numerical
41 weighting in the request for proposal.

42 D. In selecting a contractor to perform any construction work related
43 to performing the guaranteed energy cost savings contract, the qualified
44 provider may develop and use a prequalification process for contractors
45 wishing to bid on this work. These prequalifications may require the

1 contractor to demonstrate that the contractor is adequately bonded to perform
2 the work and that the contractor has not failed to perform on a prior job.
3 The qualified provider may use performance specifications in soliciting bids
4 from contractors.

5 E. ~~An in-depth feasibility~~ A study shall be performed by the selected
6 qualified provider in order to establish the exact scope of the guaranteed
7 energy cost savings contract, the fixed cost savings guarantee amount and the
8 methodology for determining actual savings. This report shall be reviewed
9 and approved by the school district prior to the actual installation of any
10 equipment. The qualified provider shall transmit a copy of the approved
11 in-depth feasibility study to the superintendent of public instruction AND
12 THE DEPARTMENT OF COMMERCE ENERGY OFFICE.

13 F. The guaranteed energy savings contract shall require that a
14 ~~qualified provider perform an energy audit of the facility or facilities one~~
15 ~~year after the energy cost savings measures are installed or implemented and~~
16 ~~every three years thereafter for the length of the contract. The qualified~~
17 ~~provider shall transmit a copy of the audit to the superintendent of public~~
18 ~~instruction. The qualified provider shall pay the cost of the audit.~~ in
19 determining whether the projected energy savings calculations have been met,
20 the energy or operational cost savings shall be computed by comparing the
21 energy baseline before installation or implementation of the energy cost
22 savings measures with the energy consumed and operational costs avoided after
23 installation or implementation of the energy cost savings measures. The
24 qualified provider and the school district may agree to make modifications to
25 the energy baseline only for any of the following:

- 26 1. Changes in utility rates.
- 27 2. Changes in the number of days in the utility billing cycle.
- 28 3. Changes in the square footage of the facility.
- 29 4. Changes in the operational schedule of the facility.
- 30 5. Changes in facility temperature.
- 31 6. Significant changes in the weather.
- 32 7. Significant changes in the amount of equipment or lighting utilized
33 in the facility.

34 G. The information to develop the energy baseline shall be derived
35 from actual energy measurements or shall be calculated from energy
36 measurements at the facility where energy cost savings measures are to be
37 installed or implemented. The measurements shall be taken in the year
38 preceding the installation or implementation of energy cost savings measures.

39 H. When submitting a proposal for the installation of equipment, the
40 qualified provider shall include information on the projected energy savings
41 associated with each proposed energy cost savings measure.

42 I. A school district, or two or more school districts, may enter into
43 an installment payment contract or lease-purchase agreement with a qualified
44 provider for the purchase and installation or implementation of energy cost
45 savings measures. The guaranteed energy cost savings contract may provide

1 for payments over a period of not more than the expected life of the energy
2 cost savings measures implemented or twenty-five years, whichever is shorter.
3 The contract shall provide that all payments, except obligations on
4 termination of the contract before its expiration, shall be made over time.

5 J. The guaranteed energy cost savings contract shall include a written
6 guarantee of the qualified provider that either the energy or operational
7 costs savings, or both, will meet or exceed the costs of the energy cost
8 savings measures over the expected life of the energy cost savings measures
9 implemented or within twenty-five years, whichever is shorter. The qualified
10 provider shall:

11 1. PREPARE A MEASUREMENT AND VERIFICATION REPORT ON AN ANNUAL BASIS IN
12 ADDITION TO AN ANNUAL RECONCILIATION OF SAVINGS.

13 2. Reimburse the school district for any shortfall of guaranteed
14 energy cost savings on an annual basis.

15 K. The school district may obtain any required financing as part of
16 the original competitive sealed proposal process FROM THE QUALIFIED PROVIDER
17 OR A THIRD-PARTY FINANCING INSTITUTION.

18 L. A qualified provider that is awarded the contract shall give a
19 sufficient bond to the school district for its faithful performance of the
20 equipment installment.

21 M. When selecting subcontractors to perform construction work, the
22 qualified provider is required to make public information in the
23 subcontractor's bids only if the qualified provider is awarded the guaranteed
24 energy savings contract by the school district.

25 N. FOR ALL PROJECTS CARRIED OUT UNDER THIS SECTION, THE DISTRICT SHALL
26 REPORT TO THE DEPARTMENT OF COMMERCE ENERGY OFFICE:

27 1. THE NAME OF THE PROJECT.

28 2. THE QUALIFIED PROVIDER.

29 3. THE TOTAL COST OF THE PROJECT.

30 4. THE EXPECTED ENERGY AND COST SAVINGS.

31 ~~N~~ O. This section does not apply to the construction of new
32 buildings.

33 ~~O~~ P. For the purposes of this section:

34 1. "Construction" means the process of building, altering, repairing,
35 improving or demolishing any school district structure or building, or other
36 public improvements of any kind to any school district real property.
37 Construction does not include the routine operation, routine repair or
38 routine maintenance of existing structures, buildings or real property.

39 2. "Energy baseline" means a calculation of the amount of energy used
40 in an existing facility before the installation or implementation of the
41 energy cost savings measures.

42 3. "Energy cost savings measure" means a training program or facility
43 alteration designed to reduce energy consumption or operating costs and may
44 include one or more of the following:

- 1 (a) Insulating the building structure or systems in the building.
2 (b) Storm windows or doors, caulking or weather stripping,
3 multi-glazed windows or door systems, additional glazing, reductions in glass
4 area, or other window and door system modifications that reduce energy
5 consumption.
6 (c) Automated or computerized energy control systems.
7 (d) Heating, ventilating or air conditioning system modifications or
8 replacements.
9 (e) Replacing or modifying lighting fixtures to increase the energy
10 efficiency of the lighting system without increasing the overall illumination
11 of a facility unless an increase in illumination is necessary to conform to
12 the applicable state or local building code for the lighting system after the
13 proposed modifications are made.
14 (f) Indoor air quality improvements to increase air quality that
15 conform to the applicable state or local building code requirements.
16 (g) Energy recovery systems.
17 (h) Installing a new or retrofitting an existing day lighting system.
18 (i) Any life safety measures that provide long-term operating cost
19 reductions and that comply with state and local codes.
20 (j) Implementing operation programs through education, training and
21 software that reduce the operating costs.
22 (k) PROCUREMENT OF LOW-COST UTILITY SUPPLIES OF ALL TYPES, INCLUDING
23 ELECTRICITY, NATURAL GAS, PROPANE AND WATER.
24 (l) DEVICES THAT REDUCE WATER CONSUMPTION AND WATER COSTS OR THAT
25 REDUCE SEWER CHARGES.
26 (m) RAINWATER HARVESTING SYSTEMS.
27 (n) COMBINED HEAT AND POWER SYSTEMS.
28 (o) RENEWABLE AND ALTERNATIVE ENERGY PROJECTS AND RENEWABLE ENERGY
29 POWER PURCHASE CONTRACTS.
30 (p) SELF-GENERATION SYSTEMS.
31 (q) ANY ADDITIONAL BUILDING SYSTEMS AND INFRASTRUCTURE THAT PRODUCE
32 ENERGY, OR THAT PROVIDE UTILITY OR OPERATIONAL COST SAVINGS NOT SPECIFICALLY
33 MENTIONED IN THIS PARAGRAPH, IF THE IMPROVEMENTS MEET THE LIFE CYCLE COST
34 REQUIREMENT AND ENHANCE BUILDING SYSTEM PERFORMANCE OR OCCUPANT COMFORT AND
35 SAFETY.
36 4. "Guaranteed energy cost savings contract" means a contract for
37 implementing one or more energy cost savings measures.
38 5. "LIFE CYCLE COST" MEANS THE SUM OF PRESENT VALUES OF INVESTMENT
39 COSTS, CAPITAL COSTS, INSTALLATION COSTS, ENERGY COSTS, OPERATING COSTS,
40 MAINTENANCE COSTS AND DISPOSAL COSTS OVER THE LIFE OF THE PROJECT, PRODUCT OR
41 MEASURE AS PROVIDED BY FEDERAL LIFE CYCLE COST RULES, REGULATIONS AND
42 CRITERIA CONTAINED IN THE UNITED STATES DEPARTMENT OF ENERGY FEDERAL ENERGY
43 MANAGEMENT PROGRAM "GUIDANCE ON LIFE-CYCLE COST ANALYSIS" REQUIRED BY
44 EXECUTIVE ORDER 13122, APRIL 2005.

1 ~~5-~~ 6. "Operational savings" means reductions in actual budget line
2 items currently being expended or savings realized from the implementation or
3 installation of energy cost savings measures.

4 ~~6-~~ 7. "Qualified provider" means a person or a business experienced
5 in designing, implementing or installing energy cost savings measures.

6 Sec. 6. Section 15-342, Arizona Revised Statutes, is amended to read:
7 15-342. Discretionary powers

8 The governing board may:

9 1. Expel pupils for misconduct.

10 2. Exclude from grades one through eight children under six years of
11 age.

12 3. Make such separation of groups of pupils as it deems advisable.

13 4. Maintain such special schools during vacation as deemed necessary
14 for the benefit of the pupils of the school district.

15 5. Permit a superintendent or principal or representatives of the
16 superintendent or principal to travel for a school purpose, as determined by
17 a majority vote of the board. The board may permit members and members-elect
18 of the board to travel within or without the school district for a school
19 purpose and receive reimbursement. Any expenditure for travel and
20 subsistence pursuant to this paragraph shall be as provided in title 38,
21 chapter 4, article 2. The designated post of duty referred to in section
22 38-621 shall be construed, for school district governing board members, to be
23 the member's actual place of residence, as opposed to the school district
24 office or the school district boundaries. Such expenditures shall be a
25 charge against the budgeted school district funds. The governing board of a
26 school district shall prescribe procedures and amounts for reimbursement of
27 lodging and subsistence expenses. Reimbursement amounts shall not exceed the
28 maximum amounts established pursuant to section 38-624, subsection C.

29 6. Construct or provide in rural districts housing facilities for
30 teachers and other school employees which the board determines are necessary
31 for the operation of the school.

32 7. Sell or lease to the state, a county, a city or a tribal government
33 agency, any school property required for a public purpose, provided the sale
34 or lease of the property will not affect the normal operations of a school
35 within the school district.

36 8. Annually budget and expend funds for membership in an association
37 of school districts within this state.

38 9. Enter into leases or lease-purchase agreements for school buildings
39 or grounds, or both, as lessor or as lessee, for periods of less than five
40 years subject to voter approval for construction of school buildings as
41 prescribed in section 15-341, subsection A, paragraph 8.

42 10. Subject to chapter 16 of this title, sell school sites or enter
43 into leases or lease-purchase agreements for school buildings and grounds, as
44 lessor or as lessee, for a period of five years or more, but not to exceed
45 ninety-nine years, if authorized by a vote of the school district electors in

1 an election called by the governing board as provided in section 15-491,
2 except that authorization by the school district electors in an election is
3 not required if one of the following requirements is met:

4 (a) The market value of the school property is less than fifty
5 thousand dollars OR THE PROPERTY IS PROCURED THROUGH AN ENERGY PERFORMANCE
6 CONTRACT OR RENEWABLE ENERGY POWER PURCHASE CONTRACT PURSUANT TO SECTION
7 15-213 OR 15-213.01.

8 (b) The buildings and sites are completely funded with monies
9 distributed by the school facilities board.

10 (c) The transaction involves the sale of improved or unimproved
11 property pursuant to an agreement with the school facilities board in which
12 the school district agrees to sell the improved or unimproved property and
13 transfer the proceeds of the sale to the school facilities board in exchange
14 for monies from the school facilities board for the acquisition of a more
15 suitable school site. For a sale of property acquired by a school district
16 prior to July 9, 1998, a school district shall transfer to the school
17 facilities board that portion of the proceeds that equals the cost of the
18 acquisition of a more suitable school site. If there are any remaining
19 proceeds after the transfer of monies to the school facilities board, a
20 school district shall only use those remaining proceeds for future land
21 purchases approved by the school facilities board, or for capital
22 improvements not funded by the school facilities board for any existing or
23 future facility.

24 (d) The transaction involves the sale of improved or unimproved
25 property pursuant to a formally adopted plan and the school district uses the
26 proceeds of this sale to purchase other property that will be used for
27 similar purposes as the property that was originally sold, provided that the
28 sale proceeds of the improved or unimproved property are used within two
29 years after the date of the original sale to purchase the replacement
30 property. If the sale proceeds of the improved or unimproved property are
31 not used within two years after the date of the original sale to purchase
32 replacement property, the sale proceeds shall be used towards payment of any
33 outstanding bonded indebtedness. If any sale proceeds remain after paying
34 for outstanding bonded indebtedness, or if the district has no outstanding
35 bonded indebtedness, sale proceeds shall be used to reduce the district's
36 primary tax levy. A school district shall not use ~~the provisions of~~ this
37 subdivision unless all of the following conditions exist:

38 (i) The school district is the sole owner of the improved or
39 unimproved property that the school district intends to sell.

40 (ii) The school district did not purchase the improved or unimproved
41 property that the school district intends to sell with monies that were
42 distributed pursuant to chapter 16 of this title.

43 (iii) The transaction does not violate section 15-341, subsection G.

44 11. Review the decision of a teacher to promote a pupil to a grade or
45 retain a pupil in a grade in a common school or to pass or fail a pupil in a

1 course in high school. The pupil has the burden of proof to overturn the
2 decision of a teacher to promote, retain, pass or fail the pupil. In order
3 to sustain the burden of proof, the pupil shall demonstrate to the governing
4 board that the pupil has mastered the academic standards adopted by the state
5 board of education pursuant to sections 15-701 and 15-701.01. If the
6 governing board overturns the decision of a teacher pursuant to this
7 paragraph, the governing board shall adopt a written finding that the pupil
8 has mastered the academic standards. Notwithstanding title 38, chapter 3,
9 article 3.1, the governing board shall review the decision of a teacher to
10 promote a pupil to a grade or retain a pupil in a grade in a common school or
11 to pass or fail a pupil in a course in high school in executive session
12 unless a parent or legal guardian of the pupil or the pupil, if emancipated,
13 disagrees that the review should be conducted in executive session and then
14 the review shall be conducted in an open meeting. If the review is conducted
15 in executive session, the board shall notify the teacher of the date, time
16 and place of the review and shall allow the teacher to be present at the
17 review. If the teacher is not present at the review, the board shall consult
18 with the teacher before making its decision. Any request, including the
19 written request as provided in section 15-341, the written evidence presented
20 at the review and the written record of the review, including the decision of
21 the governing board to accept or reject the teacher's decision, shall be
22 retained by the governing board as part of its permanent records.

23 12. Provide transportation or site transportation loading and unloading
24 areas for any child or children if deemed for the best interest of the
25 district, whether within or without the district, county or state.

26 13. Enter into intergovernmental agreements and contracts with school
27 districts or other governing bodies as provided in section 11-952.

28 14. Include in the curricula which it prescribes for high schools in
29 the school district career and technical education, vocational education and
30 technology education programs and career and technical, vocational and
31 technology program improvement services for the high schools, subject to
32 approval by the state board of education. The governing board may contract
33 for the provision of career and technical, vocational and technology
34 education as provided in section 15-789.

35 15. Suspend a teacher or administrator from the teacher's or
36 administrator's duties without pay for a period of time of not to exceed ten
37 school days, if the board determines that suspension is warranted pursuant to
38 section 15-341, subsection A, paragraphs 23 and 24.

