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From the Publisher

ABOUT THIS PUBLICATION

The paper copy of the Administrative Register (A.A.R.) is the official publication for rules and rulemaking activity in the state of Arizona.

Rulemaking is defined in Arizona Revised Statutes known as the Arizona Administrative Procedure Act (APA), A.R.S. Title 41, Chapter 6, Articles 1 through 10.

The Office of the Secretary of State does not interpret or enforce rules published in the Arizona Administrative Register or Code. Questions should be directed to the state agency responsible for the promulgation of the rule as provided in its published filing.

The Register is cited by volume and page number. Volumes are published by calendar year with issues published weekly. Page numbering continues in each weekly issue.

In addition, the Register contains the full text of the Governor’s Executive Orders and Proclamations of general applicability, summaries of Attorney General opinions, notices of rules terminated by the agency, and the Governor’s appointments of state officials and members of state boards and commissions.

ABOUT RULES

Rules can be: made (all new text); amended (rules on file, changing text); repealed (removing text); or renumbered (moving rules to a different Section number). Rules activity published in the Register includes: proposed, final, emergency, expedited, and exempt rules as defined in the APA.

Rulemakings initiated under the APA as effective on and after January 1, 1995, include the full text of the rule in the Register. New rules in this publication (whether proposed or made) are denoted with underlining; repealed text is stricken.

WHERE IS A “CLEAN” COPY OF THE FINAL OR EXEMPT RULE PUBLISHED IN THE REGISTER?

The Arizona Administrative Code (A.A.C) contains the codified text of rules. The A.A.C. contains rules promulgated and filed by state agencies that have been approved by the Attorney General or the Governor’s Regulatory Review Council. The Code also contains rules exempt from the rulemaking process.

The printed Code is the official publication of a rule in the A.A.C., and is prima facie evidence of the making, amendment, or repeal of that rule as provided by A.R.S. § 41-1012. Paper copies of rules are available by full Chapter or by subscription. The Code is posted online for free.

LEGAL CITATIONS AND FILING NUMBERS

On the cover: Each agency is assigned a Chapter in the Arizona Administrative Code under a specific Title. Titles represent broad subject areas. The Title number is listed first; with the acronym A.A.C., which stands for the Arizona Administrative Code; following the Chapter number and Agency name, then program name. For example, the Secretary of State has rules on rulemaking in Title 1, Chapter 1 of the Arizona Administrative Code. The citation for this chapter is 1 A.A.C. 1, Secretary of State, Rules and Rulemaking.

Every document filed in the office is assigned a file number. This number, enclosed in brackets, is located at the top right of the published documents in the Register. The original filed document is available for 10 cents a page.
Participate in the Process

Look for the Agency Notice

Review (inspect) notices published in the Arizona Administrative Register. Many agencies maintain stakeholder lists and would be glad to inform you when they proposed changes to rules. Check an agency’s website and its newsletters for news about notices and meetings.

Feel like a change should be made to a rule and an agency has not proposed changes? You can petition an agency to make, amend, or repeal a rule. The agency must respond to the petition. (See A.R.S. § 41-1033)

Attend a public hearing/meeting

Attend a public meeting that is being conducted by the agency on a Notice of Proposed Rulemaking. Public meetings may be listed in the Preamble of a Notice of Proposed Rulemaking or they may be published separately in the Register. Be prepared to speak, attend the meeting, and make an oral comment.

An agency may not have a public meeting scheduled on the Notice of Proposed Rulemaking. If not, you may request that the agency schedule a proceeding. This request must be put in writing within 30 days after the published Notice of Proposed Rulemaking.

Write the agency

Put your comments in writing to the agency. In order for the agency to consider your comments, the agency must receive them by the close of record. The comment must be received within the 30-day comment timeframe following the Register publication of the Notice of Proposed Rulemaking.

You can also submit to the Governor’s Regulatory Review Council written comments that are relevant to the Council’s power to review a given rule (A.R.S. § 41-1052). The Council reviews the rule at the end of the rulemaking process and before the rules are filed with the Secretary of State.

Arizona Regular Rulemaking Process

START HERE

APA, statute or ballot proposition is passed. It gives an agency authority to make rules.

Agency opens a docket. Agency files a Notice of Rulemaking Docket Opening; it is published in the Register. Often an agency will file the docket with the proposed rulemaking.

Agency drafts proposed rule and Economic Impact Statement (EIS); informal public review/comment.

Agency files Notice of Proposed Rulemaking. Notice is published in the Register. Notice of meetings may be published in Register or included in Preamble of Proposed Rulemaking. Agency opens comment period.


Oral proceeding and close of record. Comment period must last at least 30 days after publication of notice. Oral proceeding (hearing) is held no sooner than 30 days after publication of notice of hearing

Substantial change?

If no change then

Rule must be submitted for review or terminated within 120 days after the close of the record.

A final rulemaking package is submitted to G.R.R.C. or A.G. for review. Contains final preamble, rules, and Economic Impact Statement.

G.R.R.C. has 90 days to review and approve or return the rule package, in whole or in part; A.G. has 60 days.

After approval by G.R.R.C. or A.G., the rule becomes effective 60 days after filing with the Secretary of State (unless otherwise indicated).

Agency decides not to proceed; files Notice of Termination of Rulemaking. May open a new Docket.

Agency decides not to proceed and does not file final rule with G.R.R.C. within one year after proposed rule is published. A.R.S. § 41-1021(A)(4).

Agency decides not to proceed and files Notice of Termination of Rulemaking for publication in Register. A.R.S. § 41-1021(A)(2).

Agency decides not to act and closes docket. The agency may let the docket lapse by not filing a Notice of Proposed rulemaking within one year.

Final rule is published in the Register and the quarterly Code Supplement.
Definitions


_Arizona Administrative Register (A.A.R.):_ The official publication that includes filed documents pertaining to Arizona rulemaking. Available online at www.azsos.gov.

.Administrative Procedure Act (APA):_ A.R.S. Title 41, Chapter 6, Articles 1 through 10. Available online at www.azleg.gov.

_Arizona Revised Statutes (A.R.S.):_ The statutes are made by the Arizona State Legislature during a legislative session. They are compiled by Legislative Council, with the official publication codified by Thomson West. Citations to statutes include Titles which represent broad subject areas. The Title number is followed by the Section number. For example, A.R.S. § 41-1001 is the definitions Section of Title 41 of the Arizona Administrative Procedures Act. The “§” symbol simply means “section.” Available online at www.azleg.gov.

_Chapter:_ A division in the codification of the Code designating a state agency or, for a large agency, a major program.

_Close of Record:_ The close of the public record for a proposed rulemaking is the date an agency chooses as the last date it will accept public comments, either written or oral.


_Docket:_ A public file for each rulemaking containing materials related to the proceedings of that rulemaking. The docket file is established and maintained by an agency from the time it begins to consider making a rule until the rulemaking is finished. The agency provides public notice of the docket by filing a Notice of Rulemaking Docket Opening with the Office for publication in the _Register._

_Economic, Small Business, and Consumer Impact Statement (EIS):_ The EIS identifies the impact of the rule on private and public employment, on small businesses, and on consumers. It includes an analysis of the probable costs and benefits of the rule. An agency includes a brief summary of the EIS in its preamble. The EIS is not published in the _Register_ but is available from the agency promulgating the rule. The EIS is also filed with the rulemaking package.

_Governor’s Regulatory Review (G.R.R.C.):_ Reviews and approves rules to ensure that they are necessary and to avoid unnecessary duplication and adverse impact on the public. G.R.R.C. also assesses whether the rules are clear, concise, understandable, legal, consistent with legislative intent, and whether the benefits of a rule outweigh the cost.

_Incorporated by Reference:_ An agency may incorporate by reference standards or other publications. These standards are available from the state agency with references on where to order the standard or review it online.

_Federal Register (FR):_ The _Federal Register_ is a legal newspaper published every business day by the National Archives and Records Administration (NARA). It contains federal agency regulations; proposed rules and notices; and executive orders, proclamations, and other presidential documents.

_Session Laws or “Laws”:_ When an agency references a law that has not yet been codified into the Arizona Revised Statutes, use the word “Laws” is followed by the year the law was passed by the Legislature, followed by the Chapter number using the abbreviation “Ch.,” and the specific Section number using the Section symbol (§). For example, Laws 1995, Ch. 6, § 2. Session laws are available at www.azleg.gov.

_United States Code (U.S.C.):_ The Code is a consolidation and codification by subject matter of the general and permanent laws of the United States. The Code does not include regulations issued by executive branch agencies, decisions of the federal courts, treaties, or laws enacted by state or local governments.

Acronyms

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About Preambles

The Preamble is the part of a rulemaking package that contains information about the rulemaking and provides agency justification and regulatory intent.

It includes reference to the specific statutes authorizing the agency to make the rule, an explanation of the rule, reasons for proposing the rule, and the preliminary Economic Impact Statement.

The information in the Preamble differs between rulemaking notices used and the stage of the rulemaking.
NOTICES OF PROPOSED RULEMAKING

This section of the Arizona Administrative Register contains Notices of Proposed Rulemaking.

A proposed rulemaking is filed by an agency upon completion and submittal of a Notice of Rulemaking Docket Opening. Often these two documents are filed at the same time and published in the same Register issue. When an agency files a Notice of Proposed Rulemaking under the Administrative Procedure Act (APA), the notice is published in the Register within three weeks of filing. See the publication schedule in the back of each issue of the Register for more information.

Under the APA, an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the Register before beginning any oral proceedings for making, amending, or repealing any rule (A.R.S. §§ 41-1013 and 41-1022).

The Office of the Secretary of State is the filing office and publisher of these rules. Questions about the interpretation of the proposed rules should be addressed to the agency that promulgated the rules. Refer to item #4 below to contact the person charged with the rulemaking and item #10 for the close of record and information related to public hearings and oral comments.

NOTICE OF PROPOSED RULEMAKING
TITLE 9. HEALTH SERVICES
CHAPTER 12. DEPARTMENT OF HEALTH SERVICES
SOBER LIVING HOMES

[P19-09]

PREAMBLE

1. Article, Part, or Section Affected (as applicable) | Rulemaking Action
   Article 1
   R9-12-101 | New Article
   R9-12-102 | New Section
   R9-12-103 | New Section
   R9-12-104 | New Section
   R9-12-105 | New Section
   R9-12-106 | New Section
   R9-12-107 | New Section
   Table 1.1 | New Table
   Article 2
   R9-12-201 | New Section
   R9-12-202 | New Section
   R9-12-203 | New Section
   R9-12-204 | New Section
   R9-12-205 | New Section
   R9-12-206 | New Section
   R9-12-207 | New Section

2. Citations to the agency’s statutory rulemaking authority to include authorizing statutes (general) and the implementing statutes (specific):
   Implementing statutes: A.R.S. §§ 36-2062, 36-2063, and 36-2064 as created by Laws 2018, Ch. 194

3. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the proposed rule:
   Notice of Rulemaking Docket Opening: 24 A.A.R. 2772, October 5, 2018

4. The agency’s contact person who can answer questions about the rulemaking:
   Name: Thomas Salow, Branch Chief
   Address: Arizona Department of Health Services
            Public Health Licensing Services
            150 N. 18th Ave., Suite 400
            Phoenix, AZ 85007
   Telephone: (602) 364-1935
   Fax: (602) 364-4808
   E-mail: Thomas.Salow@azdhs.gov
   or
   Name: Robert Lane, Chief
5. **An agency’s justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:**

Laws 2018, Ch. 194 adds A.R.S. Title 36, Chapter 18, Article 4, pertaining to the licensing and regulation of sober living homes. In A.R.S. § 36-2062(A), Laws 2018, Ch. 194 requires the Arizona Department of Health Services (Department) to “adopt rules to establish minimum standards and requirements for the licensure of sober living homes ... necessary to ensure the public health, safety, and welfare.” Laws 2018, Ch. 194 also requires the inclusion of specific standards; the establishment of fees for initial licensure, license renewal, and late payment of licensing fees; and provisions for the Department’s enforcement of licensing requirements. After receiving an exception from the rulemaking moratorium established by Executive Order 2018-02, the Department is adopting rules for licensing sober living homes in Arizona Administrative Code Title 9, Chapter 12 to comply with Laws 2018, Ch. 194. The new rules will conform to rulemaking format and style requirements of the Governor’s Regulatory Review Council and the Office of the Secretary of State.

