State of Arizona Bills Introduced during the 54th Legislature, Second Regular Session 2020


In this Issue, Dated January 29, 2020 through March 24, 2020, the Following Arizona Congressional Legislative Actions Were Taken—

I. Bills Considered by the State of Arizona 54th Legislature, Second Session


vi. January 21, 2020 – SB 1140, “TPT; exemptions; Indian tribes”. Senate read second time. Filed by Rep. J.D. Mesnard (R-17), Senate read first time, and assigned to the Senate Rules Committee and Senate Finance Committee.


Peshlakai (D-7) and assigned to the Senate Rules Committee and Senate Finance Committee on January 22, 2020.


Bills Considered by the State of Arizona 54th Legislature, Second Session


• Bill would require that beginning in the 2022-2023 school year the Arizona State Board of Education will incorporate instruction on Native American history into appropriate existing curricula for pupils in kindergarten programs and grade one through twelve. Adopted academic standards will be required to fulfill the following: 1) instruction on tribal history, sovereignty issues, culture, treaty rights, government, socioeconomic experiences and current events and; 2) curricula that is historically accurate, culturally relevant, community based, contemporary and developmentally appropriate. Additionally the State Board of Education shall: 1) provide professional development to teachers and administrators relating to the instruction of the aforementioned academic standards for instruction of Native American issues and; 2) ensure that federally recognized tribes in the state have the opportunity to collaborate in developing the instruction and providing professional development – the State Board of Education may also make monies available to those tribes to support collaboration efforts.


• Bill would appropriate $2 million from the State General Fund for each of fiscal years 2020-2021, 2021-2022, and 2022-2023 to the Arizona Board of Regents to distribute to the
following tribal higher education institutions for remedial education programs and institutional development: $1 million to the San Carlos Apache College, and $1 million to the Tohono O’odham Community College.


- Bill would require that each month the Arizona Department of Revenue transmit to the State Treasurer or other designated depository of each Indian tribe 50 percent of the transaction privilege tax revenues that were received in the preceding month from all sources located on each respective Indian reservation. Indian tribes shall use such monies received for telecommunications infrastructure development and for community development projects, including multipurpose buildings, and roads on its Indian reservation located within the State.


- Establishes a grant program in the Office of Indian Education to address the needs of American Indian and Alaskan Native students. Grants would be provided to school districts, charter schools, and tribal schools to fund stipends, recruitment, retention, and professional development of teachers, as well as technical assistance and tribal outreach. Directs the Office of Indian Education to develop application procedures and grant recipient selection criteria. In establishing recipient selection criteria priority will be given to American Indian and Alaskan Native (AI/AN) concentrated schools and tribal schools located in a county of not more than 300,000 persons with significant AI/AN populations. Bill also establishes the American Indian and Alaskan Native Students Fund to be administered by the Office of Indian Education.


- Bill would prohibit the State from entering into, negotiating, executing, extend, or renew any Tribal-State Gaming Compact with a tribe that is a party to litigation regarding water rights in which the State is an adverse party.

vi. January 21, 2020 – SB 1140, “TPT; exemptions; Indian tribes”. Senate read second time. Filed by Rep. J.D. Mesnard (R-17), Senate read first time, and assigned to the Senate Rules Committee and Senate Finance Committee. [Link to Bill]

- Bill provides a tax exemption for sale to Indian tribes, tribally owned businesses, and tribal entities and affiliated Indians. The tax exemption applies to the gross proceeds of sales or gross income derived from any of the following: business activities performed by an Indian tribe, a tribally owned business, a tribal entity or an affiliated Indian if the business activity takes place on an Indian reservation; business activities performed by nonaffiliated Indians or non-Indian vendors on an Indian reservation for an Indian tribe, a tribal entity or an affiliated Indian; contracting activities performed on an Indian reservation by an Indian tribe, a tribally owned business, a tribal entity or an affiliated Indian; contracting activities performed for an Indian tribe, a tribally owned business, a tribal entity or an affiliated Indian on an Indian reservation by a nonaffiliated Indian or non-Indian contractor; retail sales of tangible personal property to an Indian tribe, a tribally owned business, a tribal entity or an affiliated Indian if the sale of tangible personal property takes place on an Indian reservation – a sale is
deemed to take place on an Indian reservation if the tangible personal property is ordered from and delivered on an Indian reservation; and the sale of a motor vehicle to an enrolled member of an Indian tribe who resides on the Indian reservation established for that tribe. Bill also requires that nonaffiliated Indians and non-Indian vendors maintain sufficient documentation of their taxable and nontaxable gross proceeds and gross income to ensure that the Department of Revenue can determine which transactions are subject to the transaction privilege tax.