39 16. Dedicate school property within an incorporated city or town to
40 such city or town or within a county to that county for use as a public
41 right-of-way if both of the following apply:

42 (a) Pursuant to an ordinance adopted by such city, town or county,
43 there will be conferred upon the school district privileges and benefits
44 which may include benefits related to zoning.

1 (b) The dedication will not affect the normal operation of any school
2 within the district.

3 17. Enter into option agreements for the purchase of school sites.

4 18. Donate surplus or outdated learning materials to nonprofit
5 community organizations where the governing board determines that the
6 anticipated cost of selling the learning materials equals or exceeds the
7 estimated market value of the materials.

8 19. Prescribe policies for the assessment of reasonable fees for
9 students to use district-provided parking facilities. The fees are to be
10 applied by the district solely against costs incurred in operating or
11 securing the parking facilities. Any policy adopted by the governing board
12 pursuant to this paragraph shall include a fee waiver provision in
13 appropriate cases of need or economic hardship.

14 20. Establish alternative educational programs that are consistent with
15 the laws of this state to educate pupils, including pupils who have been
16 reassigned pursuant to section 15-841, subsection E or F.

17 21. Require a period of silence to be observed at the commencement of
18 the first class of the day in the schools. If a governing board chooses to
19 require a period of silence to be observed, the teacher in charge of the room
20 in which the first class is held shall announce that a period of silence not
21 to exceed one minute in duration will be observed for meditation, and during
22 that time no activities shall take place and silence shall be maintained.

23 22. Require students to wear uniforms.

24 23. Exchange unimproved property or improved property, including school
25 sites, where the governing board determines that the improved property is
26 unnecessary for the continued operation of the school district without
27 requesting authorization by a vote of the school district electors if the
28 governing board determines that the exchange is necessary to protect the
29 health, safety or welfare of pupils or when the governing board determines
30 that the exchange is based on sound business principles for either:

31 (a) Unimproved or improved property of equal or greater value.

32 (b) Unimproved property that the owner contracts to improve if the
33 value of the property ultimately received by the school district is of equal
34 or greater value.

35 24. For common and high school pupils, assess reasonable fees for
36 optional extracurricular activities and programs conducted when the common or
37 high school is not in session, except that no fees shall be charged for
38 pupils' access to or use of computers or related materials. For high school
39 pupils, the governing board may assess reasonable fees for fine arts and
40 vocational education courses and for optional services, equipment and
41 materials offered to the pupils beyond those required to successfully
42 complete the basic requirements of any other course, except that no fees
43 shall be charged for pupils' access to or use of computers or related
44 materials. Fees assessed pursuant to this paragraph shall be adopted at a
45 public meeting after notice has been given to all parents of pupils enrolled

1 at schools in the district and shall not exceed the actual costs of the
2 activities, programs, services, equipment or materials. The governing board
3 shall authorize principals to waive the assessment of all or part of a fee
4 assessed pursuant to this paragraph if it creates an economic hardship for a
5 pupil. For the purposes of this paragraph, "extracurricular activity" means
6 any optional, noncredit, educational or recreational activity which
7 supplements the education program of the school, whether offered before,
8 during or after regular school hours.

9 25. Notwithstanding section 15-341, subsection A, paragraphs 8 and 10,
10 construct school buildings and purchase or lease school sites, without a vote
11 of the school district electors, if the buildings and sites are totally
12 funded from one or more of the following:

13 (a) Monies in the unrestricted capital outlay fund, except that the
14 estimated cost shall not exceed two hundred fifty thousand dollars for a
15 district that utilizes ~~the provisions of~~ section 15-949.

16 (b) Monies distributed from the school facilities board established by
17 section 15-2001.

18 (c) Monies specifically donated for the purpose of constructing school
19 buildings.

20 Nothing in this paragraph shall be construed to eliminate the requirement for
21 an election to raise revenues for a capital outlay override pursuant to
22 section 15-481 or a bond election pursuant to section 15-491.

23 26. Conduct a background investigation that includes a fingerprint
24 check conducted pursuant to section 41-1750, subsection G for certificated
25 personnel and personnel who are not paid employees of the school district, as
26 a condition of employment. A school district may release the results of a
27 background check to another school district for employment purposes. The
28 school district may charge the costs of fingerprint checks to its
29 fingerprinted employee, except that the school district may not charge the
30 costs of fingerprint checks for personnel who are not paid employees of the
31 school district.

32 27. Sell advertising space on the exterior of school buses as
33 follows:

34 (a) Advertisements shall be age appropriate and not contain promotion
35 of any substance that is illegal for minors such as alcohol, tobacco and
36 drugs or gambling. Advertisements shall comply with the state sex education
37 policy of abstinence.

38 (b) Advertising approved by the governing board may appear only on the
39 sides of the bus in the following areas:

40 (i) The signs shall be below the seat level rub rail and not extend
41 above the bottom of the side windows.

42 (ii) The signs shall be at least three inches from any required
43 lettering, lamp, wheel well or reflector behind the service door or stop
44 signal arm.

1 (iii) The signs shall not extend from the body of the bus so as to
2 allow a handhold or present a danger to pedestrians.

3 (iv) The signs shall not interfere with the operation of any door or
4 window.

5 (v) The signs shall not be placed on any emergency doors.

6 (c) Establish a school bus advertisement fund that is comprised of
7 revenues from the sale of advertising space on school buses. The monies in a
8 school bus advertisement fund are not subject to reversion and shall be used
9 for the following purposes:

10 (i) To comply with the energy conservation measures prescribed in
11 section 15-349 in school districts that are in area A as defined in section
12 49-541, and any remaining monies shall be used to purchase alternative fuel
13 support vehicles and any other pupil related costs as determined by the
14 governing board.

15 (ii) For any pupil related costs as determined by the governing board
16 in school districts not subject to ~~the provisions of~~ item (i) of this
17 subdivision.

18 28. Assess reasonable damage deposits to pupils in grades seven through
19 twelve for the use of textbooks, musical instruments, band uniforms or other
20 equipment required for academic courses. The governing board shall adopt
21 policies on any damage deposits assessed pursuant to this paragraph at a
22 public meeting called for this purpose after providing notice to all parents
23 of pupils in grades seven through twelve in the school district. Principals
24 of individual schools within the district may waive the damage deposit
25 requirement for any textbook or other item if the payment of the damage
26 deposit would create an economic hardship for the pupil. The school district
27 shall return the full amount of the damage deposit for any textbook or other
28 item if the pupil returns the textbook or other item in reasonably good
29 condition within the time period prescribed by the governing board. For the
30 purposes of this paragraph, "in reasonably good condition" means the textbook
31 or other item is in the same or a similar condition as it was when the pupil
32 received it, plus ordinary wear and tear.

33 29. Notwithstanding section 15-1105, expend surplus monies in the civic
34 center school fund for maintenance and operations or unrestricted capital
35 outlay, if sufficient monies are available in the fund after meeting the
36 needs of programs established pursuant to section 15-1105.

37 30. Notwithstanding section 15-1143, expend surplus monies in the
38 community school program fund for maintenance and operations or unrestricted
39 capital outlay, if sufficient monies are available in the fund after meeting
40 the needs of programs established pursuant to section 15-1142.

41 31. Adopt guidelines for standardization of the format of the school
42 report cards required by section 15-746 for schools within the district.

43 32. Adopt policies that require parental notification when a law
44 enforcement officer interviews a pupil on school grounds. Policies adopted
45 pursuant to this paragraph shall not impede a peace officer from the

1 performance of the peace officer's duties. If the school district governing
2 board adopts a policy that requires parental notification:

3 (a) The policy may provide reasonable exceptions to the parental
4 notification requirement.

5 (b) The policy shall set forth whether and under what circumstances a
6 parent may be present when a law enforcement officer interviews the pupil,
7 including reasonable exceptions to the circumstances under which a parent may
8 be present when a law enforcement officer interviews the pupil, and shall
9 specify a reasonable maximum time after a parent is notified that an
10 interview of a pupil by a law enforcement officer may be delayed to allow the
11 parent to be present.

12 33. Enter into voluntary partnerships with any party to finance with
13 funds other than school district funds and cooperatively design school
14 facilities that comply with the adequacy standards prescribed in section
15 15-2011 and the square footage per pupil requirements pursuant to section
16 15-2041, subsection D, paragraph 3, subdivision (b). The design plans and
17 location of any such school facility shall be submitted to the school
18 facilities board for approval pursuant to section 15-2041, subsection 0. If
19 the school facilities board approves the design plans and location of any
20 such school facility, the party in partnership with the school district may
21 cause to be constructed and the district may begin operating the school
22 facility before monies are distributed from the school facilities board
23 pursuant to section 15-2041. Monies distributed from the new school
24 facilities fund to a school district in a partnership with another party to
25 finance and design the school facility shall be paid to the school district
26 pursuant to section 15-2041. The school district shall reimburse the party
27 in partnership with the school district from the monies paid to the school
28 district pursuant to section 15-2041, in accordance with the voluntary
29 partnership agreement. Before the school facilities board distributes any
30 monies pursuant to this subsection, the school district shall demonstrate to
31 the school facilities board that the facilities to be funded pursuant to
32 section 15-2041, subsection 0 meet the minimum adequacy standards prescribed
33 in section 15-2011. If the cost to construct the school facility exceeds the
34 amount that the school district receives from the new school facilities fund,
35 the partnership agreement between the school district and the other party
36 shall specify that, except as otherwise provided by the other party, any such
37 excess costs shall be the responsibility of the school district. The school
38 district governing board shall adopt a resolution in a public meeting that
39 analysis has been conducted on the prospective effects of the decision to
40 operate a new school with existing monies from the school district's
41 maintenance and operations budget and how this decision may affect other
42 schools in the school district. If a school district acquires land by
43 donation at an appropriate school site approved by the school facilities
44 board and a school facility is financed and built on the land pursuant to
45 this paragraph, the school facilities board shall distribute an amount equal

1 to twenty per cent of the fair market value of the land that can be used for
2 academic purposes. The school district shall place the monies in the
3 unrestricted capital outlay fund and increase the unrestricted capital budget
4 limit by the amount of the monies placed in the fund. Monies distributed
5 under this paragraph shall be distributed from the new school facilities fund
6 pursuant to section 15-2041. If a school district acquires land by donation
7 at an appropriate school site approved by the school facilities board and a
8 school facility is financed and built on the land pursuant to this paragraph,
9 the school district shall not receive monies from the school facilities board
10 for the donation of real property pursuant to section 15-2041, subsection F.
11 It is unlawful for:

12 (a) A county, city or town to require as a condition of any land use
13 approval that a landowner or landowners that entered into a partnership
14 pursuant to this paragraph provide any contribution, donation or gift, other
15 than a site donation, to a school district. This subdivision only applies to
16 the property in the voluntary partnership agreement pursuant to this
17 paragraph.

18 (b) A county, city or town to require as a condition of any land use
19 approval that the landowner or landowners located within the geographic
20 boundaries of the school subject to the voluntary partnership pursuant to
21 this paragraph provide any donation or gift to the school district except as
22 provided in the voluntary partnership agreement pursuant to this paragraph.

23 (c) A community facilities district established pursuant to title 48,
24 chapter 4, article 6 to be used for reimbursement of financing the
25 construction of a school pursuant to this paragraph.

26 (d) ~~For~~ A school district to enter into an agreement pursuant to this
27 paragraph with any party other than a master planned community party. Any
28 land area consisting of at least three hundred twenty acres that is the
29 subject of a development agreement with a county, city or town entered into
30 pursuant to section 9-500.05 or 11-1101 shall be deemed to be a master
31 planned community. For the purposes of this subdivision, "master planned
32 community" means a land area consisting of at least three hundred twenty
33 acres, which may be noncontiguous, that is the subject of a zoning ordinance
34 approved by the governing body of the county, city or town in which the land
35 is located that establishes the use of the land area as a planned area
36 development or district, planned community development or district, planned
37 unit development or district or other land use category or district that is
38 recognized in the local ordinance of such county, city or town and that
39 specifies the use of such land is for a master planned development.

40 Sec. 7. Section 15-349, Arizona Revised Statutes, is amended to read:
41 15-349. Operation of motor vehicle fleet; options to
42 conventional fuels

43 A. The governing board of a school district with an average daily
44 membership as defined in section 15-901 of more than three thousand that is
45 located within or that has bus routes running within area A as defined in

1 section 49-541 shall develop and implement, subject to the availability of a
2 state air quality funding source, a vehicle fleet plan for vehicles with a
3 gross vehicle weight rating of at least seventeen thousand five hundred
4 pounds for the purpose of encouraging the use of fuels listed pursuant to
5 this subsection in school district owned vehicles. The plan shall provide
6 for at least fifty per cent of the fleet with a gross vehicle weight rating
7 of at least seventeen thousand five hundred pounds to operate on any of the
8 following by December 31, 2004, and each year thereafter:

9 1. Alternative fuels or clean burning fuels as defined in section
10 1-215.

11 2. Ultra low sulfur diesel fuel as defined in section 49-558.01 that
12 is used in an engine with an emission control device.

13 3. Vehicles powered by an engine that meets or exceeds an emission
14 standard for diesel particulate matter of 0.05 grams per brake horsepower
15 hour.

16 B. Engine retrofits or conversions meet the requirements of subsection
17 A of this section if they have been approved for use by any one of the
18 following:

19 1. The United States environmental protection agency voluntary
20 retrofit program.

21 2. The United States environmental protection agency verification
22 protocol for retrofit catalyst particulate filter and engine modification
23 control technologies for highway and nonroad use diesel engines.

24 3. The California air resources board diesel emission control strategy
25 verification procedure.

26 4. Sections 43100 and 43102 of the health and safety code of the state
27 of California.

28 5. Actual emission testing performed on the vehicle.

29 C. This section does not preclude a school district from using any
30 local, federal or private funding sources that may be available in order to
31 comply with the requirements of this section.

32 D. If the requirements of subsection A of this section are met by the
33 use of clean burning fuel as defined in section 1-215, vehicle equivalents
34 under those requirements shall be calculated as follows:

35 1. One vehicle equivalent for every four hundred fifty gallons of neat
36 biodiesel or two thousand two hundred fifty gallons of a diesel fuel
37 substitute prescribed in section 1-215, paragraph 7, subdivision (b).

38 2. One vehicle equivalent for every five hundred thirty gallons of the
39 fuel prescribed in section 1-215, paragraph 7, subdivision (d).

40 E. THE OPERATOR OF EACH SCHOOL BUS USED FOR THE TRANSPORTATION OF
41 PUPILS WHO ATTEND SCHOOLS IN A SCHOOL DISTRICT OR WHO ATTEND A CHARTER SCHOOL
42 SHALL COMPLY WITH ALL OF THE FOLLOWING REQUIREMENTS:

43 1. IMMEDIATELY TURN OFF THE ENGINE OF THE SCHOOL BUS WHEN THE SCHOOL
44 BUS ARRIVES AT A SAFE STATIONARY POSITION AT THE SCHOOL SITE.

1 2. NOT START THE ENGINE OF A STATIONARY SCHOOL BUS MORE THAN THIRTY
2 SECONDS BEFORE THE DEPARTURE OF THE SCHOOL BUS FROM THE SCHOOL SITE.

3 3. UNLESS THE ENGINE IS OPERATING FOR HEALTH, MAINTENANCE OR SAFETY
4 PURPOSES, TURN OFF THE ENGINE OF THE SCHOOL BUS WHEN THE SCHOOL BUS IS
5 STATIONARY FOR MORE THAN FIVE MINUTES ON PROPERTY OTHER THAN THE SCHOOL SITE.