6. **A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**


7. **A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:**

Laws 2018, Ch. 194, § 7, repeals A.R.S. §§ 9-500.40 and 11-269.18 upon adoption of these rules, removing the authority of cities and counties to regulate sober living homes. However, this change is caused by the statutes, not the rules.

8. **The preliminary summary of the economic, small business, and consumer impact:**

The Department anticipates that the rulemaking may affect the Department, certifying organizations, certified sober living homes operating in Arizona under A.R.S. § 36-2064(A), persons planning to operate a sober living home in Arizona, owners of properties in which sober living homes may be located, local jurisdictions in which a sober living home is or may be located, state agencies or state-contracted vendors directing substance abuse treatment, state or county courts making residential recommendations for individuals under their supervision, licensed health care institutions providing substance abuse treatment, behavioral health providers, individuals receiving substance abuse treatment who are referred to a sober living home and their families, and the general public.

Almost all requirements in the rules are tied directly to a specific statutory requirement. As such, costs imposed by and benefits derived from them are the result of the statutes, rather than the rulemaking. Annual costs/revenues are designated as minimal when more than $0 and $5,000 or less, moderate when between $5,000 and $20,000, and substantial when $20,000 or greater in additional costs or revenues. A cost is listed as significant when meaningful or important, but not readily subject to quantification.

The Department anticipates that the Department may incur substantial costs for setting up and implementing a licensing scheme for sober living homes. These costs will include costs of staffing sufficient to accomplish not only inspections before initial licensure, but also sufficient to conduct investigations of complaints and to investigate claims of unlicensed sober living homes. From prior experience, the Department expects the latter two to be prevalent during the early days of licensure. The Department may receive a substantial benefit from increased revenue derived from licensing fees. State agencies that direct substance abuse treatment, directly or through a vendor, include the Arizona Health Care Cost Containment System (AHCCCS), state correctional facilities, and possibly the Department of Child Safety. Because the number of sober living homes may increase once the rules for licensing sober living homes become effective, the Department believes that the rulemaking may provide a significant benefit to these governmental entities by providing more options for referral/placement.

Currently, several local jurisdictions have created regulations for sober living homes operating in their jurisdictions or have adopted standards recommended by organizations such as the National Alliance for Recovery Residences or the Arizona Recovery Housing Association (AzRHA). These local jurisdictions include the cities of Prescott and Phoenix. Because of the limit of the Department’s statutory authority, the new rules are consistent with, but not as stringent as, these local requirements. A local jurisdiction may perceive these changes as having a significant negative impact on the local jurisdiction and a loss of authority to control these elements of sober living homes. Additionally, the statutes authorizing a city or town or a county to regulate sober living homes are repealed ninety days after the adoption of these rules, which may impose up to a substantial cost or decrease in revenue.
on a local jurisdiction that has been collecting fees from the regulation of sober living homes within its jurisdiction. However, both these effects result from Laws 2018, Ch. 194, § 7, rather than from a component of the rules themselves.

Until the rules go into effect, A.R.S. § 36-2064 allows a sober living home to “operate in this state and receive referrals pursuant to Section 36-2065” only if the sober living home is “certified by a certifying organization,” creating a demand for certification by owners who want to operate a sober living home before the licensing rules go into effect. Organizations such as AzRHA have begun certifying sober living homes in Arizona. Once the new licensing rules are in effect, the Department anticipates that some sober living homes that are currently certified may decide to forego certification and just apply for licensing by the Department. If so, the new rules may cause AzRHA or another certifying organization to incur up to a substantial reduction in revenue.

Conversely, a sober living home that is currently certified and operating in Arizona may receive a minimal benefit from not incurring the cost of certification if deciding to forego certification and just apply for licensing by the Department. The Department anticipates that many sober living homes will incur a minimal cost for licensing, which may be offset by fees charged to residents. Similar costs and benefits would apply to a person planning to open a sober living home in Arizona. With the possibility of more sober living homes beginning operation once the new rules are in place, an owner of a property eligible, under requirements of local jurisdictions, to become a sober living home may be able to charge more rent for the property, thus receiving a minimal-to-moderate benefit from the rules, because of increased competition for the use of the property.

Licensed health care institutions providing substance abuse treatment and behavioral health providers may receive a significant benefit if the number of sober living homes increases due to the rulemaking, providing more options for referral/placement. Health care institutions providing substance abuse treatment and behavioral health providers may also receive a significant benefit from knowing that their patients or clients are in sober living homes that meet minimum standards for health and safety. Similarly, the Department believes that individuals receiving substance abuse treatment who are referred to a licensed sober living home and their families may receive a significant benefit from the regulation of sober living homes provided through the new rules.

The owners of homes in neighborhoods in which sober living homes are currently located have expressed concerns about the effect that sober living homes may have on their property values and the safety of their children. Although the Department does not have the statutory authority to address all their concerns, the rules do require policies and procedures to be established, documented, and implemented to prevent or address any concerns or complaints from individuals living in the surrounding neighborhoods and to promote the safety of the surrounding neighborhood. These include requirements that cover termination of residency and for maintaining the physical plant of a sober living home. The Department believes that requirements in the new rules, as well as the Department’s oversight of sober living homes as part of the licensing process, may decrease instances in which the existence of a sober living home in a neighborhood has a negative impact on the residents of the neighborhood, including homeowners. Therefore, the new rules may provide a significant benefit to a homeowner or other resident of a neighborhood in which a sober living home is located. Because of the beneficial effects of well-run sober living homes on individuals in recovery, the Department anticipates that the rules may also provide a significant benefit to the general public.

9. **The agency's contact person who can answer questions about the economic, small business, and consumer impact statement:**

   Name: Thomas Salow, Branch Chief  
   Address: Arizona Department of Health Services  
   Public Health Licensing Services  
   150 N. 18th Ave., Suite 400  
   Phoenix, AZ 85007  
   Telephone: (602) 364-1935  
   Fax: (602) 364-4808  
   E-mail: Thomas.Salow@azdhs.gov  
   or  
   Name: Robert Lane, Chief  
   Address: Arizona Department of Health Services  
   Office of Administrative Counsel and Rules  
   150 N. 18th Ave., Suite 200  
   Phoenix, AZ 85007  
   Telephone: (620) 542-1020  
   Fax: (602) 364-1150  
   E-mail: Robert.Lane@azdhs.gov

10. **The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:**

    The Department has scheduled the following oral proceeding:
    
    **Date and time:** Monday, March 11, 2019 at 1:00 p.m.  
    **Location:** Conference Room 415B  
    150 N. 18th Ave.  
    Phoenix, AZ 85007  
    **Close of record:** 4:00 p.m., March 11, 2019

    A person may submit written comments on the proposed rules no later than the close of record to either of the individuals listed in items #4 and #9. A person with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Robert Lane at Robert.Lane@azdhs.gov or (602) 542-1020. Requests should be made as early as possible to allow time to
11. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:
   Because A.R.S. § 36-2062(E) states that a license is valid only for the premises and is not transferable, a general permit is not applicable and is not used.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:
   Not applicable

c. Whether a person submitted an analysis to the agency that compares the rule’s impact of the competitiveness of business in this state to the impact on business in other states:
   No business competitiveness analysis was received by the Department.

12. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:
   Not applicable

13. The full text of the rules follows:

TITLE 9. HEALTH SERVICES
CHAPTER 12. DEPARTMENT OF HEALTH SERVICES
SOBER LIVING HOMES

ARTICLE 1. REPEALED LICENSURE REQUIREMENTS

Section
R9-12-101. Repealed Definitions
R9-12-102. Repealed Individuals to Act for Applicant or Licensee
R9-12-103. Repealed Application for a License
R9-12-104. Repealed License Renewal
R9-12-105. Repealed Changes Affecting a License
R9-12-106. Repealed Time-frames
R9-12-107. Repealed Denial, Revocation, or Suspension of a License

Table 1.1
Time-frames (in calendar days)

ARTICLE 2. SOBER LIVING HOME REQUIREMENTS

Section
R9-12-201. Administration
R9-12-202. Residency Agreements
R9-12-203. Resident Rights
R9-12-204. Resident Records
R9-12-205. Sober Living Home Services
R9-12-206. Emergency and Safety Standards
R9-12-207. Environmental and Physical Plant Requirements

ARTICLE 1. REPEALED LICENSURE REQUIREMENTS

R9-12-101. Repealed Definitions
In addition to the definitions in A.R.S. § 36-2061, the following definitions apply in this Chapter unless otherwise specified:

1. “Abuse” means:

   a. The same as in A.R.S. § 46-451;
   b. A pattern of ridiculing or demeaning a resident;
   c. Making derogatory remarks or verbally harassing a resident; or
   d. Threatening to inflict physical harm on a resident.

2. “Accept” or “acceptance” means an individual becomes a resident of a sober living home.

3. “Administrative completeness review time-frame” means the same as in A.R.S. § 41-1072.

4. “Applicant” means an individual or business organization requesting a license under R9-12-104 to open a sober living home.

5. “Application packet” means the forms, documents, and additional information the Department requires to be submitted by an applicant.

6. “Business organization” means the same as “entity” in A.R.S. § 10-140.

7. “Calendar day” means each day, not including the day of the act, event, or default from which a designated period of time begins to run, but including the last day of the period unless it is a Saturday, Sunday, statewide furlough day, or legal holiday, in which case the period runs until the end of the next day that is not a Saturday, Sunday, statewide furlough day, or legal holiday.

8. “Controlling person” means a person who, with respect to a business organization:

   a. Has the power to vote at least 10% of the outstanding voting securities of the business organization.
b. If the business organization is a partnership, is a general partner or is a limited partner who holds at least 10% of the voting rights of the partnership;

c. If the business organization is a corporation, association, or limited liability company, is the president, the chief executive officer, the incorporator, an agent, or any person who owns or controls at least 10% of the voting securities, or

d. Holds a beneficial interest in 10% or more of the liabilities of the business organization.


10. “Documentation” means information in written, photographic, electronic, or other permanent form.

11. “Drug” has the same meaning as in A.R.S. § 32-1901.

12. “Exploitation” has the same meaning as in A.R.S. § 46-451.

13. “Facility” means the building or buildings used for operating a sober living home.

14. “Health care provider” means a:

   a. Physician, as defined in A.R.S. § 36-401;

   b. Registered nurse practitioner, as defined in A.R.S. § 32-1601; or

   c. Physician assistant, as defined in A.R.S. § 32-2501.

15. “Illicit drug” means:

   a. A substance listed in A.R.S. § 36-2512 as a schedule I controlled substance;

   b. A dangerous drug, as defined in A.R.S. § 13-3401, that is not an individual’s prescription medication; or

   c. A prescription medication that is not an individual’s prescription medication.

16. “Licensee” means the individual or business organization to which the Department has issued a license to operate a sober living home.

17. “Manager” means an individual designated by a licensee to:

   a. Act on behalf of the licensee in the onsite management of a sober living home; and

   b. Support and assist residents of the sober living home.

18. “Modification” means the substantial improvement, enlargement, reduction, alteration, or other substantial change in the facility or another structure on the premises at a sober living home.


20. “Overall time-frame” means the same as in A.R.S. § 41-1072.

21. “Premises” means:

   a. A facility; and

   b. The grounds surrounding the facility that are owned, leased, or controlled by the licensee, including other structures.

22. “Prescription medication” means the same as in A.R.S. § 32-1901.

23. “Residence agreement” means a document signed by a resident or the resident’s representative and a manager, detailing the terms of residency.

24. “Resident” means an individual who is accepted by a licensee under the terms of a residence agreement with the individual to live at the licensee’s sober living home.