- Amends ARS Section 41-2053 to include the Legislative Indigenous Peoples’ Caucus among those that the State Governor’s Office of Tribal Relations must coordinate with to annually facilitate an Indian Nations and Tribes Legislative Day on the Wednesday of the first week of each regular legislative session. Currently the Office of Tribal Relations is only required to coordinate with the representatives from the State’s Indian nations and tribes to plan for the annual legislative day.


- Bill would appropriate $2.2 million and 20 FTE positions from the State General Fund for fiscal years 2020-2021 to the Department of Veterans’ Services to hire veteran service officers to provide services in rural tribal nations in the state that have communities that are located 100 miles or more from the nearest U.S. Department of Veterans Affairs Service Center.


- Bill would require that each month the Arizona Department of Revenue shall deposit 25 percent of the transaction privilege tax revenues that were received in the preceding month from all sources located on Indian reservations into the Tribal Nations Green Energy Fund established under a newly proposed ARS Section 42-5031.02. The Tribal Nations Green Energy Fund would provide one-time grants not to exceed $1 million to tribal nations to pay for the costs of renewable energy or infrastructure projects and other costs related to such projects.


- Bill would require that each month the Arizona Department of Revenue transmit to the State Treasurer or other designated depository of each Indian tribe 25 percent of the transaction privilege tax revenues that were received in the preceding month from all sources located on each respective Indian reservation. Indian tribes shall use such monies received for infrastructure development on its Indian reservation located within the State.

- Bill would require that each month the Arizona Department of Revenue transmit to the State Treasurer or other designated depository of each qualifying Indian tribe a specified amount of the transaction privilege tax revenues that were received in the preceding month from all sources located on each respective Indian reservation. These amounts are not to exceed $1,750,000 or more than ten percent of the transaction privilege tax (TPT) revenues to a single community college. With respect to an additional technical university located on the same reservation transmitted amounts are not to exceed $875,000 or more than five percent of the TPT revenues through fiscal year 2019-2020. Beginning in fiscal year 2020-2021 through fiscal year 2026-2027 transmitted TPT revenues shall not exceed $1,875,000 or more than fifteen and seven-tenths percent. Beginning in fiscal year 2027- transmitted TPT revenues shall not exceed $875,000 or more than five percent.

xii. **January 23, 2020** – SB 1191, “Appropriation; Diné College”. Filed by Sen. Jamescita Peshlakai (D-7) and assigned to the Senate Rules Committee and Senate Appropriations Committee on January 22, 2020. [Link to Bill](#).

- Bill would appropriate $5 million from the State General Fund for fiscal years 2020-2021 to the Governor’s Office on Tribal Relations to distribute to the Diné college board of regents to construct a student center.


- Following prior applicable legal appropriations of the State Lottery Fund, the bill directs that $2 million, or the remaining balance in the Fund, is appropriated to the Department of Education to fund the Office of Indian Education. Appropriated funds shall be used to hire and provide salaries to at least five FTE employees who are assigned to the Office of Indian Education. The bill also directs the Office of Indian Education to collaborate with Indian nations and provide technical assistance to schools and Indian nations to meet the needs of their Native American pupils in the following areas: professional development; data literacy; teacher recruitment and training; Native language development; fiscal management, including the most efficient use of available monies; family engagement; and the incorporation of Native American culture into the curricula.


- Bill would appropriate $250,000 from the State General Fund for fiscal years 2020-2021 to the Department of health Services to distribute to Indian tribes located in the state to conduct tribal reunification ceremonies and to provide traditional healing services for tribal family members who are reunified after separation.

- Memorials primary title is: “Concurrent Memorial: Urging the United States Congress to Enact the Providing Recovery Opportunities and Mitigating Industry’s Shifting Economics (PROMISE) Act”. The Memorial references that the establishment of the Navajo Generating Station (NGS) was charted by an Act of Congress and President Lyndon B. Johnson as a coal-fired electric generating station in northern Arizona on land leased from the Navajo Nation. NGS ceased operations in December 2019 and is in the process of being decommissioned, having economic effects on the State of Arizona and tribes in the northern region. The Memorial proclaims support for passage of H.R. 4318, PROMISE Act introduced by Representative Tom O’Halleran (D-AZ-1) on September 12, 2019 in the 116th Congress. Memorial claims that H.R. 4318 would provide significant economic resources to the Navajo Nation and non-tribal entities in the northern region affected by the closure of NGS as well as provide funding for transitioning of the economy in the region. Memorial directs the Secretary of the State of the State of Arizona to transmit copies of this Memorial to the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and each Member of Congress from the State of Arizona.