6 Sec. 8. Title 15, chapter 9, article 1, Arizona Revised Statutes, is
7 amended by adding section 15-910.02, to read:

8 15-910.02. Energy and water savings accounts

9 A. EACH SCHOOL DISTRICT AND CHARTER SCHOOL MAY ESTABLISH AN ENERGY AND
10 WATER SAVINGS ACCOUNT THAT CONSISTS OF A DESIGNATED POOL OF CAPITAL
11 INVESTMENT MONIES TO FUND ENERGY OR WATER SAVING PROJECTS IN SCHOOL
12 FACILITIES. A SCHOOL DISTRICT OR CHARTER SCHOOL MAY DEPOSIT IN THE ACCOUNT
13 MONIES FROM ONE OR MORE COMPANIES THAT PROVIDE UTILITY, ENERGY OR WATER
14 SERVICES TO THE SCHOOL DISTRICT OR CHARTER SCHOOL PURSUANT TO CONTRACTS THAT
15 ARE EXECUTED BETWEEN THE COMPANIES AND THE SCHOOL DISTRICT OR CHARTER SCHOOL
16 AND THAT ARE DESIGNED TO SAVE ENERGY OR WATER IN SCHOOL FACILITIES.

17 B. THE AUDITOR GENERAL AND THE DEPARTMENT OF EDUCATION SHALL PRESCRIBE
18 THE APPROPRIATE DESIGNATION OF THE ENERGY AND WATER SAVINGS ACCOUNTS IN THE
19 UNIFORM SYSTEM OF FINANCIAL RECORDS AND SHALL PRESCRIBE REPORTING
20 REQUIREMENTS ON THE APPROPRIATE BUDGET FORMS AND ANNUAL FINANCIAL REPORT
21 FORMS.

22 C. MONIES DEPOSITED IN AN ENERGY AND WATER SAVINGS ACCOUNT SHALL BE
23 USED AS A DESIGNATED POOL OF CAPITAL INVESTMENT MONIES TO PAY FOR THE
24 INCREMENTAL COST OF ENERGY OR WATER SAVINGS MEASURES IN SCHOOL FACILITIES
25 THAT ARE OWNED OR OPERATED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL. ANY
26 CONTRACT ENTERED INTO PURSUANT TO THIS SECTION SHALL CONTAIN AN AGREEMENT
27 BETWEEN THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER SERVICES COMPANY
28 AND THE SCHOOL DISTRICT OR CHARTER SCHOOL THAT EACH PARTY HAS PERFORMED A
29 REASONABLE INVESTIGATION TO DETERMINE THAT THE MEASURES CONTEMPLATED BY THE
30 CONTRACT WILL RESULT IN STATED ENERGY OR WATER SAVINGS. CONTRACT TERMS MAY
31 EXTEND THE PERIOD OF THE CAPITAL INVESTMENT REPAYMENT SCHEDULE PRESCRIBED IN
32 SUBSECTION G OF THIS SECTION UP TO THE EXPECTED LIFE OF THE ENERGY OR WATER
33 SAVINGS MEASURES, OR TWENTY-FIVE YEARS, WHICHEVER IS SHORTER.

34 D. EXPENDITURES FROM AN ENERGY AND WATER SAVINGS ACCOUNT SHALL BE USED
35 ONLY FOR THE FOLLOWING:

36 1. PROJECTS OR MEASURES PURSUANT TO A CONTRACT PURSUANT TO THIS
37 SECTION THAT SAVE ENERGY OR WATER IN SCHOOL FACILITIES THAT ARE OWNED OR
38 OPERATED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL. MONIES MAY BE USED
39 PURSUANT TO THIS PARAGRAPH TO PROVIDE TECHNICAL ASSISTANCE REGARDING ENERGY
40 OR WATER SAVINGS TO SCHOOL DISTRICTS AND CHARTER SCHOOLS BY A QUALIFIED
41 PROVIDER OR A UTILITY, ENERGY OR WATER SERVICES COMPANY.

42 2. THE REPAYMENT TO THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER
43 SERVICES COMPANY OF CAPITAL INVESTMENT MONIES DEPOSITED IN THE ACCOUNT PLUS
44 REASONABLE CARRYING CHARGES PURSUANT TO THE TERMS OF THE CONTRACT.

1 E. SCHOOL DISTRICTS AND CHARTER SCHOOLS SHALL PROCURE ENERGY OR WATER
2 SAVINGS MEASURES OR SERVICES WITH MONIES DISTRIBUTED FROM THE ENERGY AND
3 WATER SAVINGS ACCOUNTS.

4 F. BEFORE THE IMPLEMENTATION OF THE ENERGY OR WATER SAVINGS MEASURES
5 OR SERVICES, THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER SERVICES
6 COMPANY SHALL COMPUTE AND THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL REVIEW
7 AND APPROVE THE ESTIMATED AMOUNT OF THE ENERGY OR WATER SAVINGS AND THE
8 ASSOCIATED IMPACT ON ENERGY OR WATER COSTS TO BE ACHIEVED BY THE SCHOOL
9 DISTRICT OR CHARTER SCHOOL ON AN ANNUAL AND MONTHLY BASIS OVER THE EXPECTED
10 LIFE OF THE MEASURES, AND SHALL INCLUDE THESE ESTIMATES IN THE CONTRACT. THE
11 QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER SERVICES COMPANY AND THE
12 SCHOOL DISTRICT OR CHARTER SCHOOL SHALL UPDATE THE ANNUAL AND MONTHLY ENERGY
13 OR WATER SAVINGS AND ASSOCIATED COST IMPACT ESTIMATES ANNUALLY BASED ON
14 ACTUAL EXPERIENCE.

15 G. BEFORE THE IMPLEMENTATION OF THE ENERGY OR WATER SAVINGS MEASURES
16 OR SERVICES, THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER SERVICES
17 COMPANY AND THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL JOINTLY DEVELOP A
18 SCHEDULE OF MONTHLY PAYMENTS FOR REPAYMENT OF THE CAPITAL INVESTMENT MONIES
19 TO THE UTILITY, ENERGY OR WATER SERVICES COMPANY. THE REPAYMENT SCHEDULE
20 SHALL RESULT IN LOWER ENERGY OR WATER COSTS FOR THE SCHOOL DISTRICT OR
21 CHARTER SCHOOL OVER THE LIFE OF THE INSTALLED MEASURES THAN THE SCHOOL
22 DISTRICT OR CHARTER SCHOOL WOULD HAVE EXPERIENCED WITHOUT THE INSTALLATION OF
23 THE MEASURES. THE REPAYMENT SCHEDULE SHALL BE INCLUDED IN THE CONTRACT.

24 H. THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL TRANSFER ON A MONTHLY
25 BASIS THE AMOUNT OF THE MONTHLY PAYMENT PRESCRIBED IN SUBSECTION G OF THIS
26 SECTION TO THE ENERGY AND WATER SAVINGS ACCOUNT FROM THE MAINTENANCE AND
27 OPERATION PORTION OF THE SCHOOL DISTRICT'S OR CHARTER SCHOOL'S BUDGET TO
28 REPAY ANY UNPAID BALANCE OF THE CAPITAL INVESTMENT PREVIOUSLY DEPOSITED IN
29 THE ENERGY AND WATER SAVINGS ACCOUNT FROM THE QUALIFIED PROVIDER OR UTILITY,
30 ENERGY OR WATER SERVICES COMPANY PLUS A REASONABLE CARRYING CHARGE. FOR THE
31 PERIOD OF TIME THAT THE COMPANY'S CAPITAL INVESTMENT MONIES AND REASONABLE
32 CARRYING CHARGE REMAIN UNPAID, THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR
33 WATER SERVICES COMPANY SHALL PROVIDE A SEPARATE BILLING OR BILLING COMPONENT
34 TO REPAY THE CAPITAL INVESTMENT ON A MONTHLY BASIS, PURSUANT TO THE REPAYMENT
35 SCHEDULE PRESCRIBED IN SUBSECTION G OF THIS SECTION, WHICH SHALL BE PAID BY
36 THE SCHOOL DISTRICT OR CHARTER SCHOOL FROM THE ENERGY AND WATER SAVINGS
37 ACCOUNT.

38 I. AFTER THE BALANCE OF THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR
39 WATER SERVICES COMPANY'S CAPITAL INVESTMENT MONIES DEPOSITED IN THE ENERGY
40 AND WATER SAVINGS ACCOUNT PLUS A REASONABLE CARRYING CHARGE ARE REPAYED IN
41 FULL BY THE SCHOOL DISTRICT OR CHARTER SCHOOL, THE SCHOOL DISTRICT OR CHARTER
42 SCHOOL MAY DISCONTINUE THE DEPOSIT IN THE ENERGY AND WATER SAVINGS ACCOUNT OF
43 AMOUNTS THAT ARE PRESCRIBED IN SUBSECTION H OF THIS SECTION.

44 J. ANY MONIES ASSOCIATED WITH AN ENERGY OR WATER SAVINGS PROJECT
45 REMAINING IN THE ENERGY AND WATER SAVINGS ACCOUNT AFTER THE CAPITAL

1 INVESTMENT MONIES OF THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER
2 SERVICES COMPANY PLUS A REASONABLE CARRYING CHARGE ARE REPAID IN FULL MAY BE
3 TRANSFERRED TO THE MAINTENANCE AND OPERATION PORTION OF THE SCHOOL DISTRICT'S
4 OR CHARTER SCHOOL'S BUDGET, AND THE GENERAL BUDGET LIMIT MAY BE INCREASED BY
5 THE AMOUNT TRANSFERRED.

6 K. SCHOOL DISTRICTS OR CHARTER SCHOOLS MAY DEPOSIT REBATE OR GRANT
7 MONIES IN THE ENERGY AND WATER SAVINGS ACCOUNT TO ASSIST IN FUNDING ENERGY OR
8 WATER SAVINGS PROJECTS. SUCH REBATE OR GRANT MONIES SHALL BE USED TO REDUCE
9 THE TOTAL COST OF ENERGY OR WATER SAVINGS PROJECTS AND TO REDUCE THE AMOUNT
10 OF CAPITAL INVESTMENT MONIES RECEIVED FROM AND REPAID TO UTILITY, ENERGY OR
11 WATER SERVICES COMPANIES. SCHOOL DISTRICTS OR CHARTER SCHOOLS ARE NOT
12 REQUIRED TO REPAY THE REBATE OR GRANT MONIES IN THE MANNER DESCRIBED IN
13 SUBSECTION H OF THIS SECTION, PURSUANT TO THE AGREEMENTS WITH THE PROVIDERS
14 OF REBATE OR GRANT FUNDS.

15 L. SCHOOL DISTRICTS OR CHARTER SCHOOLS MAY DEPOSIT MONIES FROM OTHER
16 FUNDING SOURCES, INCLUDING FROM CLEAN RENEWABLE ENERGY BONDS, IN THE ENERGY
17 AND WATER SAVINGS ACCOUNT TO FUND ENERGY OR WATER SAVING PROJECTS IN SCHOOL
18 FACILITIES. SUCH MONIES SHALL BE REPAID IN A MANNER CONSISTENT WITH THIS
19 SECTION AND PURSUANT TO THE CONTRACT BETWEEN THE SCHOOL DISTRICT OR CHARTER
20 SCHOOL AND THE PROVIDER OF SUCH FUNDING.

21 M. THIS SECTION DOES NOT IMPOSE AN OBLIGATION ON ANY ENERGY UTILITY,
22 WATER UTILITY, PUBLIC SERVICE CORPORATION OR AGRICULTURAL IMPROVEMENT
23 DISTRICT TO INVEST MONIES OR CONTRACT WITH ANY SCHOOL DISTRICT OR CHARTER
24 SCHOOL.

25 Sec. 9. Title 30, Arizona Revised Statutes, is amended by adding
26 chapter 7, to read:

27 CHAPTER 7

28 ELECTRIC UTILITY RENEWABLE ENERGY STANDARDS

29 ARTICLE 1. GENERAL PROVISIONS

30 30-901. Renewable electricity energy standards; implementation
31 schedule, terms and conditions; report; definition

32 A. IT IS THE POLICY OF THIS STATE TO REDUCE GREENHOUSE GAS EMISSIONS
33 BY THE CONSERVATION OF ENERGY AND THE DEVELOPMENT OF SUSTAINABLE AND
34 NONGREENHOUSE GAS EMITTING ENERGY RESOURCES IN CONJUNCTION WITH MAINTAINING
35 RELIABLE AND LOW-COST ELECTRIC SERVICE TO ARIZONA UTILITY CUSTOMERS. THE
36 POLICY IS THAT BY 2025, AT LEAST FIFTEEN PER CENT OF THE ELECTRICITY
37 DELIVERED TO RETAIL UTILITY CUSTOMERS IN THIS STATE SHALL BE FROM RENEWABLE
38 SOURCES OF ENERGY.

39 B. FOR PUBLIC POWER ENTITIES SERVING AN ANNUAL RETAIL LOAD OF AT LEAST
40 SEVEN HUNDRED FIFTY THOUSAND MEGAWATT HOURS THE FOLLOWING RENEWABLE ENERGY
41 MINIMUM SUSTAINABLE PORTFOLIO STANDARDS APPLY:

42 1. A MINIMUM SUSTAINABLE PORTFOLIO STANDARD THAT INCLUDES A
43 REQUIREMENT THAT, BY 2025, FIFTEEN PER CENT OF THE ELECTRICITY DELIVERED TO
44 THEIR RETAIL CUSTOMERS IN THIS STATE SHALL BE FROM RENEWABLE SOURCES OF
45 ENERGY.

1 2. ADDITIONAL APPROPRIATE TOOLS TO FURTHER REDUCE CARBON EMISSIONS,
2 INCLUDING CONSUMER BASED INCENTIVES, SUCH AS ENERGY EFFICIENCY REBATES, NET
3 METERING, DEMAND RESPONSE PROGRAMS AND USAGE INFORMATION AND NET METERING FOR
4 CUSTOMER FACILITIES GENERATING BETWEEN FIVE HUNDRED WATTS AND ONE HUNDRED
5 KILOWATTS AND RESELLING EXCESS ELECTRICITY TO THE PUBLIC POWER ENTITY.

6 3. CUSTOMER INSTALLATION OF, AND INVESTMENT IN, ON-SITE RENEWABLE
7 ENERGY FACILITIES THAT OFFSET CONSUMPTION AND CAN GENERATE AND DELIVER
8 ELECTRICITY TO PUBLIC POWER ENTITY UTILITY DISTRIBUTION FACILITIES THROUGH
9 SUCH MEANS AS COST SHARING, NET METERING AND CONSUMER INFORMATION AND
10 DISTRIBUTED GENERATION REQUIREMENTS.

11 4. FOR A PUBLIC POWER ENTITY THAT FIRST SERVES AN ANNUAL RETAIL LOAD
12 OF AT LEAST SEVEN HUNDRED FIFTY THOUSAND MEGAWATT HOURS IN 2009 OR LATER,
13 THAT PUBLIC POWER ENTITY SHALL COMPLY WITH THIS SECTION NO LATER THAN FIFTEEN
14 YEARS AFTER THE YEAR IN WHICH THE ENTITY FIRST SERVES THE SEVEN HUNDRED FIFTY
15 THOUSAND MEGAWATT HOUR ANNUAL RETAIL LOAD.