25. “Resident’s representative” means:

   a. An individual acting on behalf of a resident with the written consent of the resident, or

   b. The resident’s legal guardian.

26. “Sober” or “sobriety” means that an individual is free of alcohol or drugs, except for a drug that is:

   a. Used as part of medication-assisted treatment,

   b. The individual’s prescription medication, or

   c. An over-the-counter drug.

27. “Staff” means the employees or volunteers who provide monitoring or assistance to residents at a sober living home.

28. “Substantive review time-frame” means the same as in A.R.S. § 41-1072.

29. “Termination of residency” or “terminate residency” means an individual is no longer a resident of a sober living home.

30. “Swimming pool” means the same as “private residential swimming pool” as defined in A.A.C. R18-5-201.

R9-12-102. Repealed Individuals to Act for Applicant or Licensee

When an applicant or licensee is required by this Chapter to provide information on or sign an application form or other document, the following shall satisfy the requirement on behalf of the applicant or licensee:

1. If the applicant or licensee is an individual, the individual; and

2. If the applicant or licensee is a business organization, the individual who the business organization has designated to act on the business organization’s behalf for purposes of this Chapter and who:

   a. Is a controlling person of the business organization,

   b. Is a U.S. citizen or legal resident, and

   c. Has an Arizona address.

R9-12-103. Repealed Application for a License

A. An application shall submit to the Department a completed application packet to operate a sober living home that contains:

1. An application, in a Department-provided format, that includes:

   a. The applicant’s name;

   b. The proposed name, if any, of the sober living home;

   c. The address and telephone number of the proposed sober living home;

   d. The applicant’s address and telephone number, if different from the address or telephone number of the proposed sober living home;

   e. The applicant’s e-mail address;

   f. The name and contact information of an individual acting on behalf of the applicant according to R9-12-102, if applicable;
Whether the applicant agrees to allow the Department to submit supplemental requests for information under R9-12-106(C)(3);

b. The maximum number of residents of the proposed sober living home;

c. The name, telephone number, and e-mail address of the manager for the proposed sober living home;

d. An attestation that the applicant is in compliance with local zoning ordinances, building codes, and fire codes; and

e. The applicant’s signature and the date signed;

f. Documentation for the applicant that complies with A.R.S. § 41-1080;

2. If applicable, a copy of the applicant’s current certificate as a sober living home from a certifying organization approved by the Director;

3. The location of each openable window or door from a resident bedroom;

4. A floor plan for the proposed sober living home, including:

a. The location and size of each resident bedroom, and

b. The location of each openable window or door from a resident bedroom;

5. If the premises for the proposed sober living home are leased, documentation from the owner of the premises, in a Department-provided format, that the applicant has permission from the owner to operate a sober living home on the premises; and

6. A licensing fee of $500 plus $100 times the maximum number of residents of the proposed sober living home in subsection (A)(1(h);

B. Upon receipt of the application packet in subsection (A), the Department shall issue or deny a license to an applicant as provided in R9-12-106.

R9-12-104. Repealed License Renewal

A. At least 60 calendar days before the expiration date indicated on a license to operate a sober living home, a licensee shall submit to the Department an application packet for renewal of the license that contains:

1. An application, in a Department-provided format, that includes:

a. The applicant’s name;

b. The address and telephone number of the sober living home;

c. The applicant’s address and telephone number, if different from the address or telephone number of the sober living home;

d. The applicant’s e-mail address;

e. The license number of the sober living home; and

f. Whether the applicant agrees to allow the Department to submit supplemental requests for information under R9-12-106(C)(3);

2. If applicable, a copy of the licensee’s current certificate as a sober living home from a certifying organization approved by the Director; and

3. Except as provided in subsection (B), a licensing fee of $500 plus $100 times the maximum number of residents approved for the sober living home during the current licensing period.

B. A licensee may submit to the Department the licensing fee in subsection (A)(3) with an additional late payment fee of $250 within 30 calendar days after the expiration date of the license as a sober living home.

C. The Department shall renew or deny renewal of a license to operate a sober living home as provided in R9-12-106.

R9-12-105. Repealed Changes Affecting a License

A. A licensee shall notify the Department in writing at least 30 calendar days before the effective date of:

1. Termination of operation of the sober living home, including the proposed termination date;

2. A change in the individual or business organization controlling the sober living home, including the name, address, telephone number, and e-mail address of the individual or business organization proposing to assume control of the sober living home;

3. A change in the address of the sober living home, including the new address for the sober living home;

4. A change in the name of the sober living home, including the new name of the sober living home;

5. If the licensee is an individual, a legal change of the licensee’s name, including the new name of the licensee; or

6. A proposed change in the maximum number of residents in the sober living home during the current licensing period.

B. A change in the name or contact information of an individual acting on behalf of the licensee according to R9-12-102, including the name and contact information of the new individual acting on behalf of the licensee;

2. A change in the licensee’s e-mail address, including the new e-mail address; or

3. A change in the manager of the sober living home, including the name, telephone number, and e-mail address of the new manager.

C. If the Department receives the notification of termination of operation in subsection (A)(1), the Department shall void the licensee’s license to operate a sober living home as of the termination date specified by the licensee.
If the Department receives the notification in subsection (A)(2) of a change in the individual or business organization controlling the sober living home, the Department shall void the licensee’s license to operate a sober living home upon issuance of a new license to operate a sober living home.

If the Department receives the notification in subsection (A)(3) of a change in the address of the sober living home, the Department shall review, according to R9-12-106, the licensee’s application for a new license, submitted consistent with R9-12-103.

If the Department receives the notification of a change in the name of the sober living home in subsection (A)(4) or of the licensee in subsection (A)(5), the Department shall issue to the licensee an amended license that incorporates the change but retains the expiration date of the existing license.

If the Department receives the notification in subsection (A)(6) of a proposed change in the maximum number of residents in the sober living home or of construction or modification of the facility, the Department:

1. May conduct an inspection as allowed by A.R.S. § 36-2063; and
2. Shall issue to the licensee an amended license that incorporates the change but retains the expiration date of the existing license if the sober living home is in compliance with A.R.S. Title 36, Chapter 18, Article 4 and this Chapter.

An individual or business organization planning to assume operation of an existing sober living home shall obtain a new license, as required in A.R.S. § 36-2062(E), before beginning operation of the sober living home.

### R9-12-106. Repealed Time-frames

#### A.
The overall time-frame for a license granted by the Department under this Chapter is set forth in Table 1.1. The applicant or licensee and the Department may agree in writing to extend the substantive review time-frame and the overall time-frame. An extension of the substantive review time-frame and the overall time-frame may not exceed 25% of the overall time-frame.

#### B.
The administrative completeness review time-frame for a license granted by the Department under this Chapter is set forth in Table 1.1 and begins on the date that the Department receives an application packet.

1. The Department shall send a notice of administrative completeness or deficiencies to the applicant or licensee within the administrative completeness review time-frame.
   a. A notice of deficiencies shall list each deficiency and the information or items needed to complete the application.
   b. The administrative completeness review time-frame and the overall time-frame are suspended from the date that the notice of deficiencies is sent until the date that the Department receives all of the missing information or items from the applicant or licensee.
   c. If an applicant or licensee fails to submit to the Department all of the information or items listed in the notice of deficiencies within 120 calendar days after the date that the Department sent the notice of deficiencies or within a time period the applicant or licensee and the Department agree upon in writing, the Department shall consider the application withdrawn.

2. If the Department issues a license during the administrative completeness review time-frame, the Department shall not issue a separate written notice of administrative completeness.

#### C.
The substantive review time-frame is set forth in Table 1.1 and begins on the date of the notice of administrative completeness.

1. As part of the substantive review of an application for a license, the Department may conduct an inspection according to A.R.S. § 36-2063 that may require more than one visit to complete.

2. The Department shall send a license or a written notice of denial of a license within the substantive review time-frame.

3. During the substantive review time-frame, the Department may make one comprehensive written request for additional information, unless the applicant or licensee has agreed in writing to allow the Department to submit supplemental requests for information.

   a. The Department shall send a comprehensive written request for additional information that includes a written statement of deficiencies, stating each statute and rule upon which noncompliance is based, if the Department determines that an applicant or licensee, a sober living home, or the premises are not in substantial compliance with A.R.S. Title 36, Chapter 18, Article 4 or this Chapter.

4. An applicant or licensee shall submit to the Department all of the information requested in a comprehensive written request for additional information or a supplemental request for information, including, if applicable, documentation of the corrections required in a statement of deficiencies, within 30 calendar days after the date of the comprehensive written request for additional information or the supplemental request for information or within a time period the applicant or licensee and the Department agree upon in writing.

   a. The substantive review time-frame and the overall time-frame are suspended from the date that the Department sends a comprehensive written request for additional information or a supplemental request for information until the date that the Department receives all of the information requested, including, if applicable, documentation of corrections required in a statement of deficiencies.

   b. If an applicant or licensee fails to submit to the Department all of the information requested in a comprehensive written request for additional information or a supplemental request for information, including, if applicable, documentation of corrections required in a statement of deficiencies, within the time prescribed in subsection (C)(3)(b), the Department shall deny the application.

   c. If the Department shall issue a license if the Department determines that the applicant or licensee and the sober living home, including the premises, are in substantial compliance with A.R.S. Title 36, Chapter 18, Article 4, and this Chapter.

   d. If the Department denies a license, the Department shall send to the applicant or licensee a written notice of denial setting forth the reasons for denial and all other information required by A.R.S. § 41-1076.

### R9-12-107. Reserved

The Department may deny an application or suspend or revoke a license to operate a sober living home if:

1. An applicant or licensee does not meet the application requirements contained in R9-12-103(A) or R9-12-104(A), as applicable;
2. A licensee does not comply with requirements in A.R.S. Title 36, Chapter 18, Article 4, or this Chapter.
3. A licensee does not correct the deficiencies according to the plan of correction specified in R9-12-201(J)(1) by the time stated in
the plan of correction;
4. An applicant or licensee provides false or misleading information as part of an application; or
5. The nature or number of violations revealed by any type of inspection or investigation of a sober living home poses a direct risk
to the life, health, or safety of a resident or another individual on the premises.

B. In determining which action in subsection (A) is appropriate, the Department shall consider the direct risk to the life, health, or safety
of a resident in the sober living home based on:
1. Repeated violations of statutes or rules,
2. Pattern of violations,
3. Types of violation,
4. Severity of violation, and
5. Number of violations.

C. An applicant or licensee may appeal the Department’s determination in subsection (A) according to A.R.S. Title 41, Chapter 6, Arti-
cle 10.

Table 1.1. Time-frames (in calendar days)

<table>
<thead>
<tr>
<th>Type of approval</th>
<th>Statutory authority</th>
<th>Overall time-frame</th>
<th>Administrative completeness review time-frame</th>
<th>Substantive review time-frame</th>
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<td>Application for a license</td>
<td>A.R.S. § 36-2062</td>
<td>90</td>
<td>30</td>
<td>60</td>
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<tr>
<td>under R9-12-103</td>
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<tr>
<td>Renewal of a license</td>
<td>A.R.S. § 36-2062</td>
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<td>10</td>
<td>20</td>
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<tr>
<td>under R9-12-104</td>
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<td></td>
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<tr>
<td>Changes affecting a license</td>
<td>A.R.S. § 36-2062</td>
<td>60</td>
<td>30</td>
<td>30</td>
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<tr>
<td>including modifications</td>
<td></td>
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</tbody>
</table>

ARTICLE 2. SOBER LIVING HOME REQUIREMENTS

R9-12-201. Administration
A. A licensee of a sober living home:
1. Has the authority and responsibility for the management of the sober living home, including when the licensee designates
   another individual or contracts with a person to accomplish an action or perform a service;
2. Shall establish, in writing, the scope of services to be provided by the sober living home;
3. Shall designate, in writing, an individual, who may be the licensee, as the manager of the sober living home; and
4. Shall ensure that the knowledge, skills, and experience of the manager and any other staff of the sober living home are sufficient
to carry out the scope of services established according to subsection (A)(2).