- Bill would require one of the two public members appointed by the State of Arizona Governor to the State Board on Geographic and Historic Names to be a current or former elected tribal official. The seven other members of the Board would comprise one member appointed by the head of each of the following state agencies or organizations: Department of Transportation, State Land Department, Arizona State Library, Archives, and Public Records, Arizona Historical Society, Arizona Commerce Authority, Department of Economic Security, and a member of a geography department of an Arizona university.


- Bills would prohibit a school district governing board, a charter school governing body, or any public school from establishing a dress code policy that prohibits a pupil from wearing traditional tribal regalia or object of cultural significance, including an eagle feather or plume, at a graduation ceremony.


- Bill would amend ARS Title 42, Chapter 5, Article 1, by adding Section 42-5031.02, which directs the State Treasurer to transmit, on a monthly basis, to the Treasurer, or other designated depository, of each qualifying Indian Tribe certain amounts received from transaction privilege taxes received from all sources located on an Indian reservation. Fifteen percent of transaction privilege taxes received from all sources on an Indian reservation in
fiscal year 2020 through 2021, and each fiscal year thereafter, to each Indian Tribe relevant
to each reservation a transaction privilege tax is collected. Monies received by Indian Tribes
shall be used for supporting economic and infrastructure development, and public safety
operations. Before receiving monies, a Tribe must enter into a compact with the state and
signed by the Governor. The compact will require that monies received will be used for
economic and infrastructure development, to support public safety functions, and may be
supplemented by additional monies provided by the Indian Tribe, the state, local
governments, and private entities. The compact will also require audits to be conducted by
the Auditor General and submitted to the Joint Legislative Committee, the annual submission
of development plans and public safety use to the Department of Administration, and that an
Indian Tribe may retain unspent monies to support future economic and infrastructure
development and public safety functions.

Military and Veterans Affairs vote Do Pass (7-0-0-0-0-0). Prefiled by Rep. Arlando Teller (D-7)

• Bill would appropriate $600,000 from the State General Fund for fiscal years 2020-2021 to
appropriate to the Department of Veterans’ Services for distribution to the following for
purposes of a veterans home renovation: $200,000 to distribute to the Navajo Nation
Veterans Administration; $200,000 to distribute to the San Carlos Apache Tribes; and
$200,000 to distribute to the Hopi tribe.

xx. February 13, 2020 – HB 2888, “ADEQ; tribal consultations; appropriations”. House read a
second time. Introduced by Rep. Denise “Mitzi” Epstein (D-18) on February 12, 2020 and
referred to the House Rule Committee, the House Appropriations Committee, and the House
Natural Resources, Energy and Water. Link to Bill.

• Bill would require the Arizona Department of Environmental Quality to consult and cooperate
in good faith with all federally-recognized Indian tribes within the State of Arizona before
adopting policies, issuing permits or approvals, or making other decisions that may affect
tribes and their interests. Directs ADEQ to establish a consultation policy for each of the 22
federally-recognized tribes in the state. Each tribal consultation policy must include:
requirements for consultation processes with a tribe; names or provisions of points of contact
with the tribe; a map of the areas within the state where ADEQ actions require consultation
with a tribe; and recognition of the state’s executive order on consultation with tribes and the
federal government’s government-to-government relationship with tribes.

xxi. February 20, 2020— HB 2571, “Appropriation; military; discharge; tribal ceremonies”. House
Military and Veterans Affairs vote DO Pass (4-3-0-0-0-0). Filed by Rep. Myron Tsosie (D-7) on

• Bill would appropriate $1 million from the State General Fund for fiscal years 2020-2021 to
the Department of Veterans’ Services to distribute to Indian tribes located in the state to
conduct tribal ceremonies for tribal members who are discharged from the military.

xxii. March 10, 2020 – HB 2120, “Schools; graduation ceremonies; cultural regalia”. Senate read
second time House third reading and voting to pass (58-2-0-0) on March 5, 2020 and transmitted
to Bill.
Bill would prohibit a school district governing board or a charter school from prohibiting a pupil from wearing cultural regalia while participating in a graduation ceremony.


Bill would allow an Arizona college that is state owned, operated, or chartered by a qualifying Indian tribe on its own Indian reservation and offers baccalaureate teacher education programs to be eligible to participate in the Arizona Teachers Academy and receive monies from its fund.


Bill would allow an Indian tribe to operate a sports betting license through a tribal gaming operator that is wholly owned by the Indian tribe.


Bill would add a member whom is a current or former elected tribal official to the State Board on Geographic and Historic Names.


Law requires the Arizona Health Care Cost Containment System Administration to seek federal authorization to reimburse the Indian Health Services and tribal facilities to cover the cost of adult dental services that are eligible for a federal medical assistance percentage of 100 percent.
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