16 C. THE GOVERNING BODY FOR EACH ELECTRICITY LOAD SERVING PUBLIC POWER
17 ENTITY PRESCRIBED BY SUBSECTION B SHALL REVIEW AND REPORT ANNUALLY TO THE
18 GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
19 REPRESENTATIVES ON:

20 1. THE PUBLIC POWER ENTITY'S SUSTAINABLE PORTFOLIO STANDARD INCLUDING
21 COSTS, ENVIRONMENTAL BENEFITS OF RELIANCE ON RENEWABLE ENERGY RESOURCES AND
22 THE UTILITY'S SYSTEM RELIABILITY AS A RESULT OF THE SUSTAINABLE ENERGY
23 RESOURCES.

24 2. THE EXTENT TO WHICH CONSUMER-BASED INCENTIVES ARE EFFECTIVE IN
25 REDUCING THE DEMAND ON A UTILITY TO GENERATE AND DELIVER ENERGY TO SERVE ITS
26 CUSTOMERS IN THIS STATE.

27 D. A COPY OF THE REPORT REQUIRED PURSUANT TO SUBSECTION C SHALL BE
28 PROVIDED TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE
29 LIBRARY, ARCHIVES AND PUBLIC RECORDS.

30 E. THE DETERMINATION OF IMPLEMENTATION SCHEDULES, TERMS AND CONDITIONS
31 BY THE GOVERNING BODY FOR EACH PUBLIC POWER ENTITY SHALL BE ACCORDING TO A
32 PUBLIC PROCESS INCLUDING AT LEAST ONE PUBLIC HEARING AND THE OPPORTUNITY FOR
33 PUBLIC COMMENT.

34 F. FOR THE PURPOSES OF THIS SECTION, "PUBLIC POWER ENTITY" MEANS ANY
35 MUNICIPAL CORPORATION, CITY, TOWN OR OTHER POLITICAL SUBDIVISION THAT IS
36 ORGANIZED UNDER LAW, THAT DISTRIBUTES OR OTHERWISE PROVIDES ELECTRICITY TO
37 RETAIL CUSTOMERS IN THIS STATE AND THAT IS NOT A PUBLIC SERVICE CORPORATION.

38 Sec. 10. Section 34-201, Arizona Revised Statutes, is amended to read:

39 34-201. Notice of intention to receive bids and enter contract;
40 procedure; doing work without advertising for bids;
41 county compliance

42 A. Except as provided in subsections B through G and L of this
43 section, every agent ~~shall~~, upon acceptance and approval of the working
44 drawings and specifications, SHALL publish a notice to contractors of
45 intention to receive bids and contract for the proposed work. This notice

1 shall be published by advertising in a newspaper of general circulation in
2 the county in which the agent is located for two consecutive publications if
3 it is a weekly newspaper or for two publications that are at least six but no
4 more than ten days apart if it is a daily newspaper. The notice shall state:

5 1. The nature of the work required, the type, purpose and location of
6 the proposed building, ~~and~~ and where the plans, specifications and full
7 information as to the proposed work may be obtained.

8 2. That contractors desiring to submit proposals may obtain copies of
9 full or partial sets of plans and specifications for estimate on request or
10 by appointment. The return of such plans and specifications shall be
11 guaranteed by a deposit of a designated amount which shall be refunded on
12 return of the plans and specifications in good order.

13 3. That every proposal shall be accompanied by a certified check,
14 cashier's check or surety bond for ten per cent of the amount of the bid
15 included in the proposal as a guarantee that the contractor will enter into a
16 contract to perform the proposal in accordance with the plans and
17 specifications. Notwithstanding ~~the provisions of~~ any other statute, the
18 surety bond shall be executed solely by a surety company or companies holding
19 a certificate of authority to transact surety business in this state issued
20 by the director of the department of insurance pursuant to title 20, chapter
21 2, article 1. The surety bond shall not be executed by an individual surety
22 or sureties, even if the requirements of section 7-101 are satisfied. The
23 certified check, cashier's check or surety bond shall be returned to the
24 contractors whose proposals are not accepted, and to the successful
25 contractor upon the execution of a satisfactory bond and contract as provided
26 in this article. The conditions and provisions of the surety bid bond
27 regarding the surety's obligations shall follow the following form:

28 Now, therefore, if the obligee accepts the proposal of the
29 principal and the principal enters into a contract with the
30 obligee in accordance with the terms of the proposal and gives
31 the bonds and certificates of insurance as specified in the
32 standard specifications with good and sufficient surety for the
33 faithful performance of the contract and for the prompt payment
34 of labor and materials furnished in the prosecution of the
35 contract, or in the event of the failure of the principal to
36 enter into the contract and give the bonds and certificates of
37 insurance, if the principal pays to the obligee the difference
38 not to exceed the penalty of the bond between the amount
39 specified in the proposal and such larger amount for which the
40 obligee may in good faith contract with another party to perform
41 the work covered by the proposal then this obligation is void.
42 Otherwise it remains in full force and effect provided, however,
43 that this bond is executed pursuant to the provisions of section
44 34-201, Arizona Revised Statutes, and all liabilities on this
45 bond shall be determined in accordance with the provisions of

1 the section to the extent as if it were copied at length herein.

2 4. That the right is reserved to reject any or all proposals or to
3 withhold the award for any reason the agent determines.

4 B. If the agent believes that any construction, building addition or
5 alteration contemplated at a public institution can be advantageously done by
6 the inmates of the public institution and regularly employed help, the agent
7 may cause the work to be done without advertising for bids.

8 C. Any building, structure, addition or alteration may be constructed
9 either with or without the use of the agent's regularly employed personnel
10 without advertising for bids provided that the total cost of the work,
11 excluding materials and equipment previously acquired by bid, does not
12 exceed:

13 1. In fiscal year 1994-1995, fourteen thousand dollars.

14 2. In fiscal year 1995-1996 and each fiscal year thereafter, the
15 amount provided in paragraph 1 of this subsection adjusted by the annual
16 percentage change in the GDP price deflator as defined in section 41-563.

17 D. Notwithstanding ~~the provisions of~~ subsection C of this section, any
18 street, road, bridge, water or sewer work, other than a water or sewer
19 treatment plant or building, may be constructed either with or without the
20 use of the agent's regularly employed personnel without advertising for bids
21 provided that the total cost of the work does not exceed:

22 1. In fiscal year 1994-1995, one hundred fifty thousand dollars.

23 2. In fiscal year 1995-1996 and each fiscal year thereafter, the
24 amount provided in paragraph 1 of this subsection adjusted by the annual
25 percentage change in the GDP price deflator as defined in section 41-563.

26 E. For the purposes of subsection D of this section, the total cost of
27 water or sewer work does not include services provided by volunteers or
28 donations made for the water or sewer project.

29 F. Notwithstanding the provisions of this section, an agent may:

30 1. Construct, reconstruct, install or repair a natural gas or electric
31 utility and distribution system, owned or operated by such agent, with
32 regularly employed personnel of the agent without advertising for bids,
33 unless otherwise prohibited by charter or ordinance.

34 2. Construct recreational projects, including trails, playgrounds,
35 ballparks and other similar facilities and excluding buildings, structures,
36 building additions and alterations to buildings, structures and building
37 additions, with volunteer workers or workers provided by a nonprofit
38 organization without advertising for bids for labor and materials provided
39 that the total cost of the work does not exceed:

40 (a) In fiscal year 2001-2002, one hundred fifty thousand dollars.

41 (b) In fiscal year 2002-2003 and each fiscal year thereafter, the
42 amount provided in subdivision (a) of this paragraph adjusted by the annual
43 percentage change in the GDP price deflator as defined in section 41-563.

44 G. A contribution by an agent for the financing of public
45 infrastructure made pursuant to a development agreement is exempt from ~~the~~

1 ~~provisions of~~ this section if such contribution for any single development
2 does not exceed:

3 1. In fiscal year 1994-1995, one hundred thousand dollars.

4 2. In fiscal year 1995-1996 and each fiscal year thereafter, the
5 amount provided in paragraph 1 of this subsection adjusted by the annual
6 percentage change in the GDP price deflator as defined in section 41-563.

7 H. In addition to other state or local requirements relating to the
8 publication of bids, each agent shall provide at least one set of all plans
9 and specifications to any construction news reporting service that files an
10 annual request with the agent. For the purposes of this subsection,
11 "construction news reporting service" means a service that researches,
12 gathers and disseminates news and reports either in print or electronically,
13 on at least a weekly basis for building projects, construction bids, the
14 purchasing of materials, supplies or services and other construction bidding
15 or planned activity to the allied construction industry. The allied
16 construction industry includes both general and specialty contractors,
17 builders, material and service suppliers, architects and engineers, owners,
18 developers and government agencies.

19 I. Any construction by a county under this section shall comply with
20 the uniform accounting system prescribed for counties by the auditor general
21 under section 41-1279.21. Any construction by a city or town under this
22 section shall comply with generally accepted accounting principles.

23 J. Any construction, building addition or alteration project which is
24 financed by monies of this state or its political subdivisions shall not use
25 endangered wood species unless an exemption is granted by the director of the
26 department of administration. The director shall only grant an exemption if
27 the use of endangered wood species is deemed necessary for historical
28 restoration or to repair existing facilities and the use of any substitute
29 material is not practical. Any lease-purchase agreement entered into by this
30 state or its political subdivisions for construction shall specify that no
31 endangered wood species may be used in the construction unless an exemption
32 is granted by the director. ~~As used in~~ FOR THE PURPOSES OF this subsection,
33 "endangered wood species" includes those listed in appendix I of the
34 convention on international trade in endangered species of wild flora and
35 fauna.

36 K. All bonds given by a contractor and surety pursuant to ~~the~~
37 ~~provisions of~~ this article, regardless of their actual form, will be deemed
38 by law to be the form required and set forth in this article and no other.

39 L. Any building, structure, addition or alteration may be constructed
40 without complying with this article if the construction, including
41 construction of buildings or structures on public or private property, is
42 required as a condition of development of private property and is authorized
43 by section 9-463.01 or 11-806.01. For the purposes of this subsection,
44 building does not include police, fire, school, library, or other public
45 buildings.

1 M. Notwithstanding section 34-221, any agent may enter into a
2 guaranteed energy cost savings contract with a qualified provider, ~~as those~~
3 ~~terms are defined in section 15-213.01,~~ for the purchase of energy cost
4 savings measures without complying with this article and may procure a
5 guaranteed energy cost savings contract through the competitive sealed
6 proposal process prescribed in title 41, chapter 23, ~~article 3~~ or any similar
7 competitive proposal process adopted by the agent. ~~as long as the agent~~
8 ~~follows any additional requirements set forth in section 15-213.01.~~

9 Sec. 11. Section 34-451, Arizona Revised Statutes, is amended to read:

10 34-451. Energy conservation standards for public buildings;
11 energy sources

12 A. The department of commerce ENERGY OFFICE in consultation with
13 persons responsible for building systems shall adopt and publish energy
14 conservation standards for construction of all new capital projects as
15 defined in section 41-790, including buildings designed and constructed by
16 school districts, community college districts and universities. These
17 standards shall be consistent with the recommended energy conservation
18 standards of the American society of heating, refrigerating and air
19 conditioning engineers and the international energy conservation code.

20 B. The standards shall be adopted to achieve energy conservation and
21 shall allow for design flexibility.

22 C. The following state agencies THROUGH THE USE OF ENERGY PERFORMANCE
23 CONTRACTING OR OTHER MECHANISMS shall reduce energy use in public buildings
24 that they administer by ten per cent per square foot of floor area on or
25 before July 1, 2008, ~~and~~ by fifteen per cent per square foot of floor area on
26 or before July 1, 2011, BY TWENTY PER CENT PER SQUARE FOOT OF FLOOR AREA ON
27 OR BEFORE JULY 1, 2015 AND BY THIRTY PER CENT PER SQUARE FOOT OF FLOOR AREA
28 ON OR BEFORE JULY 1, 2020, using July 1, 2001 through June 30, 2002 as the
29 baseline year:

- 30 1. The department of administration for its building systems.
- 31 2. The Arizona board of regents for its building systems.
- 32 3. The department of transportation for its building systems.

33 D. ALL SCHOOL DISTRICTS THROUGH THE USE OF ENERGY PERFORMANCE
34 CONTRACTING OR OTHER MECHANISMS SHALL REDUCE SCHOOL DISTRICT-WIDE AVERAGE
35 ENERGY USE IN BUILDINGS THAT THEY ADMINISTER BY TEN PER CENT PER SQUARE FEET
36 OF FLOOR AREA ON OR BEFORE JULY 1, 2011, BY FIFTEEN PER CENT PER SQUARE FOOT
37 OF FLOOR AREA ON OR BEFORE JULY 1, 2015 AND BY TWENTY PER CENT PER SQUARE
38 FOOT OF FLOOR AREA ON OR BEFORE JULY 1, 2020, USING THE SCHOOL DISTRICT-WIDE
39 AVERAGE FOR JULY 1, 2001 THROUGH JUNE 30, 2002 AS THE BASELINE YEAR.

40 ~~D.~~ E. The ~~state~~ DEPARTMENT OF COMMERCE energy office shall provide
41 technical assistance to the state agencies prescribed in subsection C of this
42 section AND TO SCHOOL DISTRICTS. On or before ~~July~~ OCTOBER 1 of each year,
43 the ~~state~~ DEPARTMENT OF COMMERCE energy office shall measure compliance with
44 ~~subsection C~~ SUBSECTIONS C AND D of this section, compile the results of that
45 monitoring and report to the speaker of the house of representatives and the

1 president of the senate as to the progress of attaining the goals prescribed
2 in ~~subsection C~~ SUBSECTIONS C AND D of this section. The ~~state~~ DEPARTMENT OF
3 COMMERCE energy office shall include in its report an explanation of the
4 reasons for any failure to achieve energy reductions in specific building
5 systems as prescribed in ~~subsection C~~ SUBSECTIONS C AND D of this section.

6 ~~E.~~ F. All state agencies, SCHOOL DISTRICTS, COMMUNITY COLLEGES AND
7 UNIVERSITIES shall procure energy efficient products that are certified by
8 the United States department of energy or the United States environmental
9 protection agency as energy star or that are certified under the federal
10 energy management program in all categories that are available unless the
11 products are shown not to be cost-effective on a life cycle cost basis.

12 G. ON OR BEFORE JULY 1, 2015, THROUGH THE USE OF RENEWABLE ENERGY
13 POWER PURCHASE CONTRACTS OR OTHER MECHANISMS, ALL STATE AGENCIES,
14 UNIVERSITIES AND SCHOOL DISTRICTS SHALL USE OR PURCHASE AT LEAST TEN PER CENT
15 OF THEIR ENERGY REQUIREMENTS IN PUBLIC BUILDINGS THAT THEY ADMINISTER FROM
16 RENEWABLE SOURCES AND NONPOLLUTING ENERGY SOURCES THAT INCLUDE SOLAR, WIND,
17 BIOMASS, GEOTHERMAL, AGRICULTURAL WASTE, COMBINED HEAT AND POWER, LANDFILL
18 GAS AND LOW IMPACT HYDROELECTRIC GENERATION PLANTS. THE DEPARTMENT OF
19 COMMERCE ENERGY OFFICE SHALL INCLUDE IN ITS REPORT PRESCRIBED BY SUBSECTION E
20 OF THIS SECTION AN EXPLANATION OF THE REASONS FOR ANY FAILURE TO ACHIEVE THE
21 ENERGY REQUIREMENTS IN SPECIFIC BUILDING SYSTEMS AS PRESCRIBED IN THIS
22 SUBSECTION.