B. A licensee shall ensure that:
1. A manager:
   a. Is at least 21 years of age;
   b. Is sober and has maintained sobriety for at least one year;
   c. Resides on the premises of only the one sober living home;
   d. Has documentation of current training in cardiopulmonary resuscitation; and
   e. Is directly accountable to the licensee for:
      i. The daily operation of the sober living home;
      ii. Enforcing all policies and procedures, house rules, and other requirements of the sober living home; and
      iii. All services provided by or at the sober living home;
2. Policies and procedures are established, documented, and implemented to:
   a. Prevent or address any concerns or complaints from individuals living in the surrounding neighborhood by:
      i. Identifying an individual for individuals living in the surrounding neighborhood to contact to discuss a concern;
      ii. Requiring the identified individual to respond to a concern or complaint, even if the issue cannot be resolved; and
      iii. Ensuring that requirements for residents and visitors related to parking, noise emanating from the sober living home,
      smoking, cleanliness of the public space near the sober living home, and loitering in front of the sober living home or
      near-by homes are established, known to residents, and enforced; and
   b. Promote the safety of the surrounding neighborhood, to comply with A.R.S. § 36-2062(A)(3); and
3. Policies and procedures are established, documented, and implemented to protect the health and safety of a resident that cover:
   a. Recordkeeping;
   b. Resident acceptance;
   c. Resident rights;
   d. Orientation of a resident to:
      i. The premises of the sober living home,
      ii. The resident’s rights and responsibilities,
      iii. The prohibition of the possession of alcohol or illicit drugs at the sober living home,
      iv. Services offered by or coordinated through the sober living home,
      v. Drug and alcohol testing practices, and
vi. Expectations about food preparation and chores;
g. Drug and alcohol testing conducted by an independent testing facility certified under 42 C.F.R. 493 for the sober living home and other assessments of sobriety, including:
   i. The frequency of testing or assessment, based on the residents accepted; and
   ii. The compounds included in the testing panel or, if applicable, an assessment methodology, based on the sober living home’s scope of services and residents accepted;
f. Allowing the acceptance and retention as a resident of an individual:
   i. Who is receiving and will continue to receive medication-assisted treatment;
   ii. Who has a co-occurring behavioral health issue, as defined in A.A.C. R9-10-101; or
   iii. If included in the scope of services established according to subsection (A)(2), has a co-occurring medical condition;
h. House meetings, including:
   i. Frequency;
   ii. Typical duration; and
   iii. Participation requirements, if applicable;
i. The provision of services, including:
   i. Facilitating peer support activities;
   ii. If applicable, providing other services on the premises to support sobriety or improve independent living;
   iii. If applicable, coordinating the provision of services to support sobriety provided by other persons; and
   iv. Referring a resident to other persons for the provision of services to support sobriety;
j. Residents’ records, including electronic records if applicable;
k. House meetings, including:
   i. Frequency;
   ii. Typical duration; and
   iii. Participation requirements, if applicable;
l. The establishment, updating, and enforcement of house rules, including:
   i. If applicable, curfews;
   ii. Requirements related to chores, smoking, and visitors; and
   iii. Requirements for the storage, security, and use of a resident’s prescription medications or over-the-counter drugs;
m. Management of all monies received or spent by the sober living home, including:
   i. Accounting for monies received by residents;
   ii. Prohibiting a requirement for an individual or resident to sign a document relinquishing the resident’s public assistance benefits, such as medical assistance, case assistance, or supplemental nutrition assistance program benefits, as a condition of residency; and
   iii. Providing copy of the record of the resident’s account to the resident or the resident’s representative upon request;

C. A licensee shall:
   1. Not act as a patient’s representative; and
   2. Ensure that a manager, an employee, or a family member of a manager or employee does not act as a resident’s representative.

D. If a manager has a reasonable basis, according to A.R.S. § 46-454, to believe abuse or exploitation of a resident has occurred on the premises, the manager shall:
   1. If applicable, take immediate action to stop the suspected abuse or exploitation;
   2. Immediately report the suspected abuse or exploitation of the resident according to A.R.S. § 46-454;
   3. Document:
      a. The suspected abuse or exploitation,
      b. Any action taken according to subsection (D)(1), and
      c. The report in subsection (D)(2); and
   4. Maintain the documentation in subsection (D)(3) for at least 12 months after the date of the report in subsection (D)(2).

E. A manager shall notify:
   1. A resident’s representative, family member, or other emergency contact designated by the resident according to R9-12-202(C)(2):  
      a. Within one calendar day after:
i. The resident’s death, or
ii. The resident has an illness or injury that requires immediate intervention by an emergency medical services provider or treatment by a health care provider; and
b. Within seven calendar days after the manager determines that a resident is:
i. Incapable of handling financial affairs, or
ii. Not complying with the residency agreement; and
2. The Department, in a Department-provided format, of a resident’s death, within one working day after the resident’s death, if the resident’s death is required to be reported according to A.R.S. § 11-593.

E. If a sober living home provides or arranges transportation for residents, a manager shall ensure that the vehicle used for transportation:
1. Is in good working order, and
2. Has a seat belt for each occupant of the vehicle.

G. A manager shall ensure that the following are conspicuously posted in a sober living home:
1. The license of the sober living home;
2. The name and contact information for the individual or business organization controlling the sober living home; and
3. A statement of resident’s rights, including:
   a. The right to file a complaint about the manager or the sober living home,
   b. How to file a complaint about the manager or the sober living home, and
   c. The phone number for the unit in the Department responsible for licensing and monitoring the sober living home.

H. A licensee shall ensure that a personnel record is established for a manager and any other staff of a sober living home that includes the individual’s:
1. Name;
2. Date of birth;
3. Contact telephone number; and
4. Documentation of:
   a. Verification of skills and knowledge sufficient to carry out the sober living home’s scope of services;
   b. Training in the use of naloxone; and
   c. If applicable:
      i. Certification in cardiopulmonary resuscitation, and
      ii. Compliance with subsection (B)(1)(b).

I. A licensee shall ensure that:
1. The manager or other staff of the sober living home is on the premises within 30 minutes after notification by the Department of the Department’s presence at the sober living home; and
2. The Department is allowed immediate access to:
   a. Areas of the premises;
   b. Information in records pertaining to the sober living home or residents, except as prohibited by 42 CFR, Part 2; and
   c. Staff or residents of the sober living home who are on the premises.

J. If the Department notifies the licensee of noncompliance with requirements in A.R.S. Title 36, Chapter 18, Article 4, or this Chapter, the licensee shall:
1. Within 14 calendar days after the date of the Department’s notice of noncompliance, establish a plan of correction, if applicable, for correction of a deficiency; and
2. Ensure that a deficiency listed on the plan of correction is corrected within 30 calendar days after the date of the plan of correction or within a time period the Department and the licensee agree upon in writing.

R9-12-202. Residency Agreements
A. Within three calendar days before or at the time of acceptance into a sober living home, an individual requesting to be a resident of the sober living home shall provide proof of sobriety to the manager of the sober living home.
B. A manager shall not accept or retain an individual as a resident of a sober living home if the individual:
1. Is not at least 18 years of age,
2. Cannot provide proof of sobriety, or
3. Needs more support to maintain sobriety than is within the scope of services for the sober living home.
C. Before or at the time of an individual’s acceptance by a sober living home, a manager shall ensure that there is a documented residency agreement between the individual and the sober living home that includes:
1. The individual’s name;
2. The name and phone number of an emergency point of contact, which may be a family member or another individual designated by the individual;
3. Information about the individual’s:
   a. Length of sobriety;
   b. History of previous recovery activities; and
   c. Source of referral to the sober living home, if applicable;
4. Terms of occupancy, including:
   a. Date of occupancy or expected date of occupancy,
   b. Resident responsibilities, and
   c. Responsibilities of the sober living home;
5. The consequences of a loss of sobriety;
6. A description of the room for the individual to occupy;
7. A list of the services to be provided by the sober living home to a resident;
8. The fees to be charged to the individual for residency in the sober living home;
9. A list of the services available from the sober living home at an additional fee or charge and the associated fees or charges;
10. The policy for refunding fees, charges, or deposits;
11. The policy and procedure for a resident to terminate residency, including terminating residency because services were not provided to the resident according to the residency agreement;
12. The policy and procedure for a sober living home to terminate residency;
13. A statement that a resident has a right to file a complaint about the sober living home, manager, or licensee and a description of the complaint process;
14. A statement that a resident is expected to:
   a. Comply with the terms of the residency agreement and requirements established for residents according to R9-12-201(B)(2)(a)(iii) or R9-12-201(B)(3)(j);
   b. Maintain sobriety; and
   c. Participate in activities to improve life skills, support independent living, and promote recovery:
      i. Such as a treatment program, a self-help group, or another program to support sobriety and recovery; and
      ii. That may include job training, school, or looking for a job;
15. A statement that a sober living home may not require an individual to relinquish the individual’s public assistance benefits, such as medical assistance, case assistance, or supplemental nutrition assistance program benefits, as a condition of residency;
16. A statement that a sober living home must notify a family member or other emergency contact of the individual, according to R9-12-201(E)(1), if the individual:
   a. Dies while a resident of the sober living home,
   b. Has an illness or injury that requires immediate intervention by an emergency medical services provider or treatment by a health care provider,
   c. Appears to be incapable of handling financial affairs, or
   d. Is not complying with the residency agreement;
17. The name and contact information for the individual or business organization controlling the sober living home;
18. The signature of the individual and the date signed; and
19. The manager’s signature and date signed.

D. A manager shall:
   1. Before or at the time of an individual’s acceptance by a sober living home, provide to the resident or resident’s representative a copy of:
      a. The residency agreement in subsection (C), and
      b. Resident’s rights; and
   2. Maintain the original of the residency agreement in subsection (C) in the resident’s record.

E. A manager may terminate residency of a resident as follows:
   1. Without notice, if the resident exhibits behavior that is an immediate threat to the health and safety of the resident or other individuals in a sober living home;
   2. With a seven-calendar-day written notice of termination of residency:
      a. For nonpayment of fees, charges, or deposit; or
      b. Under the conditions in subsection (B)(3); or
   3. With a 14-calendar-day written notice of termination of residency, for any other reason.

F. A manager shall ensure that a written notice of termination of residency includes:
   1. The date of notice;
   2. The reason for termination of residency;
   3. If termination of residency is because the resident needs more support to maintain sobriety than is within the scope of services for the sober living home, a description of why the sober living home cannot meet the resident’s needs;
   4. The policy for refunding fees, charges, or deposits; and
   5. The deposition of a resident’s fees, charges, and deposits.

R9-12-203. Resident Rights

A. A manager shall ensure that:
   1. A resident is not subjected to:
      a. Abuse,
      b. Exploitation,
      c. Coercion,
      d. Manipulation,
      e. Sexual abuse,
      f. Sexual assault, or
      g. Retaliation for submitting a complaint to the Department or another entity; and
   2. A resident or the resident’s representative is informed of and given the opportunity to ask questions about:
      a. The residency agreement,
      b. The costs associated with residency,
      c. The resident’s rights and responsibilities,
      d. The prohibition of the possession of alcohol or illicit drugs at the sober living home,
      e. Drug and alcohol testing and other assessments of sobriety,
      f. The consequences of loss of sobriety, and
      g. The complaint process.

B. A resident has the following rights:
1. Not to be discriminated against based on race, national origin, religion, gender, sexual orientation, age, disability, marital status, or diagnosis;
2. To receive services that support the resident’s sobriety, including, if applicable, continuing to receive medication-assisted treatment while a resident;
3. To have a secure place to store personal belongings, medications, or other personal items to deter misappropriation by another individual;
4. To be able to gain access to the sober living home at any time while a resident;
5. To have access to all areas of the sober living home’s premises, except for:
   a. The bedrooms and secure storage locations of other residents,
   b. The bedroom and secure storage locations of the manager or other staff, and
   c. Areas of the sober living home used as the manager’s office or for storage of records or supplies for assessment of sobriety;
6. To have access to meals prepared in the sober living home;
7. To review, upon written request, the resident’s own record; and
8. To receive assistance in locating another place to live if the resident’s record indicates that the resident:
   a. No longer needs the services of a sober living home, or
   b. Needs more services and support to maintain sobriety than the sober living home is authorized to provide.

R9-12-204. Resident Records
A. A manager shall ensure that a resident record is established and maintained for each resident that includes:
   1. The original of the residency agreement in R9-12-202(C);
   2. The date the resident received orientation to the sober living home, as required by R9-12-205(A);
   3. A copy of each drug and alcohol test performed on the resident by an independent testing facility, including the date of the test and the test result;
   4. Any other assessments of sobriety performed on the resident, including:
      a. The date of the assessment,
      b. A description of the assessment,
      c. The result of the assessment, and
      d. The name of the individual conducting the assessment;
   5. Documentation of the resident’s attendance at and participation in treatment, self-help groups, and other supports that promote recovery, including:
      a. The name or a description of the support towards recovery, and
      b. The date of the resident’s attendance;
   6. A current list of medications taken by the resident and the resident’s medical conditions;
   7. An account of monies received from the resident and any expenditures made specific to the resident;
   8. Documentation of any complaints made by or about the resident and the outcome of each complaint;
   9. Documentation of any notification made according to R9-12-201(E) about the resident; and
   10. If applicable, documentation related to termination of residency, including:
       a. Whether termination of residency was initiated by the resident or the sober living home,
       b. The reason for termination of residency,
       c. Any assistance the resident received in locating another place to live, and
       d. The date the residency ended.

B. A licensee shall ensure that a resident’s record is:
   1. Protected from loss, damage, or unauthorized use;
   2. Available for review by the resident or the resident’s representative, within 24 hours after a request; and
   3. Maintained for at least 12 months after the termination of residency.

R9-12-205. Sober Living Home Services
A. Within 24 hours after an individual becomes a resident of a sober living home, a licensee shall ensure that the resident receives orientation to the sober living home and premises, according to policies and procedures, that includes:
   1. The location of all exits from the sober living home and the route to evacuate the sober living home in case of an emergency;
   2. The location of the first-aid kit required in R9-12-206(1);
   3. The use of the kitchen of the sober living home, including:
      a. Operation of the appliances,
      b. Use of food storage areas, and
      c. Removal of garbage and refuse;
   4. The use of the washing machine and dryer;
   5. The dates, time, and location of house meetings;
   6. The prohibition of the possession of alcohol or illicit drugs at the sober living home;
   7. Review and discussion of specific resident requirements, as applicable, such as curfews, smoking, visitors, signing in or out of the sober living home, meal preparation schedule, chore schedule, or other house rules;
   8. Review and discussion of requirements related to R9-12-201(B)(2)(a)(iii); and
   9. The information required according to R9-12-201(B)(3)(n).

B. A manager shall:
   1. Conduct drug and alcohol testing according to policies and procedures;
   2. Assist a resident to identify and participate in programs to support sobriety and recovery.
3. Provide to a resident information about community resources, such as nearby bus routes, grocery stores, department stores, other places to obtain food or other personal items, schools, libraries or other locations providing access to computers, or other locations providing items or services a resident may need.

R9-12-206. Emergency and Safety Standards
A manager shall ensure that:
1. A first aid kit is available at a sober living home sufficient to meet the needs of residents;
2. Naloxone is available and accessible to the manager, staff, and residents of the sober living home;
3. A smoke detector and, if there is a gas line in the sober living home, a carbon monoxide detector are installed in:
   a. A bedroom used by a resident;
   b. A hallway in a sober living home, and
   c. A sober living home’s kitchen;
4. The smoke detector and, if applicable, carbon monoxide detector in subsection (3) are:
   a. Either battery operated or, if hard-wired into the electrical system of the sober living home, have a back-up battery; and
   b. In working order;
5. A fire extinguisher that is labeled as rated at least 1A-10-BC by the Underwriters Laboratories:
   a. Is maintained in the sober living home’s kitchen;
   b. If a disposable fire extinguisher, is replaced when its indicator reaches the red zone; and
   c. If a rechargeable fire extinguisher:
      i. Is serviced at least once every 12 months, and
      ii. Has a tag attached to the fire extinguisher that specifies the date of the last servicing and the identification of the person who serviced the fire extinguisher;
6. An evacuation path is conspicuously posted on each hallway of each floor of the sober living home;
7. A written evacuation plan is maintained and available for use by the manager, any other staff of the sober living home, and any resident in a sober living home;
8. An evacuation drill is conducted at least once every six months; and
9. A record of an evacuation drill required in subsection (8) is maintained for at least 12 months after the date of the evacuation drill.

R9-12-207. Environmental and Physical Plant Requirements
A. A licensee shall ensure that a sober living home:
1. Is free of any plumbing, electrical, ventilation, mechanical, chemical, or structural hazard that may result in physical injury or illness to an individual or jeopardize the health or safety of a resident;
2. Has a kitchen for use by the manager and residents of the sober living home;
3. Has a living room accessible at all times to a resident;
4. Has a dining area furnished for group meals that is accessible to the manager, residents, and any other individuals present in the sober living home;
5. For each five residents of the sober living home, has at least one bathroom equipped with:
   a. A working toilet that flushes and has a seat;
   b. A sink with running water accessible for use by a resident; and
   c. A working bathtub or shower with a slip-resistant surface;
6. Has heating and cooling systems that maintain the sober living home at a temperature between 70° F and 84° F at all times, unless individually controlled by a resident;
7. Has a supply of hot and cold water that is sufficient to meet the personal hygiene needs of residents and the cleaning requirements in this Article;
8. Has a working washing machine and dryer that is accessible to a resident; and
9. Has a working telephone that is accessible to a resident.
B. If the sober living home has a swimming pool, a licensee shall ensure that:
1. The swimming pool is equipped with the following:
   a. An operational water circulation system that clarifies and disinfects the swimming pool water continuously and that includes at least:
      i. A removable strainer,
      ii. Two swimming pool inlets located on opposite sides of the swimming pool, and
      iii. A drain located at the swimming pool’s lowest point and covered by a grating that cannot be removed without using tools; and
   b. An operational cleaning system;
2. The swimming pool is enclosed by a wall or fence that:
   a. Is at least five feet in height as measured on the exterior of the wall or fence;
   b. Has no vertical openings greater that four inches across;
   c. Has no horizontal openings, except as described in subsection (B)(2)(e);
   d. Is not chain-link;
   e. Does not have a space between the ground and the bottom fence rail that exceeds four inches in height; and
   f. Has a self-closing, self-latching gate that:
      i. Opens away from the swimming pool,
      ii. Has a latch located at least 54 inches from the ground, and
      iii. Is locked when the swimming pool is not in use; and
3. A life preserver or shepherd’s crook is available and accessible in the swimming pool area.
C. A licensee shall ensure that:
   1. A bedroom for use by a resident:
      a. Is separated from a hall, corridors, or other habitable room by floor-to-ceiling walls containing no interior openings except doors and is not used as a passageway to another bedroom or habitable room;
      b. Provides sufficient space for an individual in the bedroom to have unobstructed access to the bedroom door;
      c. Has at least one operable window or door to the outside for use as an emergency exit;
      d. Contains for each resident using the bedroom:
         i. A separate, adult-sized, single bed or larger bed with a clean mattress in good repair; and
         ii. Clean bedding appropriate for the season; and
      e. If used for:
         i. Single occupancy, contains at least 60 square feet of floor space; or
      f. Two or more residents, has an area of at least 50 square feet per resident;
   2. A mirror is available to a resident for grooming; and
   3. Each resident has individual storage space available for personal possessions and clothing.

D. A manager shall ensure that:
   1. A sober living home:
      a. Is maintained free of a condition or situation that may cause a resident or another individual to suffer physical injury;
      b. Has equipment and supplies to maintain a resident’s personal hygiene that are accessible to the resident;
      c. Is clean and free from accumulations of dirt, garbage, and rubbish; and
      d. Implements a pest control program to minimize the presence of insects and vermin at the sober living home;
   2. An appliance, light, or other device with a frayed or spliced electrical cord is not used at the sober living home;
   3. An electrical cord, including an extension cord, is not run under a rug or carpeting, over a nail, or from one room to another at the sober living home;
   4. A resident does not share a bedroom with an individual who is not a resident;
   5. A resident’s bedroom is not used to store anything other than the furniture and articles used by the resident and the resident’s belongings;
   6. A resident has a lockable or other secure storage location for medications, valuables, or other personal belongings to deter misappropriation by other individuals that is accessible only by the resident and the manager;
   7. If pets or animals are allowed in the sober living home, pets or animals are:
      a. Controlled to prevent endangering the residents and to maintain sanitation;
      b. Licensed consistent with local ordinances; and
      c. For a dog or cat, vaccinated against rabies;
   8. If a water source that is not regulated under 18 A.A.C. 4 by the Arizona Department of Environmental Quality is used:
      a. The water source is tested at least once every 12 months for total coliform bacteria and fecal coliform or E. coli bacteria;
      b. If necessary, corrective action is taken to ensure the water is safe to drink; and
      c. Documentation of testing is retained for at least 12 months after the date of the test; and
   9. If a non-municipal sewage system is used, the sewage system is in working order and is maintained according to applicable state laws and rules.
NOTICES OF FINAL RULEMAKING

This section of the Arizona Administrative Register contains Notices of Final Rulemaking. Final rules have been through the regular rulemaking process as defined in the Administrative Procedures Act. These rules were either approved by the Governor’s Regulatory Review Council or the Attorney General’s Office. Certificates of Approval are on file with the Office.

The final published notice includes a preamble and text of the rules as filed by the agency. Economic Impact Statements are not published.

The Office of the Secretary of State is the filing office and publisher of these rules. Questions about the interpretation of the final rules should be addressed to the agency that promulgated them. Refer to Item #5 to contact the person charged with the rulemaking. The codified version of these rules will be published in the Arizona Administrative Code.

NOTICE OF FINAL RULEMAKING

TITLE 2. ADMINISTRATION
CHAPTER 8. STATE RETIREMENT SYSTEM BOARD

PREAMBLE

1. Article, Part, or Section Affected (as applicable)  Rulemaking Action
R2-8-501 Amend
R2-8-502 Amend
R2-8-503 Amend
R2-8-504 Amend
R2-8-505 Amend
R2-8-506 Amend
R2-8-507 Amend
R2-8-508 Amend
R2-8-509 Amend
R2-8-510 Amend
R2-8-511 Amend
R2-8-512 Amend
R2-8-513 Amend
R2-8-513.01 Amend
R2-8-513.02 Amend
R2-8-514 Amend
R2-8-515 Repeal
R2-8-519 Amend
R2-8-520 Amend
R2-8-521 Amend
R2-8-701 Amend
R2-8-702 Amend
R2-8-703 Amend
R2-8-704 Amend
R2-8-705 Amend
R2-8-706 Amend
R2-8-707 Amend
R2-8-709 Repeal
Article 11 New Article
R2-8-1101 New Section
R2-8-1102 New Section
R2-8-1103 New Section

2. Citations to the agency’s statutory rulemaking authority to include both the authorizing statute (general) and the implementing statute (specific):
   Authorizing statute: A.R.S. § 38-714(E)
   Implementing statutes: A.R.S. §§ 38-701 et seq., 38-921, and 38-922

3. The effective date for the rules:
   March 18, 2019
   a. If the agency selected a date earlier than the 60 day effective date as specified in A.R.S. § 41-1032(A), include the earlier date and state the reason or reasons the agency selected the earlier effective date as provided in A.R.S. § 41-1032(A)(3) through (5):
b. If the agency selected a date later than the 60 day effective date as specified in A.R.S. § 41-1032(A), include the later date and state the reason or reasons the agency selected the later effective date as provided in A.R.S. § 41-1032(B):
Not applicable

4. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the final rulemaking package:
Notice of Rulemaking Docket Opening: 24 A.A.R. 2635, September 21, 2018
Notice of Proposed Rulemaking: 24 A.A.R. 2595, September 21, 2018

5. The agency's contact person who can answer questions about the rulemaking:
Name: Jessica A.R. Thomas, Rules Writer
Address: Arizona State Retirement System
3300 N. Central Ave., Suite 1400
Phoenix, AZ 85012-0250
Telephone: (602) 240-2039
E-mail: JessicaT@azasrs.gov

6. An agency's justification and reason why a rule should be made, amended, repealed, or renumbered, to include an explanation about the rulemaking:
The ASRS needs to amend its rules in order to reflect its new electronic processes. The ASRS has recently developed an electronic system for processing service purchase, contributions not withheld, and transfer requests. As such, the ASRS needs to update its rules to reflect and clarify its new electronic processes.