23 H. ALL STATE AGENCY BUILDINGS CONSTRUCTED ON OR AFTER JULY 1, 2009
24 SHALL CONFORM TO THE LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN GREEN
25 BUILDING RATING STANDARDS DEVELOPED BY THE UNITED STATES GREEN BUILDING
26 COUNCIL OR AN EQUIVALENT GREEN BUILDING RATING STANDARD IN A MANNER
27 PRESCRIBED BY THE DEPARTMENT OF COMMERCE ENERGY OFFICE, UNLESS THE STANDARD
28 CAN BE SHOWN NOT TO BE COST-EFFECTIVE ON A LIFE CYCLE COST BASIS. THE
29 DEPARTMENT OF COMMERCE ENERGY OFFICE SHALL MONITOR THE UNITED STATES GREEN
30 BUILDING COUNCIL AND DEVELOPERS OF EQUIVALENT GREEN BUILDING RATING STANDARDS
31 FOR CHANGES TO THE RATING STANDARDS THAT IMPACT STATE BUILDINGS.

32 Sec. 12. Repeal

33 Section 34-453, Arizona Revised Statutes, is repealed.

34 Sec. 13. Section 34-454, Arizona Revised Statutes, is amended to read:

35 34-454. Establishment and use of life cycle cost methods and
36 procedures; definition

37 A. The director of the department of administration, in consultation
38 with the department of commerce ENERGY OFFICE, shall establish practical and
39 effective present value methods for estimating and comparing life cycle costs
40 for state capital projects, INCLUDING CAPITAL PROJECTS OF THE SCHOOL
41 FACILITIES BOARD UNDER TITLE 15, CHAPTER 16, using the sum of all capital and
42 operating expenses associated with the energy system of the building involved
43 over the expected life of the system or during a period of twenty-five years,
44 whichever is shorter, and using average fuel costs and a discount rate
45 determined by the director. The director shall develop and prescribe the

1 procedures to be followed in applying and implementing the methods and
2 procedures established by this subsection.

3 B. The design of new capital projects and the application of energy
4 ~~conservation~~ SAVINGS AND RENEWABLE ENERGY measures to existing capital
5 projects shall be made using life cycle cost methods and procedures
6 established pursuant to subsection A.

7 C. In leasing buildings preference shall be given to buildings which
8 minimize life cycle costs.

9 D. For the purposes of this section, "life cycle cost" means the total
10 cost of owning, operating and maintaining a building over its useful life,
11 including such costs as fuel, energy, labor and replacement components
12 determined on the basis of a systematic evaluation and comparison of
13 alternative building systems, except that in the case of leased buildings,
14 the life cycle costs shall be calculated over the effective remaining term of
15 the lease.

16 Sec. 14. Section 34-455, Arizona Revised Statutes, is amended to read:

17 34-455. Performance contracting; definitions

18 A. The department of administration, WITH TECHNICAL SUPPORT FROM THE
19 DEPARTMENT OF COMMERCE ENERGY OFFICE, shall develop and implement a program
20 to enter into ENERGY performance contracts ~~solely~~ for the purpose of
21 achieving energy OR COST savings as measured in dollars and benefits
22 ancillary to that purpose AND FOR THE PURPOSE OF IMPLEMENTING RENEWABLE
23 ENERGY PROJECTS OR CONTRACTS. PERFORMANCE CONTRACTS MAY ALSO BE USED TO
24 REDUCE WATER CONSUMPTION AND WATER COSTS, TO REDUCE SEWER COSTS AND FOR
25 RAINWATER HARVESTING SYSTEMS. WATER AND SEWER MEASURES MAY BE COMBINED WITH
26 ENERGY MEASURES IN THE SAME PERFORMANCE CONTRACT, OR WATER AND SEWER MEASURES
27 MAY BE INCLUDED IN A SEPARATE WATER SAVINGS PERFORMANCE CONTRACT.

28 B. IN ACCORDANCE WITH TITLE 41, CHAPTER 23, each contract may be for a
29 period of not more than the expected life of the energy savings OR RENEWABLE
30 ENERGY measures implemented or twenty-five years, whichever is shorter. The
31 contract shall provide that the energy and operational savings generated
32 cover all costs, after accounting for any financial incentives or assistance
33 provided by utilities, associated with implementation of energy ~~conservation~~
34 SAVINGS OR RENEWABLE ENERGY measures to include audits, design equipment,
35 purchase and installation, metering, interest on monies borrowed and
36 training, and the contract shall include contractor profit. ~~The contractor~~
37 ~~shall recover an amount not to exceed the summation of these costs and the~~
38 ~~agreed upon profit. Energy dollar savings realized as a result of a~~
39 ~~performance contract under this section shall be shared at a negotiated rate~~
40 ~~between the state and the contractor, until such time as the contractor has~~
41 ~~recovered the amount specified in the contract, at which time all savings~~
42 ~~shall accrue to the state. Interest rates charged on each contract shall be~~
43 ~~mutually agreed upon by the department of administration and the~~
44 ~~contractor. Contracts shall contain contingency provisions agreed upon by~~

~~the department and the contractor for cases where measured energy dollar savings do not meet predicted energy dollar savings.~~

~~B.~~ C. For the purposes of this section:

1. "Combined heat and power" means any system that simultaneously or sequentially generates both electric or mechanical energy and useful thermal energy using the same unit of fuel.

2. "Energy ~~dollar~~ OR COST savings" means a reduction in the cost of energy, from a base energy cost established through a methodology set forth in the contract, utilized in an existing or new state owned or leased building as a result of ~~either~~ ANY OF THE FOLLOWING:

(a) The lease or purchase of operating equipment by the state or contractor, improvements made, altered operation and maintenance, technical services provided or renewable energy sources utilized.

(b) The increased efficient use of existing energy sources by cogeneration or combined heat and power.

(c) RENEWABLE ENERGY CONTRACTS.

Sec. 15. Repeal

Section 34-456, Arizona Revised Statutes, is repealed.

Sec. 16. Title 41, chapter 10, article 1, Arizona Revised Statutes, is amended by adding section 41-1511, to read:

41-1511. Energy efficient buildings; report; definition

A. IT IS THE POLICY OF THIS STATE TO PROMOTE THE CONSTRUCTION OF ENERGY EFFICIENT BUILDINGS. IN ORDER TO ACCOMPLISH THE CONSTRUCTION OF ENERGY EFFICIENT RESIDENTIAL AND COMMERCIAL BUILDINGS, THE FOLLOWING VOLUNTARY STATEWIDE GOALS ARE ESTABLISHED:

YEAR	PERCENTAGE BY WHICH NEW BUILDINGS ON AVERAGE ARE MORE ENERGY EFFICIENT THAN THE 2006 INTERNATIONAL ENERGY CONSERVATION CODE
2012	15%
2016	30%
2020	50%

B. THE DEPARTMENT OF COMMERCE ENERGY OFFICE SHALL TRACK THE NUMBER OF ENERGY EFFICIENT BUILDINGS THAT ARE CONSTRUCTED IN THIS STATE.

C. MUNICIPALITIES AND COUNTIES THAT COMPILE DATA ON ENERGY EFFICIENT BUILDINGS PURSUANT TO SECTIONS 9-469 AND 11-324 SHALL PROVIDE THAT INFORMATION TO THE ENERGY OFFICE ON OR BEFORE FEBRUARY 1 OF EACH YEAR AS PRESCRIBED BY THE ENERGY OFFICE.

D. BEGINNING IN 2010, THE ENERGY OFFICE SHALL SUBMIT TO THE LEGISLATURE AN ANNUAL REPORT OF INFORMATION COLLECTED PURSUANT TO SUBSECTIONS B AND C OF THIS SECTION, A DETERMINATION OF THE NUMBER AND PERCENTAGE OF ENERGY EFFICIENT BUILDINGS CONSTRUCTED IN THE PRECEDING YEAR AND AN ESTIMATE OF THE PERCENTAGE THAT ALL NEW RESIDENTIAL BUILDINGS IN THE AGGREGATE ON AVERAGE WERE MORE ENERGY EFFICIENT AND AN ESTIMATE OF THE PERCENTAGE THAT ALL

1 NEW COMMERCIAL BUILDINGS IN THE AGGREGATE ON AVERAGE WERE MORE ENERGY
2 EFFICIENT THAN THE 2006 INTERNATIONAL ENERGY CONSERVATION CODE. THE REPORT
3 MAY ONLY INCLUDE AGGREGATE INFORMATION WITH RESPECT TO SPECIFIC BUILDERS.

4 E. IN ADDITION TO THE REPORT REQUIRED BY SUBSECTION D OF THIS SECTION,
5 THE ENERGY OFFICE SHALL MAKE AN ANNUAL PRESENTATION TO THE HOUSE OF
6 REPRESENTATIVES COMMITTEE ON WATER AND AGRICULTURE AND THE SENATE COMMITTEE
7 ON NATURAL RESOURCES AND RURAL AFFAIRS, OR THEIR SUCCESSOR COMMITTEES.

8 F. FOR THE PURPOSES OF THIS SECTION, "ENERGY EFFICIENT BUILDING" MEANS
9 NEW RESIDENTIAL AND COMMERCIAL BUILDINGS THAT MEET OR EXCEED THE ENERGY
10 EFFICIENCIES PRESCRIBED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
11 ENERGY STAR PROGRAM OR BY A LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN
12 GREEN BUILDING RATING STANDARD DEVELOPED BY THE UNITED STATES GREEN BUILDING
13 COUNCIL, OR AN EQUIVALENT GREEN BUILDING STANDARD, OR THAT ARE AT LEAST
14 FIFTEEN PER CENT MORE ENERGY EFFICIENT THAN THE 2006 INTERNATIONAL ENERGY
15 CONSERVATION CODE.

16 Sec. 17. Section 41-2121, Arizona Revised Statutes, is amended to
17 read:

18 41-2121. Definitions

19 In this article, unless the context otherwise requires:

20 1. "Area A" has the same meaning prescribed in section 49-541.

21 2. "Area B" has the same meaning prescribed in section 49-541.

22 3. "Area C" means that portion of Pinal county lying west of range 11
23 east, excluding that portion of the county lying within area A as defined in
24 section 49 541 and that portion of the county within the jurisdiction of any
25 Indian tribe, band, group or community that is recognized by the United
26 States secretary of the interior and that exercises governmental authority
27 within the limits of any Indian reservation under the jurisdiction of the
28 United States government, notwithstanding the issuance of any patent and
29 including rights of way running through the reservation.

30 4. "Fleet owner" means a registered owner or lessee of at least
31 twenty-five vehicles.

32 5. "FUEL EMISSION BASELINE" MEANS THE AVERAGE LIFE CYCLE GREENHOUSE
33 GAS EMISSIONS PER UNIT OF ENERGY OF THE AVERAGE OF CONVENTIONAL
34 TRANSPORTATION FUELS IN COMMERCE IN THIS STATE DURING CALENDAR YEAR 2005.

35 ~~5-~~ 6. "Gasoline" means a volatile, highly flammable liquid mixture of
36 hydrocarbons that does not contain more than five one-hundredths grams of
37 lead for each United States gallon, that is produced, refined, manufactured,
38 blended, distilled or compounded from petroleum, natural gas, oil, shale oils
39 or coal and other flammable liquids free from undissolved water, sediment or
40 suspended matter, with or without additives, and that is commonly used as a
41 fuel for spark ignition internal combustion engines. Gasoline does not
42 include diesel fuel or the ethanol blend E85 as defined in ASTM D5798-99.

1 7. "GREENHOUSE GAS" MEANS ANY OF THE FOLLOWING:

2 (a) CARBON DIOXIDE.

3 (b) METHANE.

4 (c) NITROUS OXIDE.

5 (d) HYDROFLUOROCARBONS.

6 (e) PERFLUOROCARBONS.

7 (f) SULFUR HEXAFLUORIDE.

8 ~~6-~~ 8. "Manufacturer's proving ground" means a facility whose sole
9 purpose is to develop complete advanced vehicles for an automotive
10 manufacturer.

11 ~~7-~~ 9. "Motor vehicle racing event" means a race that uses unlicensed
12 vehicles that are designed and manufactured specifically for racing purposes
13 and that is conducted on a public or private racecourse for the entertainment
14 of the general public. A motor vehicle racing event includes practice,
15 qualifying and demonstration laps conducted as part of the activities related
16 to a motor vehicle race.

17 ~~8-~~ 10. "Oxygenate" means any oxygen-containing ashless, organic
18 compound, including aliphatic alcohols and aliphatic ethers, that may be used
19 as a fuel or as a gasoline blending component and that is approved as a
20 blending agent under the provisions of a waiver issued by the United States
21 environmental protection agency pursuant to 42 United States Code section
22 7545(f).

23 ~~9-~~ 11. "Oxygenated fuel" means an unleaded motor fuel blend that
24 consists primarily of gasoline and at least one and one-half per cent by
25 weight of one or more oxygenates and that has been blended consistent with
26 the provisions of a waiver issued by the United States environmental
27 protection agency pursuant to 42 United States Code section 7545(f).

28 ~~10-~~ 12. "Product transfer document" means any bill of lading, loading
29 ticket, manifest, delivery receipt, invoice or other documentation used on
30 any occasion when a person transfers custody or title of motor fuel other
31 than when motor fuel is sold or dispensed at a service station or fleet
32 vehicle fueling facility.

33 ~~11-~~ 13. "Supplier" means any person who imports gasoline into a
34 vehicle emissions control area by means of a pipeline or in truckload
35 quantities for the person's own use within the vehicle emissions control area
36 or any person who sells gasoline intended for ultimate consumption within a
37 vehicle emissions control area, except that supplier does not mean a person
38 with respect to gasoline supplied or sold by the person to another for resale
39 to a retailer within a vehicle emissions control area or to a fleet owner for
40 consumption within a vehicle emissions control area.

41 ~~12-~~ 14. "Vehicle emissions control area" has the same meaning
42 prescribed in section 49-541, except that such an area does not include a
43 manufacturer's proving ground that is located in the vehicle emissions
44 control area.

1 Sec. 18. Title 41, chapter 15, article 6, Arizona Revised Statutes, is
2 amended by adding section 41-2122.02, to read:

3 41-2122.02. Motor fuels; life cycle greenhouse gas emissions;
4 study; report; definition

5 A. IT IS THE GOAL OF THIS STATE TO IMPROVE ECONOMIC COMPETITIVENESS,
6 ENHANCE ENERGY SECURITY AND REDUCE GREENHOUSE GAS EMISSIONS THROUGH VEHICLE
7 FUEL CONSERVATION AND DIVERSIFICATION. THE GOAL IS TO REDUCE, TO THE MAXIMUM
8 EXTENT TECHNOLOGICALLY FEASIBLE AND COST-EFFECTIVE, THE GREENHOUSE GAS
9 INTENSITY OF FUEL USED IN ARIZONA. THE REDUCTION WILL BE MEASURED AS A
10 DECLINING STANDARD WITH RESPECT TO GREENHOUSE GASES EMITTED PER UNIT OF
11 USEABLE ENERGY OVER A VEHICLE FUEL'S LIFE CYCLE GREENHOUSE GAS EMISSIONS.

12 B. THE DEPARTMENT OF ENVIRONMENTAL QUALITY, IN COOPERATION WITH THE
13 DIRECTOR OF THE DEPARTMENT OF WEIGHTS AND MEASURES, SHALL CONDUCT A STUDY ON
14 THE TECHNICAL FEASIBILITY AND COST EFFECTIVENESS OF REDUCING THE LIFE CYCLE
15 GREENHOUSE GAS EMISSIONS FROM MOTOR FUELS SHIPPED TO AND SOLD OR OFFERED FOR
16 SALE IN THIS STATE. THERE SHALL BE AN OPPORTUNITY FOR PUBLIC COMMENT IN
17 DETERMINING THE SCOPE OF WORK FOR THE STUDY. THE STUDY SHALL TAKE INTO
18 ACCOUNT INTERNATIONAL EXPERIENCE AND ANY RESEARCH CONDUCTED UNDER THE FEDERAL
19 ENERGY INDEPENDENCE AND SECURITY ACT OF 2007, CALIFORNIA ASSEMBLY BILL 32 OF
20 2006 AND CALIFORNIA EXECUTIVE ORDER S-01-07 AND SHALL INCLUDE CONSIDERATION
21 AND ANALYSIS OF ALL OF THE FOLLOWING FACTORS:

22 1. THE COST OF PRODUCING AND DELIVERING MOTOR FUELS WITH LIFE CYCLE
23 GREENHOUSE GAS EMISSIONS BELOW THE FUEL EMISSIONS BASELINE.

24 2. THE IMPACT OF REDUCTIONS IN LIFE CYCLE GREENHOUSE GAS EMISSIONS
25 FROM MOTOR FUELS ON ALL OF THE FOLLOWING:

26 (a) THE ABILITY TO PRODUCE MOTOR FUELS FOR THIS STATE.

27 (b) THE SUPPLY OF MOTOR FUELS TO THIS STATE.

28 (c) THE COST TO CONSUMERS AND BUSINESSES OF MOTOR FUELS SOLD IN THIS
29 STATE.

30 (d) TOTAL EMISSIONS OF GREENHOUSE GASES AND THE IMPACT ON THE
31 ENVIRONMENT FROM THOSE EMISSIONS.

32 3. METHODS FOR ENCOURAGING VOLUNTARY EARLY REDUCTIONS IN LIFE CYCLE
33 GREENHOUSE GAS EMISSIONS FROM MOTOR FUELS.

34 4. WHETHER REDUCTIONS IN LIFE CYCLE GREENHOUSE GAS EMISSIONS FROM
35 MOTOR FUELS DISPROPORTIONATELY AFFECT LOW-INCOME COMMUNITIES.

36 5. WHETHER REDUCTIONS IN LIFE CYCLE GREENHOUSE GAS EMISSIONS FROM
37 MOTOR FUELS COMPLEMENT OR INTERFERE WITH ACHIEVING AND MAINTAINING COMPLIANCE
38 WITH NATIONAL, STATE AND LOCAL AMBIENT AIR QUALITY STANDARDS.

39 6. WHETHER REDUCING LIFE CYCLE GREENHOUSE GAS EMISSIONS FROM MOTOR
40 FUELS, INCLUDING REDUCTIONS IN OTHER AIR POLLUTANTS, RESULTS IN
41 DIVERSIFICATION OF ENERGY SOURCES AND OTHER IMPACTS TO THE ECONOMY,
42 ENVIRONMENT AND PUBLIC HEALTH AND WELFARE.

43 7. METHODS FOR MINIMIZING THE ADMINISTRATIVE BURDENS OF PROGRAMS
44 DESIGNED TO REDUCE LIFE CYCLE GREENHOUSE GAS EMISSIONS.

1 8. WHETHER REDUCTIONS IN LIFE CYCLE GREENHOUSE GAS EMISSIONS FROM
2 MOTOR FUELS USED IN THIS STATE ARE OFFSET BY INCREASED EMISSIONS OF
3 GREENHOUSE GASES OUTSIDE THIS STATE.

4 9. THE SIGNIFICANCE OF THE CONTRIBUTION OF EACH SOURCE OR CATEGORY OF
5 SOURCES OF GREENHOUSE GAS EMISSIONS TO THE STATEWIDE GREENHOUSE GAS EMISSIONS
6 TOTAL.

7 10. THE COST-EFFECTIVENESS OF GREENHOUSE GAS EMISSIONS REDUCTIONS
8 MEASURED IN DOLLARS PER METRIC TON OF REDUCED GREENHOUSE GASES, AS EXPRESSED
9 IN CARBON DIOXIDE EQUIVALENCE.

10 C. ON OR BEFORE DECEMBER 31, 2010, THE DEPARTMENT OF ENVIRONMENTAL
11 QUALITY SHALL PUBLISH A REPORT OF ITS FINDINGS AND RECOMMENDATIONS RESULTING
12 FROM THE STUDY CONDUCTED PURSUANT TO THIS SECTION. THE DEPARTMENT OF
13 ENVIRONMENTAL QUALITY SHALL SUBMIT THE REPORT TO THE GOVERNOR, THE PRESIDENT
14 OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND PROVIDE A
15 COPY OF THE REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA
16 STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS. BEFORE THE DELIVERY OF THE
17 REPORT, THE DIRECTOR SHALL CONDUCT AT LEAST THREE PUBLIC MEETINGS IN DISTINCT
18 AREAS OF THIS STATE IN ORDER TO PRESENT THE DRAFT REPORT TO MEMBERS OF THE
19 GENERAL PUBLIC AND SHALL RECEIVE PUBLIC COMMENTS IN WRITING AND ORALLY AT THE
20 MEETINGS. THE DEPARTMENT SHALL PREPARE A RESPONSE TO PUBLIC COMMENTS TO BE
21 DELIVERED WITH THE FINAL REPORT.

22 D. FOR THE PURPOSES OF THIS SECTION, "LIFE CYCLE GREENHOUSE GAS
23 EMISSIONS" MEANS THE AGGREGATE QUANTITY OF GREENHOUSE GAS EMISSION, INCLUDING
24 DIRECT EMISSIONS AND SIGNIFICANT INDIRECT EMISSIONS SUCH AS SIGNIFICANT
25 EMISSIONS FROM LAND USE CHANGES, RELATED TO THE FULL FUEL LIFE CYCLE,
26 INCLUDING ALL STAGES OF FUEL AND FEEDSTOCK PRODUCTION AND DISTRIBUTION, FROM
27 FEEDSTOCK GENERATION OR EXTRACTION THROUGH THE DISTRIBUTION AND DELIVERY AND
28 USE OF THE FINISHED FUEL TO THE ULTIMATE CONSUMER, WHERE THE MASS VALUES FOR
29 ALL GREENHOUSE GASES ARE ADJUSTED TO ACCOUNT FOR THEIR RELATIVE GLOBAL
30 WARMING POTENTIAL.

31 Sec. 19. Title 41, chapter 23, article 3, Arizona Revised Statutes, is
32 amended by adding section 41-2560, to read:

33 41-2560. Energy performance contracts; joint legislative budget
34 committee consultation

35 A. THE DIRECTOR SHALL ENTER INTO ENERGY PERFORMANCE CONTRACTS TO
36 FINANCE ENERGY EFFICIENCY AND RENEWABLE ENERGY PROJECTS OR CONTRACTS FOR THE
37 PURCHASING AGENCY PURSUANT TO SECTION 34-455. ENERGY EFFICIENT AND RENEWABLE
38 ENERGY PROJECTS OR CONTRACTS TO BE FUNDED UNDER THIS SECTION ARE EXPECTED TO
39 EMPLOY GENERALLY AVAILABLE AND MARKET PROVEN COMMERCIAL TECHNOLOGIES AS
40 DEFINED PROGRAMMATICALLY BY THE DEPARTMENT OF COMMERCE ENERGY OFFICE. THE
41 FUNDING FOR SERVICES UNDER AN ENERGY PERFORMANCE CONTRACT ENTERED INTO
42 PURSUANT TO THIS SECTION MAY INCLUDE APPROPRIATE LEASE-PURCHASE OR OTHER
43 THIRD-PARTY AGREEMENTS. FUNDING FOR AN ENERGY PERFORMANCE CONTRACT ENTERED
44 INTO PURSUANT TO THIS SECTION MAY INCLUDE APPROPRIATE LEASE-PURCHASE
45 FINANCING AGREEMENTS OR THIRD-PARTY AGREEMENTS AND SHALL NOT EXCEED TEN

1 MILLION DOLLARS FOR ANY SINGLE PROJECT. THE QUALIFIED PROVIDER OR QUALIFIED
2 ENERGY SERVICE COMPANY SHALL GUARANTEE THAT THE ENERGY OR COST SAVINGS TO BE
3 GENERATED WILL BE AT LEAST SUFFICIENT TO COVER ANY DEBT SERVICE AND FEES
4 ASSOCIATED WITH THE PROJECT FINANCING.

5 B. IF AN ENERGY PERFORMANCE CONTRACT HAS BEEN EXECUTED, OPERATING AND
6 UTILITIES APPROPRIATIONS FOR A STATE AGENCY TO FUND ENERGY PERFORMANCE
7 CONTRACTS SHALL NOT BE DECREASED OVER THE CONTRACT TERM ON THE EXCLUSIVE
8 BASIS THAT THE PROJECT HAS BEEN IMPLEMENTED.

9 C. BEFORE AN ENERGY PERFORMANCE CONTRACT IS AWARDED PURSUANT TO THIS
10 SECTION, THE JOINT LEGISLATIVE BUDGET COMMITTEE STAFF SHALL BE CONSULTED WITH
11 REGARD TO THE POTENTIAL FISCAL IMPACT OF THE CONTRACT TO THE STATE. AT THE
12 BEGINNING OF THIS CONSULTATION AND NO LATER THAN FIFTEEN DAYS AFTER A REQUEST
13 FROM THE JOINT LEGISLATIVE BUDGET COMMITTEE STAFF, THE DEPARTMENT OF COMMERCE
14 ENERGY OFFICE WILL PROVIDE AN OPINION TO THE JOINT LEGISLATIVE BUDGET
15 COMMITTEE AS TO WHETHER THE COST OF THE PROJECT, INCLUDING ALL INTEREST,
16 COSTS AND FEES RELATED TO LEASE-PURCHASE OR THIRD-PARTY AGREEMENTS, CAN BE
17 REPAID ENTIRELY FROM PROJECT SAVINGS. ON REQUEST FROM THE JOINT LEGISLATIVE
18 BUDGET COMMITTEE STAFF AND WITHIN FIFTEEN DAYS AFTER THE DATE OF THE REQUEST,
19 THE STATE AGENCY SHALL PROVIDE ANY ADDITIONAL INFORMATION TO THE JOINT
20 LEGISLATIVE BUDGET COMMITTEE STAFF TO COMPLETE ITS FINDINGS. THE JOINT
21 LEGISLATIVE BUDGET COMMITTEE STAFF SHALL PROVIDE THE STATE AGENCY WITH ITS
22 ASSESSMENT WITHIN FORTY-FIVE DAYS AFTER RECEIPT OF THE REQUESTED INFORMATION.
23 IF THE JOINT LEGISLATIVE BUDGET COMMITTEE STAFF FINDS A SIGNIFICANT NEGATIVE
24 FISCAL IMPACT TO THE STATE, THE STAFF SHALL REPORT ITS FINDINGS TO THE JOINT
25 LEGISLATIVE BUDGET COMMITTEE.

26 Sec. 20. Section 41-3953, Arizona Revised Statutes, is amended to
27 read:

28 41-3953. Department powers and duties

29 A. The department is responsible for establishing policies, procedures
30 and programs that the department is authorized to conduct to address the
31 affordable housing issues confronting this state, including housing issues of
32 low income families, moderate income families, housing affordability, special
33 needs populations and decaying housing stock. Among other things, the
34 department shall provide to qualified housing participants and political
35 subdivisions of this state financial, advisory, consultative, planning,
36 training and educational assistance for the development of safe, decent and
37 affordable housing, including housing for low and moderate income households.

38 B. Under the direction of the director, the department shall:

39 1. Establish guidelines applicable to the programs and activities of
40 the department for the construction and financing of affordable housing and
41 housing for low and moderate income households in this state. GUIDELINES
42 ESTABLISHED PURSUANT TO THIS PARAGRAPH DO NOT APPLY TO THE DEPARTMENT'S
43 ACTIVITIES PRESCRIBED IN SECTION 35-726, SUBSECTION E. These guidelines
44 shall:

1 (a) Meet or exceed all applicable state or local building and health
2 and safety code requirements and, if applicable, the national manufactured
3 home construction and safety standards act of 1974 and title VI of the
4 housing and community development act of 1974 (P.L. 93-383, as amended by
5 P.L. 95-128, 96-153 and 96-339). ~~Guidelines established pursuant to this~~
6 ~~paragraph do not apply to the department's activities prescribed in section~~
7 ~~35-726, subsection E.~~

8 (b) REQUIRE THAT ALL NEW MULTIFAMILY CONSTRUCTION FUNDED IN WHOLE OR
9 IN PART THROUGH THE DEPARTMENT MEET AT LEAST THE ENERGY EFFICIENCIES
10 ESTABLISHED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY ENERGY STAR
11 PROGRAM OR BY THE LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN GREEN
12 BUILDING RATING STANDARD OR AN EQUIVALENT GREEN BUILDING STANDARD OR IS AT
13 LEAST FIFTEEN PER CENT MORE ENERGY EFFICIENT THAN THE 2006 INTERNATIONAL
14 ENERGY CONSERVATION CODE AND HAVE NO ROOM PRESSURES GENERATED BY THE AIR
15 HANDLER GREATER THAN A MAGNITUDE OF PLUS OR MINUS 3.0 PASCALS RELATIVE TO THE
16 OUTSIDE IN ANY ZONE OF THE MULTIFAMILY DWELLING UNIT.

17 2. Provide staff support to the Arizona housing commission and
18 coordinate its activities.

19 3. Accept and allocate any monies as from time to time may be
20 appropriated by the legislature for the purposes set forth in this article.

21 4. Perform other duties necessary to administer this chapter.

22 5. Perform the duties prescribed in sections 35-726, 35-728 and 35-913
23 and chapter 4.3 of this title.

24 6. Stimulate and encourage all local, state, regional and federal
25 governmental agencies and all private persons and enterprises that have
26 similar and related objectives and purposes, cooperate with the agencies,
27 persons and enterprises and correlate department plans, programs and
28 operations with those of the agencies, persons and enterprises.

29 7. Conduct research on its own initiative or at the request of the
30 governor, the legislature or state or local agencies pertaining to any
31 department objectives.

32 8. Provide information and advice on request of any local, state or
33 federal agencies, private persons and business enterprises on matters within
34 the scope of department activities.

35 9. Consult with and make recommendations to the governor and the
36 legislature on all matters concerning department objectives.

37 10. Make annual reports to the governor and the legislature on its
38 activities, including the geographic location of its activities, its finances
39 and the scope of its operations.

40 C. Under the direction of the director, the department may:

41 1. Assist in securing construction and mortgage financing from public
42 and private sector sources.

43 2. Assist mortgage financing programs established by industrial
44 development authorities and political subdivisions of this state.

- 1 3. Assist in the acquisition and use of federal housing assistance
2 programs pertinent to enhance the economic feasibility of a proposed
3 residential development.
- 4 4. Assist in the compliance of a proposed residential development with
5 applicable federal, state and local codes and ordinances.
- 6 5. Prepare and publish planning and development guidelines for the
7 establishment and delivery of housing assistance programs.
- 8 6. Contract with a federal agency to carry out financial work on the
9 federal agency's behalf and accept payment for the work.
- 10 7. Subcontract for the financial work prescribed in paragraph 6 of
11 this subsection and make payments for that subcontracted work based on the
12 expectation that the federal agency will pay for that work.
- 13 8. Accept payment from a federal agency for work prescribed in
14 paragraph 6 of this subsection and deposit those payments in the Arizona
15 department of housing program fund established by section 41-3957.
- 16 9. Contract for the services of outside advisers, consultants and
17 aides reasonably necessary or desirable to enable the department to
18 adequately perform its duties.
- 19 10. Contract and incur obligations reasonably necessary or desirable
20 within the general scope of department activities and operations to enable
21 the department to adequately perform its duties.
- 22 11. Use any media of communication, publication and exhibition in the
23 dissemination of information, advertising and publicity in any field of its
24 purposes, objectives or duties.
- 25 12. Adopt rules deemed necessary or desirable to govern its procedures
26 and business.
- 27 13. Contract with other agencies in furtherance of any department
28 program.
- 29 14. Use monies, facilities or services to provide contributions under
30 federal or other programs that further the objectives and programs of the
31 department.
- 32 15. Accept gifts, grants, matching monies or direct payments from
33 public or private agencies or private persons and enterprises for the conduct
34 of programs that are consistent with the general purposes and objectives of
35 this article and deposit these monies in the Arizona department of housing
36 program fund established by section 41-3957.
- 37 16. Establish and collect fees and receive reimbursement of costs in
38 connection with any programs or duties performed by the department and
39 deposit the fees and cost reimbursements in the Arizona department of housing
40 program fund established by section 41-3957.
- 41 17. Provide staff support to the Arizona housing finance authority and
42 coordinate its activities.
- 43 D. For the purposes of this section, the department is exempt from
44 chapter 23 of this title.