7. A reference to any study relevant to the rule that the agency reviewed and either relied on or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:
No study was reviewed.

8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:
Not applicable

9. A summary of the economic, small business, and consumer impact:
The ASRS promulgates rules that allow the agency to provide for the proper administration of the state retirement trust fund. ASRS rules affect ASRS members and ASRS employers regarding how they contribute to, and receive benefits from, the ASRS. The ASRS effectively administrates how public-sector employers and employees participate in the ASRS. As such, the ASRS does not issue permits or licenses, or charge fees, and its rules have little to no economic impact on private-sector businesses, with the exception of some employer-partner political subdivision and political subdivision entities, which have voluntarily contracted to join the ASRS. Thus, there is little to no economic, small business, or consumer impact, other than the minimal cost to the ASRS to prepare the rule package. The rules will have minimal economic impact, if any, because they merely clarify how a member or employer may submit electronic requests for service purchase, contributions not withheld, and transfer of service credit. Such clarification will increase understandability of how the ASRS shall process such requests, which will increase the effectiveness and efficiency of the administration of the ASRS, thus, reducing the regulatory burden and the economic impact.

10. A description of any changes between the proposed rulemaking, including supplemental notices, and the final rulemaking:
None

11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments:
The ASRS received no written comments regarding the rulemaking. No one attended the oral proceeding on October 23, 2018.

12. All agencies shall list any other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:
None

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:
The rules do not require a permit.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:
There are no federal laws applicable to these rules.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:
No analysis was submitted.

13. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rule:
No materials are incorporated by reference.
14. Whether the rule was previously made, amended, or repealed as an emergency rule. If so, cite the notice published in the Register as specified in R1-1-409(A). Also, the agency shall state where the text was changed between the emergency and the final rulemaking packages:
Not applicable

15. The full text of the rules follows:

TITLE 2. ADMINISTRATION
CHAPTER 8. STATE RETIREMENT SYSTEM BOARD

ARTICLE 5. PURCHASING SERVICE CREDIT

Section
R2-8-501. Definitions
R2-8-502. Request to Purchase Service Credit and Notification of Cost
R2-8-503. Requirements Applicable to All Service Credit Purchases
R2-8-504. Service Credit Calculation for Purchasing Service Credit
R2-8-505. Restrictions on Purchasing Overlapping Service Credit; Transfers
R2-8-506. Cost Calculation for Purchasing Service Credit
R2-8-507. Required Documentation and Calculations for Forfeited Service Credit
R2-8-508. Required Documentation and Calculations for Leave of Absence Service Credit
R2-8-509. Required Documentation and Calculations for Military Service Credit
R2-8-510. Required Documentation and Calculations for Other Public Service Credit
R2-8-512. Purchasing Service Credit by Check, Cashier’s Check, or Money Order
R2-8-513. Purchasing Service Credit by Irrevocable Payroll Deduction Authorization
R2-8-513.01. Irrevocable Payroll Deduction Authorization and Transfer of Employment to a Different ASRS Employer
R2-8-513.02. Termination Date
R2-8-514. Purchasing Service Credit by Direct Rollover or Trustee-to-Trustee Transfer
R2-8-515. Purchasing Service Credit by Trustee to Trustee Transfer
R2-8-516. Purchasing Service Credit by Termination Pay Distribution
R2-8-517. Termination of Employment and Request Return of Retirement Contributions or Death of Member While Purchasing Service Credit by an Irrevocable Payroll Deduction Authorization
R2-8-518. Adjustment of Errors

ARTICLE 7. CONTRIBUTIONS NOT WITHHELD

Section
R2-8-701. Definitions
R2-8-702. General Information
R2-8-703. ASRS Employer’s Discovery of Error
R2-8-704. Member’s Discovery of Error
R2-8-705. ASRS’ Discovery of Error
R2-8-706. Determination of Contributions Not Withheld
R2-8-707. Submission of Payment
R2-8-709. Nonpayment of Contributions

ARTICLE 11. TRANSFER OF SERVICE CREDIT

Section
R2-8-1101. Definitions
R2-8-1102. Required Documentation and Calculations for Transfer In Service Credit
R2-8-1103. Transferring Service to Other Retirement Plans

ARTICLE 5. PURCHASING SERVICE CREDIT

R2-8-501. Definitions
The following definitions apply to this Article unless otherwise specified:
1. “Active duty” means full-time duty in a branch of the United States uniformed service, other than active reserve duty.
2. “Active duty termination date” means the day a member:
   a. Separates from active military duty;
   b. Is released from active-duty-related hospitalization or one year after initiation of active-duty-related hospitalization, whichever date is earlier;
   c. Dies as a result of active military duty.
3. “Active reserve duty” means participating in required meetings and annual training in a Reserve or National Guard branch of the United States uniformed service.
4. “Actuarial present value” means an amount in today’s dollars of a member’s future retirement benefit calculated using appropriate actuarial assumptions and the:
   a. Eligible Member’s current years of credited service to the nearest month.
b. Eligible Member’s age as of the date the Eligible Member submits to the ASRS a request to purchase service pursuant to this Article to the nearest day;

c. Amount of service credit the member wishes to purchase to the nearest month, except for the calculation in R2 § 506(A)(2); and

d. Member’s current annual compensation.

§4. “Authorized representative” means an individual who has been delegated the authority to act on behalf of a custodial Custodian, plan administrator Plan Administrator, or, if applicable, or a member, if the member’s IRA or 403(b) is not maintained by the member’s Employer.

§5. “Current years of credited service” means the amount of credited service a member has earned or purchased, and the amount of service credit Service Credit for which an Irrevocable Payroll Deduction Authorization PDA is in effect for which the member has not yet completed payment, but does not include any current requests to purchase service credit Service Credit for which the member has not yet paid.

§6. “Custodian” means a financial institution that holds financial assets for guaranteed safekeeping.

§7. “Direct rollover” means distribution of eligible funds Eligible Funds made payable to the ASRS as a contribution for the benefit of an eligible member from a retirement plan listed in A.R.S. § 38-747(H)(2) or (H)(3).

§8. “Eligible funds” means payments listed in A.R.S. § 38-747(H)(2) and (H)(3).

§9. “Eligible member” means a member who is eligible to purchase service pursuant to A.R.S. §§ 38-742, 38-743, 38-744, or 38-745, an active member of the Plan or a Plan member who is receiving benefits under the Long-Term Disability Program established by A.R.S. Title 28, Chapter 5, Article 2.1.

§10. “Forms of payment” means check, cashier’s check, money order, Irrevocable Payroll Deduction Authorization, direct rollover, indirect IRA rollover,direct rollover, IRA rollover, trust to trust transfer, IRA rollover and termination pay distribution.

§11. “Forfeited service” means credited service for which the ASRS has returned retirement contributions to the member under A.R.S. § 38-740.

§12. “Immediate family member” means:

a. A member’s spouse or life partner;

b. A member’s natural, step, or adopted sibling;

c. A member’s natural, step, or adopted child;

d. A member’s natural, step, or adoptive parent;

§13. “Indirect IRA rollover” means funds already distributed to the eligible member from a retirement plan listed in A.R.S. § 38-747(H)(3) that are then paid by the eligible member to the ASRS as a contribution for the benefit of the eligible member.


§15. “Irrevocable Payroll Deduction Authorization PDA” means an irrevocable “Payroll Deduction Authorization” contract between an eligible member Eligible Member, an ASRS employer Employer, and the ASRS that requires the ASRS employer Employer to withhold payments from a member’s Eligible Member’s pay for a specified amount and for a specified number of payments, as provided in A.R.S. § 38-747.

§16. “Life partner” means an individual who lives with a member as a spouse, but without being legally married.


§18. “LTD” means the same as in R2-8-301.

§19. “Military Call-up service” means a member is called to active duty Active Duty in a branch of the United States uniformed services Uniformed Services.

§20. “Military service” means active duty Active Duty or active reserve duty Active Reserve Duty with any branch of the United States uniformed services Uniformed Services or the Commissioned Corps of the National Oceanic and Atmospheric Administration.

§21. “Military service record” means a United States uniformed services Uniformed Services or National Oceanic and Atmospheric Administration document that provides the following information:

a. The member’s full name;

b. The member’s Social Security number;

c. Type of discharge the member received; and

§22. “Other public service” means previous employment listed in A.R.S. § 38-743(A).

§23. “PDA pay-off invoice” means written correspondence from the ASRS to a member Eligible Member that specifies the amount necessary to be paid by the member Eligible Member to complete an Irrevocable Payroll Deduction Authorization PDA and to receive the total credited service specified in the Irrevocable Payroll Deduction Authorization PDA.

§24. “Plan Administrator or administrator” means the person authorized to represent a specific eligible plan as addressed in IRC § 414(g).

§25. “Service credit” means forfeited service Forfeited Service under A.R.S. § 38-742, leave of absence Leave of Absence Service under A.R.S. § 38-744, military service Military Service and Military Call-up service Service under A.R.S. § 38-745, and other public service Other Public Service under A.R.S. § 38-743 that an eligible member Eligible Member may purchase.

§26. “SP invoice” means a written correspondence from the ASRS informing an eligible member Eligible Member of the amount of money required to purchase a specified amount of service credit Service Credit.

§27. “Termination pay distribution” means an ASRS employer Employer’s payment to the ASRS of an eligible member Eligible Member’s termination pay received as a result of terminating employment to purchase service credit Service Credit as specified in A.R.S. § 38-747(B)(2).
An Eligible Member may request to purchase Service Credit. An Eligible Member shall provide verification at the time of the request, the following information for the Eligible Member:

1. The member’s name;
2. The member’s mailing address or mailing address;
3. Date of birth;
4. Marital status;
5. Gender;
6. Primary email address;
7. Primary phone number;
8. Designate which category of Service Credit the Eligible Member is requesting to purchase.

B. An Eligible Member who requests to purchase Service Credit pursuant to subsection (A) shall acknowledge the following statements of understanding:

1. Any person who knowingly makes any false statement or who falsifies or permits to be falsified any record of the retirement plan with an intent to defraud the plan is guilty of a class 6 felony per Arizona Revised Statutes Section 38-793; and
2. This transaction is subject to audit. If any errors or misrepresentations are discovered as a result of an audit, the Eligible Member and the Eligible Member’s retirement benefit will also be adjusted. Any overpayment(s) will be refunded. However, if a payment made with a rollover plan with the intent to defraud the plan is guilty of a class 6 felony per Arizona Revised Statutes Section 38-793.

B. Upon receipt of the documentation required by this Article from the Eligible Member and if the Eligible Member’s request to purchase Service Credit meets the requirements of this Article, the ASRS shall provide the following to the Eligible Member:

1. A SP invoice stating the cost to purchase the amount of Service Credit the member is eligible to purchase and the date payment is due;
2. A Service Purchase Payment Request requesting the following information:
   a. The member’s name;
   b. The member’s Social Security number;
   c. The member’s mailing address;
   d. The member’s daytime telephone number;
   e. ID number listed on the SP invoice;
   f. Either the number of years or partial years of Service Credit the member wishes to purchase or the cost for the number of years or partial years of Service Credit the member wishes to purchase, not exceeding the number of years or partial years and cost specified on the SP invoice;
   g. If the member elects to pay for the service credit by check, the check number and amount of the check;
   i. If the member elects to pay for the service credit by check, the check number and amount of the check;
   j. If the member elects to pay for the service credit by check, the check number and amount of the check;
   k. The member’s signature and date of the signature; and
3. Other forms the member may need to complete for service credit purchase.