1 E. The department is the designated state public housing agency as
2 defined in the United States housing act of 1937 (42 United States Code
3 sections 1401 through 1440) for the purpose of accepting federal housing
4 assistance monies and may participate in the housing assistance payments
5 program. Federal monies may be secured for all areas of this state subject
6 only to the limitations prescribed in subsection F of this section.

7 F. For areas of this state where an existing public housing authority
8 has not been established pursuant to section 36-1404, subsection A, the
9 department acting as a public housing agency may undertake all activities
10 under the section 8 tenant-based rental housing assistance payment program,
11 except that the department shall not undertake a section 8 tenant-based
12 rental housing assistance payment program within the boundaries of a city,
13 town or county unless authorized by resolution of the governing body of the
14 city, town or county. If the department accepts monies for a section 8
15 tenant-based rental housing assistance payment program for areas of this
16 state where an existing public housing authority has been established
17 pursuant to section 36-1404, subsection A, the department shall only accept
18 and secure federal monies to provide housing for the seriously mentally ill
19 or other disabled populations. The department may accept and secure federal
20 monies for undertaking all contract administrator activities authorized under
21 a section 8 project-based rental housing assistance payment program in all
22 areas of this state and this participation does not require the authorization
23 of any local governing body.

24 G. The department shall not itself directly own, construct, operate or
25 rehabilitate any housing units, except as may be necessary to protect the
26 department's collateral or security interest arising out of any department
27 programs.

28 H. Notwithstanding any other provision of this section, the department
29 may obligate monies as loans or grants applicable to programs and activities
30 of the department for the purpose of providing housing opportunities for low
31 or moderate income households or for housing affordability or to prevent or
32 combat decaying housing stock. Unless otherwise required by federal or state
33 law, any loan repayments shall be deposited in the Arizona department of
34 housing program fund established by section 41-3957.

35 I. For any construction project financed by the department pursuant to
36 subsection C, except for contract administration activities in connection
37 with the project-based section 8 program, the department shall notify a city,
38 town, county or tribal government that a project is planned for its
39 jurisdiction and, before proceeding, shall seek comment from the governing
40 body of the city, town, county or tribal government or an official authorized
41 by the governing body of the city, town, county or tribal government. The
42 department shall not interfere with or attempt to override the local
43 jurisdiction's planning, zoning or land use regulations.

1 Sec. 21. Section 42-11054, Arizona Revised Statutes, is amended to
2 read:

3 42-11054. Standard appraisal methods and techniques

4 A. Subject to subsection B of this section, the department shall:

5 1. Prescribe guidelines for applying standard appraisal methods and
6 techniques that shall be used by the department and county assessors in
7 determining the valuation of property.

8 2. Prepare and maintain manuals and other necessary guidelines,
9 consistent with this section, reflecting the standard methods and techniques
10 to perpetuate a current inventory of taxable property and the valuation of
11 that property.

12 B. Before they are adopted, the department shall submit each
13 substantive proposed guideline, table and manual that is developed, amended
14 or otherwise modified from and after December 31, 2006 to the joint
15 legislative oversight committee on property tax assessment and appeals. The
16 department shall not finally adopt, amend or otherwise modify a substantive
17 guideline, table or manual for at least thirty days after submitting the
18 measure to the committee. The committee may hold one or more informational
19 hearings on the proposed measure within thirty days after submission. In
20 adopting, amending or modifying the measure the department shall consider the
21 committee's comments. If the committee fails to hold a hearing within thirty
22 days after submission, the department may adopt, amend or modify the measure
23 without further consideration.

24 C. In applying prescribed standard appraisal methods and techniques:

25 1. Current usage shall be included in the formula for reaching a
26 determination of full cash value.

27 2. Solar energy devices, as defined in section 44-1761, and any other
28 device or system designed for the production of solar energy **PRIMARILY** for
29 on-site consumption, **INCLUDING GRID-TIED SOLAR PHOTOVOLTAIC SYSTEMS**, are
30 considered to add no value to the property.

31 3. **THE INCLUSION OR ADDITION OF ENERGY EFFICIENT BUILDING COMPONENTS,**
32 **RENEWABLE ENERGY EQUIPMENT OR A COMBINED HEAT AND POWER SYSTEM TO A BUILDING**
33 **IS CONSIDERED TO ADD NO ADDITIONAL VALUE TO THE PROPERTY. FOR THE PURPOSES**
34 **OF THIS PARAGRAPH:**

35 (a) **"COMBINED HEAT AND POWER SYSTEM" MEANS THE SIMULTANEOUS OR**
36 **SEQUENTIAL GENERATION OF ELECTRICAL OR MECHANICAL ENERGY AND USEFUL THERMAL**
37 **ENERGY USING THE SAME UNIT OF FUEL, WITH A TOTAL FUEL EFFICIENCY OF SEVENTY**
38 **PER CENT OR GREATER. THE EQUIPMENT OR SYSTEM MUST DEMONSTRATE, OR BE**
39 **CERTIFIED TO BE CAPABLE OF, AT LEAST SEVENTY PER CENT TOTAL FUEL EFFICIENCY**
40 **CAPABILITY.**

41 (b) **"ENERGY EFFICIENT BUILDING" MEANS HIGH PERFORMANCE SUSTAINABLE**
42 **BUILDING COMPONENTS INSTALLED IN NEW RESIDENTIAL AND COMMERCIAL BUILDINGS SO**
43 **THAT THE BUILDINGS MEET OR EXCEED THE ENERGY EFFICIENCIES PRESCRIBED BY THE**
44 **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY ENERGY STAR PROGRAM OR BY A**
45 **LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN GREEN BUILDING RATING STANDARD**

1 DEVELOPED BY THE UNITED STATES GREEN BUILDING COUNCIL, OR AN EQUIVALENT GREEN
2 BUILDING STANDARD, OR THAT ARE AT LEAST FIFTEEN PER CENT MORE ENERGY
3 EFFICIENT THAN THE 2006 INTERNATIONAL ENERGY CONSERVATION CODE.

4 (c) "RENEWABLE ENERGY EQUIPMENT" MEANS EQUIPMENT THAT IS USED TO
5 PRODUCE ENERGY PRIMARILY FOR ON-SITE CONSUMPTION FROM RENEWABLE RESOURCES,
6 INCLUDING SOLAR, WIND, FOREST THINNINGS, AGRICULTURAL WASTE, LANDFILL GAS,
7 BIOGAS, GEOTHERMAL OR LOW-IMPACT HYDROPOWER.

8 D. If the methods and techniques prescribe using market data as an
9 indication of market value, the price paid for future anticipated property
10 value increments shall be excluded.

11 E. For purposes of determining full cash value, the department and
12 county assessors shall use and apply the ratio standard guidelines issued by
13 the department for tax year 1993 in the same manner as they were applied in
14 tax year 1993. This subsection does not apply to property that is valued
15 according to prescribed statutory methods or to property for which values are
16 determined in the year after an appeal pursuant to section 42-16002.

17 Sec. 22. Section 44-1375, Arizona Revised Statutes, is amended to
18 read:

19 44-1375. Definitions

20 In this article, unless the context otherwise requires:

21 1. "Automatic commercial icemaker" means a factory made assembly that
22 is shipped in one or more packages, that consists of a condensing unit and
23 icemaking section operating as an integrated unit, that makes and harvests
24 ice cubes and that may store or dispense ice. Automatic commercial icemaker
25 includes machines with capacities between fifty and two thousand five hundred
26 pounds per twenty-four hours.

27 2. "Ballast" means a device used with an electric discharge lamp to
28 obtain necessary circuit conditions such as voltage, current and waveform for
29 starting and operating the lamp.

30 3. "Commercial clothes washer" means a soft mount horizontal or
31 vertical axis clothes washer that both:

32 (a) Has a clothes container compartment no greater than three and
33 one-half cubic feet in the case of a horizontal axis product or no greater
34 than four cubic feet in the case of a vertical axis product.

35 (b) Is designed for use by more than one household, such as in
36 multifamily housing, apartments or coin laundries.

37 4. "Commercial prerinse spray valve" means a handheld device designed
38 to spray water on dishes, flatware and other food service items for the
39 purpose of removing food residue prior to cleaning.

40 5. "Commercial refrigerator, freezer and refrigerator freezer" means
41 self-contained refrigeration equipment that:

42 (a) Is not a consumer product as regulated pursuant to 42 United
43 States Code chapter 77.

1 (b) Operates at a chilled, frozen, combination chilled-frozen or
2 variable temperature for the purpose of storing or merchandising food,
3 beverages or ice.

4 (c) May have transparent or solid or both transparent and solid hinged
5 doors, sliding doors or a combination of hinged and sliding doors.

6 (d) Incorporates most components involved in the vapor-compression
7 cycle and the refrigerated compartment in a single cabinet.

8 (e) Does not include:

9 (i) Units with eighty-five cubic feet or more of internal volume.

10 (ii) Walk-in refrigerators or freezers.

11 (iii) Units with no doors.

12 (iv) Freezers specifically designed for ice cream.

13 6. "COMPACT AUDIO PRODUCT", ALSO KNOWN AS A MINI, MID, MICRO OR SHELF
14 AUDIO SYSTEM:

15 (a) MEANS AN INTEGRATED AUDIO SYSTEM THAT IS ENCASED IN A SINGLE
16 HOUSING THAT INCLUDES AN AMPLIFIER, RADIO TUNER AND ATTACHED OR SEPARABLE
17 SPEAKERS AND THAT CAN REPRODUCE AUDIO FROM ONE OR MORE OF THE FOLLOWING
18 MEDIA:

19 (i) MAGNETIC TAPE.

20 (ii) COMPACT DISC.

21 (iii) DIGITAL VERSATILE DISC.

22 (iv) FLASH MEMORY.

23 (b) DOES NOT INCLUDE PRODUCTS THAT CAN BE INDEPENDENTLY POWERED BY
24 INTERNAL BATTERIES, THAT HAVE A POWERED EXTERNAL SATELLITE ANTENNA OR THAT
25 CAN PROVIDE A VIDEO OUTPUT SIGNAL.

26 7. "DIGITAL VERSATILE DISC" OR "DVD" MEANS A LASER-ENCODED PLASTIC
27 MEDIUM CAPABLE OF STORING A LARGE AMOUNT OF DIGITAL AUDIO, VIDEO AND COMPUTER
28 DATA.

29 8. "DIGITAL VERSATILE DISC PLAYER" OR "DIGITAL VERSATILE DISC
30 RECORDER":

31 (a) MEANS COMMERCIALY-AVAILABLE ELECTRONIC PRODUCTS THAT ARE ENCASED
32 IN A SINGLE HOUSING THAT INCLUDES AN INTEGRAL POWER SUPPLY AND FOR WHICH THE
33 SOLE PURPOSE IS, RESPECTIVELY, THE DECODING AND PRODUCTION OR RECORDING OF
34 DIGITIZED VIDEO SIGNAL ON A DVD.

35 (b) DOES NOT INCLUDE MODELS THAT HAVE AN ELECTRONIC PROGRAMMING GUIDE
36 FUNCTION THAT PROVIDES AN INTERACTIVE, ONSCREEN MENU OF TELEVISION LISTINGS
37 AND THAT DOWNLOADS PROGRAM INFORMATION FROM THE VERTICAL BLANKING INTERVAL OF
38 A REGULAR TELEVISION SIGNAL.

39 ~~6-~~ 9. "High-intensity discharge lamp" means a lamp in which light is
40 produced by the passage of an electric current through a vapor or gas and in
41 which the light producing arc is stabilized by bulb wall temperature and the
42 arc tube has a bulb wall loading in excess of three watts per square
43 centimeter.

44 ~~7-~~ 10. "Illuminated exit sign" means an internally illuminated sign
45 that is designed to be permanently fixed in place to identify a building exit

1 and that consists of an electrically powered integral light source that both
2 illuminates the legend "exit" and any directional indicators and provides
3 contrast between the legend, any directional indicators and the background.

4 ~~8-~~ 11. "Large packaged air conditioning equipment" means electrically
5 operated, air cooled air conditioning and air conditioning heat pump
6 equipment that has cooling capacity greater than or equal to two hundred
7 forty thousand Btu per hour but less than seven hundred sixty thousand BTU
8 per hour and that is built as a package and shipped as a whole to end user
9 sites.

10 ~~9-~~ 12. "Low voltage dry type distribution transformer" means a
11 transformer to which all of the following apply:

12 (a) Has an input voltage of six hundred volts or less.

13 (b) Is air cooled.

14 (c) Does not use oil as a coolant.

15 (d) Is rated for operation at a frequency of sixty hertz.

16 ~~10-~~ 13. "Metal halide lamp" means a high intensity discharge lamp in
17 which the major portion of the light is produced by radiation of metal
18 halides and their products of dissociation, possibly in combination with
19 metallic vapors.

20 ~~11-~~ 14. "Metal halide lamp fixture" means a light fixture designed to
21 be operated with a metal halide lamp and a ballast for a metal halide lamp.

22 15. "PORTABLE ELECTRIC SPA" MEANS A FACTORY-BUILT ELECTRIC SPA OR HOT
23 TUB THAT IS SUPPLIED WITH EQUIPMENT FOR HEATING AND CIRCULATING WATER.

24 ~~12-~~ 16. "Probe start metal halide ballast" means a ballast used to
25 operate metal halide lamps that does not contain an ignitor and which instead
26 starts lamps by using a third starting electrode probe in the arc tube.

27 ~~13-~~ 17. "Pulldown refrigerator" means a commercial refrigerator
28 specifically designed to rapidly reduce all integrated product temperatures
29 from ninety degrees fahrenheit to thirty-eight degrees fahrenheit over a
30 twelve hour period when fully loaded with beverage containers.

31 18. "RESIDENTIAL POOL PUMP" MEANS A PUMP THAT IS USED TO CIRCULATE AND
32 FILTER POOL WATER IN ORDER TO MAINTAIN CLARITY AND SANITATION.

33 ~~14-~~ 19. "Single voltage external AC to DC power supply" means a device
34 that:

35 (a) Is designed to convert line voltage AC input into lower voltage DC
36 output.

37 (b) Is able to convert to only one DC output voltage at a time.

38 (c) Is sold with, or intended to be used with, a separate end use
39 product that constitutes the primary power load.

40 (d) Is contained within a separate physical enclosure from the end use
41 product.

42 (e) Is connected to the end use product via a removable or hard wired
43 male/female electrical connection, cable, cord or other wiring.

44 (f) Does not have batteries or battery packs, including those that are
45 removable and that physically attach directly to the power supply unit.

1 (g) Does not have a battery chemistry or type selector switch and
2 indicator light or does not have a battery chemistry or type selector switch
3 and a state of charge meter.

4 (h) Has a nameplate output power less than or equal to two hundred
5 fifty watts.

6 ~~15-~~ 20. "Torchiere" means a portable electric lighting fixture with a
7 reflective bowl that directs light upward onto a ceiling so as to produce
8 indirect illumination on the surfaces below. A torchiere may include
9 downward directed lamps in addition to the upward, indirect illumination.

10 ~~16-~~ 21. "Traffic signal module" means a standard eight inch or twelve
11 inch traffic signal indication, consisting of a light source, a lens and all
12 other parts necessary for operation.

13 ~~17-~~ 22. "Transformer" means a device that consists of two or more
14 coils of insulated wire and that is designed to transfer alternating current
15 by electromagnetic induction from one coil to another to change the original
16 voltage or current value. Transformer does not include:

17 (a) Transformers with multiple voltage taps, with the highest voltage
18 tap equaling at least twenty per cent more than the lowest voltage tap.

19 (b) Transformers, such as those commonly known as drive transformers,
20 rectifier transformers, auto transformers, uninterruptible power system
21 transformers, impedance transformers, regulating transformers, sealed and
22 nonventilating transformers, machine tool transformers, welding transformers,
23 grounding transformers or testing transformers, that are designed to be used
24 in a special purpose application and that are unlikely to be used in general
25 purpose applications.

26 ~~18-~~ 23. "Unit heater" means a self-contained, vented fan type
27 commercial space heater that uses natural gas or propane and that is designed
28 to be installed without ducts within a heated space, except that unit heater
29 does not include any products covered by federal standards established
30 pursuant to 42 United States Code chapter 77 or any product that is a direct
31 vent, forced flue heater with a sealed combustion burner.

32 24. "VIDEO STANDBY PASSIVE MODE" MEANS THE APPLIANCE IS CONNECTED TO A
33 POWER SOURCE, DOES NOT PERFORM ANY MECHANICAL FUNCTION SUCH AS PLAYING OR
34 RECORDING AND DOES NOT PRODUCE VIDEO OR AUDIO OUTPUT SIGNALS BUT CAN BE
35 SWITCHED INTO ANOTHER MODE WITH THE REMOTE CONTROL UNIT OR AN INTERNAL
36 SIGNAL.

37 Sec. 23. Section 44-1375.01, Arizona Revised Statutes, is amended to
38 read:

39 44-1375.01. Applicability

40 A. This article applies to the following types of new products sold,
41 offered for sale or installed in this state:

- 42 1. Automatic commercial icemakers.
- 43 2. Commercial clothes washers.

- 1 3. Commercial prerinse spray valves.
- 2 4. Commercial refrigerators, freezers and refrigerator freezers.
- 3 5. Illuminated exit signs.
- 4 6. Large packaged air conditioning equipment.
- 5 7. Low voltage dry type distribution transformers.
- 6 8. Metal halide lamp fixtures.
- 7 9. Single voltage external AC to DC power supplies.
- 8 10. Torchieres.
- 9 11. Traffic signal modules.
- 10 12. Unit heaters.
- 11 13. PORTABLE ELECTRIC SPAS.
- 12 14. RESIDENTIAL POOL PUMPS.
- 13 15. CONSUMER AUDIO AND VIDEO EQUIPMENT.

- 14 B. This article does not apply to:
 - 15 1. New products manufactured in this state and sold outside this
 - 16 state.
 - 17 2. New products manufactured outside this state and sold at wholesale
 - 18 inside this state for final retail sale and installation outside this state.
 - 19 3. Products installed in mobile manufactured homes at the time of
 - 20 construction.
 - 21 4. Products designed expressly for installation and use in
 - 22 recreational vehicles.
 - 23 5. Products installed in a laundry facility located within an
 - 24 apartment complex or mobile home park at the time of construction or
 - 25 replacement. For the purposes of this paragraph, "apartment complex" means
 - 26 any real property that has one or more structures and that contains four or
 - 27 more dwelling units for rent or lease that are subject to the Arizona
 - 28 residential landlord and tenant act prescribed by title 33, chapter 10.

29 Sec. 24. Section 44-1375.02, Arizona Revised Statutes, is amended to
30 read:

31 44-1375.02. Standards

32 A. Except as provided in subsection ~~B~~ C, the following standards
33 apply beginning January 1, 2008:

- 34 1. Automatic commercial icemakers shall meet the requirements of
35 section 1605.3 of the California Code of Regulations, title 20: division 2,
36 chapter 4, article 4, in effect on ~~the effective date of this article~~ AUGUST
37 12, 2005.
- 38 2. Commercial clothes washers shall meet the requirements of section
39 1605.3 of the California Code of Regulations, title 20: division 2, chapter
40 4, article 4, in effect on ~~the effective date of this article~~ AUGUST 12,
41 2005.
- 42 3. Commercial prerinse spray valves shall have a flow rate equal to or
43 less than 1.6 gallons per minute.

1 4. Commercial refrigerators, freezers and refrigerator freezers shall
2 meet the requirements of section 1605.3 of the California Code of
3 Regulations, title 20: division 2, chapter 4, article 4, in effect on ~~the~~
4 ~~effective date of this article~~ AUGUST 12, 2005, except that pull-down
5 refrigerators with transparent doors shall meet a requirement five per cent
6 less stringent than shown in the California regulations.

7 5. Illuminated exit signs shall have an input power demand of five
8 watts or less per illuminated face and shall either have a power factor of at
9 least 0.70 or meet the power factor product specification of the energy star
10 program requirements, whichever is higher.

11 6. Large packaged air conditioning equipment shall meet a minimum
12 energy efficiency ratio of 10.0 for air conditioning without an integrated
13 heating component or with electric resistance heating integrated into the
14 unit, 9.8 for air conditioning with heating other than electric resistance
15 integrated into the unit, 9.5 for air conditioning heat pumps without an
16 integrated heating component or with electric resistance heating integrated
17 into the unit and 9.3 for air conditioning heat pump equipment with heating
18 other than electric resistance integrated into the unit. Large packaged air
19 conditioning heat pumps shall meet a minimum coefficient of performance in
20 the heating mode of 3.2 measured at a high temperature rating of forty-seven
21 degrees Fahrenheit.

22 7. ~~THROUGH DECEMBER 31, 2010,~~ low voltage dry type distribution
23 transformers shall meet the class 1 efficiency levels for low voltage
24 distribution transformers specified in table 4-2 of the guide for determining
25 energy efficiency for distribution transformers, published by the national
26 electrical manufacturers association (NEMA standard TP-1-2002), in effect on
27 ~~the effective date of this article~~ AUGUST 12, 2005.

28 8. Metal halide lamp fixtures designed to be operated with lamps rated
29 greater than or equal to one hundred fifty watts but less than or equal to
30 five hundred watts shall not contain a probe start metal ~~halid~~ HALIDE lamp
31 ballast.

32 9. Single voltage external AC to DC power supplies shall meet the tier
33 one energy efficiency requirements of section 1605.3 of the California Code
34 of Regulations, title 20: division 2, chapter 4, article 4, in effect on ~~the~~
35 ~~effective date of this article~~ AUGUST 12, 2005. This standard applies to
36 single voltage AC to DC power supplies that are sold individually and to
37 those that are sold as a component of or in conjunction with another product.

38 10. Torchieres shall not use more than one hundred ninety watts. A
39 torchiere shall be deemed to use more than one hundred ninety watts if any
40 commercially available lamp or combination of lamps can be inserted in its
41 socket and cause the torchiere to draw more than one hundred ninety watts
42 when operated at full brightness.

43 11. Traffic signal modules shall meet the product specification of the
44 energy star program requirements for traffic signals developed by the United
45 States environmental protection agency that took effect in February 2001,

1 shall have a power factor of at least 0.90 and shall be installed with
2 compatible, electrically connected signal control interface devices and
3 conflict monitoring systems.

4 12. Unit heaters shall be equipped with an intermittent ignition device
5 and shall have either power venting or an automatic flue damper.

6 B. BEGINNING JANUARY 1, 2011, THE FOLLOWING STANDARDS APPLY:

7 1. PORTABLE ELECTRIC SPAS SHALL NOT HAVE A STANDBY POWER GREATER THAN
8 FIVE TIMES THE SPA'S VOLUME IN GALLONS RAISED TO THE TWO-THIRDS POWER, AS
9 MEASURED IN ACCORDANCE WITH THE TEST METHOD FOR PORTABLE ELECTRIC SPAS
10 CONTAINED IN SECTION 1604 OF THE CALIFORNIA CODE OF REGULATIONS, TITLE 20, IN
11 EFFECT ON THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION.

12 2. RESIDENTIAL POOL PUMP MOTORS SHALL NOT BE SPLIT-PHASE OR CAPACITOR
13 START-INDUCTION RUN TYPE. POOL PUMP MOTORS WITH A CAPACITY OF ONE HORSEPOWER
14 OR MORE SHALL HAVE THE CAPABILITY OF OPERATING AT TWO OR MORE SPEEDS WITH A
15 LOW SPEED HAVING A ROTATION RATE THAT IS NO MORE THAN ONE-HALF OF THE MOTOR'S
16 MAXIMUM ROTATION RATE. POOL PUMP MOTOR CONTROLS SHALL HAVE THE CAPABILITY OF
17 OPERATING THE POOL PUMP IN AT LEAST TWO SPEEDS. THE DEFAULT CIRCULATION
18 SPEED SHALL BE THE LOWEST SPEED, WITH A HIGH SPEED OVERRIDE CAPABILITY BEING
19 FOR A TEMPORARY PERIOD NOT TO EXCEED ONE NORMAL CYCLE.

20 3. CONSUMER AUDIO AND VIDEO EQUIPMENT SHALL MEET THE FOLLOWING
21 REQUIREMENTS:

22 (a) COMPACT AUDIO PRODUCTS SHALL NOT USE MORE THAN TWO WATTS IN
23 STANDBY PASSIVE MODE FOR THOSE WITHOUT A PERMANENTLY ILLUMINATED CLOCK
24 DISPLAY AND FOUR WATTS IN STANDBY PASSIVE MODE FOR THOSE WITH A PERMANENTLY
25 ILLUMINATED CLOCK DISPLAY, AS MEASURED IN ACCORDANCE WITH INTERNATIONAL
26 ELECTROTECHNICAL COMMISSION TEST METHOD 62087:2002(E), PUBLISHED IN "METHODS
27 OF MEASUREMENT FOR THE POWER CONSUMPTION OF AUDIO, VIDEO, AND RELATED
28 EQUIPMENT".

29 (b) DIGITAL VERSATILE DISC PLAYERS AND DIGITAL VERSATILE DISC
30 RECORDERS SHALL NOT USE MORE THAN THREE WATTS IN STANDBY PASSIVE MODE, AS
31 MEASURED IN ACCORDANCE WITH INTERNATIONAL ELECTROTECHNICAL COMMISSION TEST
32 METHOD 62087:2002(E), PUBLISHED IN "METHODS OF MEASUREMENT FOR THE POWER
33 CONSUMPTION OF AUDIO, VIDEO, AND RELATED EQUIPMENT.

34 ~~B.~~ C. The standards prescribed by subsection A apply beginning
35 January 1, 2010, if the product is a commercial refrigerator, freezer or
36 refrigerator freezer or large packaged air conditioning equipment.

37 ~~C.~~ D. Beginning on May 31, 2008, and every three years thereafter,
38 the department of commerce energy office shall conduct a comparative review
39 and assessment of the standards prescribed by subsection A and energy
40 efficiency standards adopted in other states. The department of commerce
41 energy office shall:

42 1. Submit a report of its findings and recommendations to the speaker
43 of the house of representatives and president of the senate.

44 2. Provide a copy of the report to the director of the Arizona state
45 library, archives and public records.

1 Sec. 25. Section 44-1554, Arizona Revised Statutes, is amended to
2 read:

3 44-1554. Prohibited practices

4 It is a violation of this article for any distributor directly or
5 indirectly or through any officer, agent or employee to engage in any of the
6 following practices:

7 1. To prohibit directly or indirectly the right of free association
8 among dealers for any lawful purpose.

9 2. To fail to act in good faith in performing or complying with any
10 terms, ~~OR~~ provisions of or collateral to a franchise.

11 3. To terminate or cancel a franchise without good cause.

12 4. To use undue influence to induce a dealer to surrender any right
13 given to the dealer by any provision contained in the franchise.

14 5. To cancel, terminate, fail to renew or to threaten the
15 cancellation, termination or nonrenewal of any franchise because of the
16 dealer's failure to purchase merchandise or products sold by the distributor
17 ~~where~~ IF the requirement that the dealer sell exclusively the merchandise or
18 products of the distributor would be a violation of any law, rule or
19 regulation of this state or of the United States.

20 6. To change or modify any restrictions upon nonpetroleum related
21 business activities of the gasoline dealer during the term of ~~his~~ THE
22 franchise.

23 7. To unreasonably reduce, limit or curtail the supply of gasoline or
24 other petroleum products to any dealer.

25 8. To cancel or terminate a franchise solely to secure for its own
26 account the distributor's more successful or profitable franchise stations.

27 9. To place unreasonable restrictions upon nonpetroleum related
28 business activities of the dealer.

29 10. TO ENGAGE IN ANY CONDUCT THAT VIOLATES SECTION 241 OF THE FEDERAL
30 ENERGY INDEPENDENCE AND SECURITY ACT OF 2007. DEFINITIONS THAT APPLY TO
31 SECTION 241 OF THE FEDERAL ACT SHALL APPLY FOR PURPOSES OF THIS SECTION.

32 Sec. 26. Repeal

33 Section 49-409, Arizona Revised Statutes, is repealed.

34 Sec. 27. Title 49, chapter 3, article 2, Arizona Revised Statutes, is
35 amended by adding section 49-447.01, to read:

36 49-447.01. Hydrofluorocarbon releases prohibited; civil
37 enforcement; outreach program

38 A. BEGINNING JANUARY 1, 2009, A PERSON SHALL NOT KNOWINGLY VENT OR
39 OTHERWISE RELEASE INTO THE ENVIRONMENT ANY VEHICLE REFRIGERANT IN VIOLATION
40 OF 40 CODE OF FEDERAL REGULATIONS 82.154 DURING REPAIR, RECONDITIONING OR
41 OTHERWISE. A PERSON WHO VIOLATES THIS SECTION IS SUBJECT TO CIVIL
42 ENFORCEMENT BY THE ATTORNEY GENERAL PURSUANT TO SECTIONS 49-460, 49-461,
43 49-462 AND 49-463.

1 B. THE DEPARTMENT SHALL ADOPT AND IMPLEMENT AN INDUSTRY OUTREACH
2 PROGRAM THAT IS DESIGNED TO INFORM BUSINESSES AND INDIVIDUALS OF THE
3 PROHIBITIONS AND PENALTIES PRESCRIBED BY THIS SECTION AND TO ENCOURAGE
4 COMPLIANCE WITH ITS PROVISIONS. THE DEPARTMENT SHALL NOT INSTITUTE
5 ENFORCEMENT ACTION AGAINST ANY BUSINESS OR INDIVIDUAL PURSUANT TO THIS
6 SECTION UNTIL AT LEAST ONE YEAR AFTER IMPLEMENTATION OF THE DEPARTMENT'S
7 INDUSTRY OUTREACH PROGRAM.

8 C. THE DEPARTMENT SHALL INCLUDE IN ITS ANNUAL REPORT A DESCRIPTION OF
9 ENFORCEMENT ACTIONS TAKEN PURSUANT TO THIS SECTION.