C. Except as provided in R2-8-519(A), the eligible member shall provide documentation of Service Credit as required by this Article within 90 days of the eligible member’s request to purchase Service Credit. If the ASRS has not received complete and correct documentation of Service Credit the eligible member requests to purchase and indicate in the acknowledgment letter the deadline for providing supporting documentation of Service Credit to the ASRS.

C. Upon receipt of the documentation required by this Article from the eligible member Eligible Member and if the Eligible Member’s request to purchase Service Credit meets the requirements of this Article, the ASRS shall provide the following to the eligible member Eligible Member:

1. A SP invoice stating the cost to purchase the amount of Service Credit and the date payment is due;
2. A Service Purchase Payment Request requesting the following information:
   a. The member’s name;
   b. The member’s Social Security number;
   c. The member’s mailing address;
   d. The member’s daytime telephone number;
   e. ID number listed on the SP invoice;
   f. Either the number of years or partial years of Service Credit the member wishes to purchase or the cost for the number of years or partial years of Service Credit the member wishes to purchase, not exceeding the number of years or partial years and cost specified on the SP invoice;
   g. If the member elects to pay for the service credit by check, the check number and amount of the check;
An Eligible Member who requests to purchase Service Credit pursuant to this section shall elect one or more methods of payment and submit the election to the ASRS by the date payment election is due.

An Eligible Member who elects to purchase Service Credit using after-tax payments shall acknowledge the following information:

1. After-tax payments must be made by the Eligible Member and remitted to the ASRS by the Eligible Member.
2. After-tax payments cannot be used to purchase political subdivision employment with a United States territory, commonwealth, overseas possession, or insular area; and
3. If the Eligible Member joined the ASRS on or after July 1, 1999, §§ 415(b) and 415(c) of the IRC limit the after-tax money the Eligible Member can use to purchase Service Credit.

**R2-8-503. Requirements Applicable to All Service Credit Purchases**

**A.** To purchase service credit Service Credit at the amount provided in an SP Invoice, an eligible member Eligible Member shall purchase the service credit Service Credit by check or money order, or request an Irrevocable Payroll Deduction Authorization PDA. Direct Rollover into Trustee-to-Trustee Transfer or termination pay distribution. Termination Pay as specified in this Article, by the due date specified by the method of payment the Eligible Member elected on the SP invoice.

**B.** An eligible member Eligible Member may purchase all of the service credit Service Credit or a portion of the service credit Service Credit. If the eligible member Eligible Member wishes to purchase only a portion of the service credit Service Credit, the eligible member Eligible Member shall specify on the Service Purchase Payment Request form identified in R2-8-502(D)(2):

1. The dollar amount the eligible member wishes to purchase, up to the amount specified on the SP invoice, or
2. The number of years or partial years of Service Credit the Eligible Member wishes to purchase; or
3. The number of years or partial years the eligible member wishes to purchase, not exceeding the years or partial years specified on the SP invoice. The cost for the number of years or partial years of Service Credit the Eligible Member wishes to purchase, not exceeding the years or partial years and cost specified on the SP Invoice.

**C.** If the eligible member elects to purchase only a portion of the service credit, the cost and amount of service credit the eligible member identifies on the Service Purchase Payment Request form is only an estimate and may be more or less than the actual cost or amount of service credit purchased by the eligible member.

**D.** The eligible member shall not request to purchase additional service credit based on the SP invoice until the member has completed the purchase of the previously requested portion of service credit or cancel the request as specified in subsection (E).

**E.** The ASRS shall not consider more than one active request at a time from a member to purchase service credit Service Credit in a single category. The categories are:

1. Leave of absence, Absence Service;
2. Military service, Service;
3. Presidential Call-up service;
4. Forfeited service, Service; and
5. Other public service, Public Service.

**F.** An eligible member Eligible Member may cancel an active request by notifying the ASRS in writing to purchase a specific category of service credit verbally or in writing, and submit a new request in the same category of service credit for a different amount of service credit.

**G.** If an eligible member Eligible Member is entitled to a window credit Window Credit, the eligible member Eligible Member may apply the window credit Window Credit to purchase service credit Service Credit. To apply a window credit Window Credit to a purchase of service credit Service Credit, the eligible member Eligible Member shall make a request to the ASRS in writing by the due date payment election is due as specified on the SP Invoice and include the following information:

1. The amount the member Eligible Member wants to apply, and
2. The member’s Eligible Member’s dated signature, and
3. The date of the member’s Eligible Member’s signature.

**H.** The amount of service credit an eligible member may purchase and the benefits an eligible member may receive are subject to the limitations prescribed in A.R.S. § 38-747(E).

On or before the due date specified on the SP Invoice, an Eligible Member may request an extension of a due date for purchasing Service Credit. ASRS shall extend the time for an eligible member to respond to an SP invoice as follows:

1. If the member notifies the ASRS of an ASRS error, the time is extended 30 days after the date the ASRS sends notification to the eligible member that the ASRS has corrected the error;
2. If an ASRS internal review is made of the member’s service credit purchase request, the time is extended 30 days after the date the ASRS sends notification to the member that the review is completed;
3. If the member appeals an issue regarding the SP invoice under Article 4 of this Chapter, the time is extended 30 days after the date the ASRS sends notification to the member that a decision on the appeal has been made; or
4. If an unforeseeable event occurs that is outside of the member’s control, such as an incapacitating illness of the member or death of an immediate family member, and the member notifies the ASRS of the event, the ASRS shall extend the time by up to six months, after a review of the unforeseeable event to determine the length of the extension.

**R2-8-504. Service Credit Calculation for Purchasing Service Credit**

**A.** An eligible member Eligible Member who purchases service credit Service Credit shall receive one month of credited service for one or more days of service in a calendar month.

**B.** Pursuant to A.R.S. 38-739(B), an Eligible Member who purchases Service Credit shall receive a proportionate amount of credited service based on the length of the Eligible Member’s service year.

**C.** Notwithstanding any other provision, an Eligible Member whose membership date is on or after July 20, 2011, cannot purchase more than five years of Service Credit for each of the following based on the length of the Eligible Member’s service year:

1. Leave of Absence Service;
2. Military Service; and
3. Other Public Service.

R2-8-505. Restrictions on Purchasing Overlapping Service Credit Transfers

A. The ASRS shall not permit an eligible member Eligible Member to purchase service credit Service Credit that, when added to credited service earned in any plan year, results in more than:
1. One year of credited service in any plan year, or
2. One month of credited service in any one calendar month.

B. The restrictions in subsection (A) do not apply to service credit that an eligible member transfers from another retirement system to the ASRS as authorized in A.R.S. § 38-730 or A.R.S. Title 38, Chapter 5, Article 7, whether the eligible member requests the transfer before or after purchasing other service credit.

R2-8-506. Cost Calculation for Purchasing Service Credit

A. For Service Credit for Leave of Absence Service, leave of absence service credit, military service Military Service credit, and other public service credit Other Public Service, the ASRS shall calculate, as of the date of the request to purchase service credit Service Credit:
1. The actuarial present value Actuarial Present Value of the future retirement benefit for the member Eligible Member including the service credit Service Credit the eligible member Eligible Member requests to purchase, and
2. The actuarial present value Actuarial Present Value of the future retirement benefit for the member Eligible Member without the service credit Service Credit that the eligible member Eligible Member requests to purchase.

B. The cost for purchasing the service credit Service Credit that the member Eligible Member requests to purchase is the difference between the actuarial present value Actuarial Present Value in subsection (A)(1) and the actuarial present value Actuarial Present Value in subsection (A)(2).

R2-8-507. Required Documentation and Calculations for Forfeited Service Credit

A. An eligible member Eligible Member who requests to purchase service credit Service Credit for forfeited service Forfeited Service under A.R.S. § 38-742 shall provide the ASRS:
1. The eligible member’s full name and, if applicable, other names used while working for an ASRS employer for which the eligible member is requesting to purchase service credit;
2. The name of each ASRS employer an Employer, if known, for which the eligible member Eligible Member is requesting to purchase service credit Service Credit;
3. The name of the Employer;
4. The year and the month the eligible member Eligible Member believes the ASRS returned retirement contributions to the member;
5. A statement that the eligible member Eligible Member understands that up to one year of leave of absence

B. Upon receipt of payment as specified in subsection (D), the ASRS shall apply the Service Credit to the Eligible Member’s account based on the most recent Forfeited Service available for purchase.

C. Notwithstanding subsection (B), if an Eligible Member has more than one return of contributions pursuant to A.R.S. § 38-740, the Eligible Member may elect to purchase Forfeited Service for any of the return of contributions and the ASRS shall apply the Service Credit to the Eligible Member’s account on the most recent Forfeited Service available for purchase.

D. The amount the eligible member Eligible Member shall pay to purchase service credit Service Credit for previously forfeited service Forfeited Service is the amount of retirement contributions that the ASRS returned to the eligible member, plus interest on that amount from the date of the return of retirement contributions check to the date of redeposit at the interest Assumed Actuarial Investment Earnings Rate rate determined by the Board as specified in A.R.S. § 38-242.R2-8-118(A).

R2-8-508. Required Documentation and Calculations for Leave of Absence Service Credit

A. An eligible member Eligible Member who requests who requests to purchase service credit Service Credit for Leave of Absence Service an approved leave of absence from an ASRS employer under A.R.S. § 38-744 shall provide to the ASRS an Approved Leave of Absence form that includes:
1. An Approved Leave of Absence form that includes:
   a. The eligible member’s full name and, if applicable, other names used while working for the ASRS employer; The start date and end date of the approved leave of absence;
   b. The eligible member’s Social Security number; The date the Eligible Member returned to work or a statement of why employment was not resumed;
   c. The eligible member’s mailing address; The name of the Employer;
   d. The eligible member’s daytime telephone number; Whether the Eligible Member participated in another public retirement system during this leave of absence; and
   e. If the Eligible Member participated in another public retirement system during the leave of absence, whether the Eligible Member is receiving a benefit or is eligible to receive a benefit, from the other public retirement system; and
2. Acknowledgement of the following statements of understanding:
   a. A statement that the Eligible Member understands that up to one year of leave of absence service credit Service Credit may be purchased for each approved leave of absence, if the Eligible Member return to work for the Employer that approved the leave of absence unless employment could not be resumed because of disability or nonavailability of a position;
A statement that the eligible member understands that the ASRS uses the actuarial present value calculation method to determine the cost of the service purchase request; 

vii. A statement that the Eligible Member authorizes the ASRS employer, Employer, to provide any necessary personal information to ASRS in order to process this request; and 

viii. The member’s dated signature; and 

b. The following information completed by the ASRS employer:

i. The beginning date and ending date of the approved leave of absence;

ii. The date the eligible member returned to work or a statement of why employment was not resumed;

iii. Name of the employer;

iv. The authorized employer representative’s name;

v. The employer representative’s telephone number and, if applicable, fax number; and

vi. The employer representative’s dated signature verifying that the approved leave of absence benefited or was in the best interest of the employer; and

c. A copy of the guidelines referenced in A.R.S. § 38-744, if applicable.

d. The Eligible Member certifies that if the Eligible Member participated in another public retirement system during the approved leave of absence, the Eligible Member is not receiving, and is not eligible to receive, a benefit from the other public retirement system for the time during the approved leave of absence; and

3. The Eligible Member’s dated signature.

B. Pursuant to A.R.S. § 38-744(a), a member who participated in another public retirement system during the leave of absence, and is receiving a benefit or is eligible to receive a benefit from the other public retirement system, is not an Eligible Member for purposes of this section.

C. If the information provided by the Eligible Member pursuant to subsection (A) is correct, the Employer shall validate the information and submit the information to the ASRS through the Employer’s secure ASRS account. If the information provided by the Eligible Member pursuant to subsection (A) is incorrect, the Employer shall correct the information and submit the information to the ASRS through the Employer’s secure ASRS account.

D. Upon submitting the information specified in subsection (B), the Employer shall acknowledge the following statements of understanding:

1. The Employer has verified all the dates for the approved leave of absence period are correct; and

2. The contact individual has the legal power to bind the Employer in transactions with the ASRS.

E. The amount the member Eligible Member shall pay to purchase Service Credit for an approved leave of absence is determined as provided in R2-8-506.

R2-8-509. Required Documentation and Calculations for Military Service Credit

A. An eligible member shall request to purchase Service Credit for military service under A.R.S. § 38-745(A) and (B). To request to purchase military service credit, the eligible member shall provide to the ASRS: 

1. The items listed in R2-8-507(A)(1);

2. A completed, signed, dated, and notarized Affidavit of Military Service form that contains:

a. The member’s full name;

b. The member’s Social Security number;

c. Whether the member is receiving a benefit or is eligible to receive a benefit from the military;

d. The branch of the member’s military service;

e. Whether the member’s military service was Active Duty, Active Duty for Reserve service, Active Reserve Duty; 

f. The dates and months by fiscal year that the member was in active duty or active reserve duty for which the member wishes to purchase service credit; 

2. The years and months by fiscal year that the member was in active duty or active reserve duty for which the member wishes to purchase service credit; 

3. The start date and end date of the Eligible Member’s Military Service for which the Eligible Member is requesting to purchase Service Credit;

4. The member has attached to the form:

a. A copy of the eligible member’s Military Service Record within 30 days of the Eligible Member’s request to purchase Service Credit; and

b. A copy of the eligible member’s military service recordMilitary Service Record that contains:

i. The member’s full name;

ii. The Social Security number of the eligible member;

iii. Whether the eligible member is receiving a benefit or is eligible to receive a benefit from the military;

iv. The branch of the eligible member’s uniformed service;

v. The dates and months by fiscal year that the eligible member was in active duty or active reserve duty;

vi. The member’s Military Service form that contains:

a. The member’s full name;

b. The member’s Social Security number;

c. Whether the member is receiving a benefit or is eligible to receive a benefit from the military;

d. The branch of the member’s military service;

e. Whether the member’s military service was Active Duty, Active Duty for Reserve service, Active Reserve Duty;

f. The dates and months by fiscal year that the member was in active duty or active reserve duty for which the member wishes to purchase service credit; 

3. The member understands that the ASRS uses the actuarial present value calculation method to determine the cost of the service purchase request; 

4. The member understands that the ASRS employer, Employer, can provide any necessary personal information to ASRS in order to process this request; and

5. The member’s dated signature; and

6. The following information completed by the ASRS employer:

a. The beginning date and ending date of the approved leave of absence;

b. The date the eligible member returned to work or a statement of why employment was not resumed;

7. The contact individual has the legal power to bind the Employer in transactions with the ASRS;

8. The amount the member Eligible Member shall pay to purchase Service Credit for an approved leave of absence is determined as provided in R2-8-506.

B. The Eligible Member certifies that if the Eligible Member participated in another public retirement system during the approved leave of absence, the Eligible Member is not receiving, and is not eligible to receive, a benefit from the other public retirement system for the time during the approved leave of absence; and

C. The Eligible Member understands that the ASRS uses the actuarial present value calculation method to determine the cost of the service purchase request; 

D. The Eligible Member understands that the ASRS employer, Employer, can provide any necessary personal information to ASRS in order to process this request; and

E. The member’s dated signature; and

F. The following information completed by the ASRS employer:

a. The beginning date and ending date of the approved leave of absence;

b. The date the eligible member returned to work or a statement of why employment was not resumed;

1. The contact individual has the legal power to bind the Employer in transactions with the ASRS;

2. The amount the member Eligible Member shall pay to purchase Service Credit for an approved leave of absence is determined as provided in R2-8-506.

G. The member understands that the ASRS uses the actuarial present value calculation method to determine the cost of the service purchase request; 

H. The member understands that the ASRS employer, Employer, can provide any necessary personal information to ASRS in order to process this request; and

I. The member’s dated signature; and

J. The following information completed by the ASRS employer:

a. The beginning date and ending date of the approved leave of absence;

b. The date the eligible member returned to work or a statement of why employment was not resumed;

3. The contact individual has the legal power to bind the Employer in transactions with the ASRS.

4. The amount the member Eligible Member shall pay to purchase Service Credit for an approved leave of absence is determined as provided in R2-8-506.

5. The member understands that the ASRS uses the actuarial present value calculation method to determine the cost of the service purchase request; 

6. The member understands that the ASRS employer, Employer, can provide any necessary personal information to ASRS in order to process this request; and

7. The member’s dated signature; and

8. The following information completed by the ASRS employer:

a. The beginning date and ending date of the approved leave of absence;

b. The date the eligible member returned to work or a statement of why employment was not resumed;

9. The contact individual has the legal power to bind the Employer in transactions with the ASRS;

10. The amount the member Eligible Member shall pay to purchase Service Credit for an approved leave of absence is determined as provided in R2-8-506.

11. The member understands that the ASRS uses the actuarial present value calculation method to determine the cost of the service purchase request; 

12. The member understands that the ASRS employer, Employer, can provide any necessary personal information to ASRS in order to process this request; and

13. The member’s dated signature; and

14. The following information completed by the ASRS employer:

a. The beginning date and ending date of the approved leave of absence;

b. The date the eligible member returned to work or a statement of why employment was not resumed;

15. The contact individual has the legal power to bind the Employer in transactions with the ASRS;

16. The amount the member Eligible Member shall pay to purchase Service Credit for an approved leave of absence is determined as provided in R2-8-506.

17. The member understands that the ASRS uses the actuarial present value calculation method to determine the cost of the service purchase request; 

18. The member understands that the ASRS employer, Employer, can provide any necessary personal information to ASRS in order to process this request; and

19. The member’s dated signature; and

20. The following information completed by the ASRS employer:

a. The beginning date and ending date of the approved leave of absence;

b. The date the eligible member returned to work or a statement of why employment was not resumed;
B. The amount the eligible member pays to purchase Service Credit for military service is determined as provided in R2-8-506.

C. If the ASRS determines the amount of Service Credit an eligible member receives for active duty, Active Duty and active reserve duty time by the time listed on the Active Reserve Duty time by the time listed on the Affidavit of Military Service form, if the service listed is supported by the information contained in the member’s military service record.

D. If the ASRS has not received complete and correct documents pursuant to this section within 30 days of the request to purchase Service Credit, the ASRS shall cancel the Eligible Member’s request to purchase Service Credit.

R2-8-510. Required Documentation and Calculations for Presidential Military Call-up Service Credit

A. An eligible member or the eligible member’s beneficiary who meets the requirements under A.R.S. § 38-745(G)(D) shall receive up to 60 months of Service Credit, not to exceed 5 years of Service Credit for Presidential Military Call-up service, under A.R.S. § 38-745(G) through (I). In order to determine the amount of contributions the ASRS employer owes to purchase Service Credit for Presidential Military Call-up service, the eligible member’s ASRS employer shall provide to the ASRS a copy of the eligible member’s military service record and a completed Presidential Military Call-up form that includes the following:

1. The member’s full name;
2. The member’s Social Security number;
3. The start date of Presidential Military Call-up Service;
4. The end date of Presidential Military Call-up Service;
5. Whether the member was hospitalized and released from Presidential Call-up;
6. The date the member returned to work for the ASRS employer;
7. The salary for each pay period in each fiscal year while the member was on Presidential Call-up service, including any salary increases the eligible member would have received had the member not left employment due to Presidential Call-up service credit; and
8. If applicable, the earlier of:
   a. The dates that the member was hospitalized and released from the hospital for injuries sustained as a result of participating in a Presidential Call-up service;
   b. The date that the member was hospitalized for one year for injuries sustained as a result of participating in a Presidential Call-up service;
9. If applicable, the date the Eligible Member became disabled during or as a result of participating in a military call-up;
10. If applicable, the date the Eligible Member’s death during or as a result of participating in a military call-up;
11. Acknowledgement of the following statements of understanding:
   a. All the dates and payroll information for the Military Call-up Service are correct;
   b. The Eligible Member:
      i. Was honorably separated from Active Duty and returned to the same Employer within 90 days of either discharge from Active Duty or release from service-related hospitalization; or
      ii. Was disabled and unable to return to work; or
      iii. Died during or as a result of Active Duty;
   c. The Employer must pay both the employee and Employer contributions in a lump sum upon the Eligible Member returning to employment, receipt of a declaration of disability, or receipt of a death certificate. These contributions are based on the salary the Eligible Member would have earned if the Eligible Member had not volunteered or been ordered into Active Duty;
   d. The Eligible Member may receive a maximum of 60 months of Service Credit for Military Call-up Service pursuant to A.R.S. § 38-745; and
   e. The contact individual has the legal power to bind the Employer in transactions with the ASRS.
12. A copy of the member’s death certificate, if applicable.

B. An ASRS employer shall make the request to purchase Service Credit for Presidential Military Call-up service within 30 days after the member’s active duty termination date earlier of the dates listed in A.R.S. § 38-745(E).

C. The ASRS calculates the amount the ASRS employer pays to purchase Service Credit for Presidential Military Call-up Service pursuant to A.R.S. § 38-745(G) by multiplying the eligible member’s salary per pay period at the time active duty Active Duty commences, by the contribution rate in effect for the period of active duty Active Duty, and by the years or partial years of service elapsed from the active duty commencement date through the active duty termination date. Included in the calculation are any salary increases the eligible member would have received if the member had not left work to participate in a Presidential Call-up military call-up.

D. The ASRS shall send the ASRS employer a statement of cost for purchase of Service Credit for Presidential Military Call-up service based on the calculation in subsection (A). Within 90 days from the date on the ASRS statement of cost, the ASRS employer shall pay to the ASRS the amount on the statement. If the ASRS employer fails to make full payment within the 90 days, interest shall accrue on the unpaid balance at the assumed actuarial investment earnings rate approved by the Board. If the ASRS employer fails to pay the ASRS the amount on the statement, the ASRS shall request the member to purchase Service Credit and the ASRS shall return the contributions to the ASRS employer after the ASRS receives the information in subsection (A).
F. If an ASRS employer Employer deducts remits retirement contributions from on behalf of an eligible member’s pay Eligible Member while the member is in Presidential Call-up service, military call-up, and the eligible member is not on active service Employer after separation from active military service Military Service, the ASRS shall apply the retirement contributions to the member’s Eligible Member’s credited service.

R2-8-511. Required Documentation and Calculations for Other Public Service Credit

A. An eligible member Eligible Member who requests to purchase other public service credit Service Credit for Other Public Service under A.R.S. § 38-743 shall provide to the ASRS a completed Affidavit of Other Public Service form, signed and dated by the member Eligible Member and notarized, that includes the following:
  1. The member’s full name;
  2. The member’s Social Security number;
  3. Other names used by the member during employment with the other public service employer, if applicable;
  4. The name and mailing address of the other public service Other Public Service Employer;
  5. The position the member Eligible Member held while working for the other public service Other Public Service employer;
  6. A contact name and telephone number of an individual in the other public service employer’s human resources department who can verify employment, if known.

The start date and end date of the Eligible Member’s employment with the Other Public Service employer:

  1. The actual months and years the Eligible Member was employed with the Other Public Service employer; The years and months by fiscal year of other public service the member worked and wishes to purchase;
  2. If the other public service employer was a non-ASRS employer, A statement of whether the member Eligible Member participated in the non-ASRS Other Public Service Employer’s retirement plan;
  3. If the Eligible Member participated in the Other Public Service Employer’s non-ASRS public service employer’s retirement plan, the name of the retirement plan, identifying whichever one of the following applies:
     a. The approximate date the member Eligible Member took a return of retirement contributions;
     b. The plan is non-contributory and the member Eligible Member is not eligible for benefits from the plan; or
     c. That, if not using all of the retirement contributions as a pre-tax rollover, the member Eligible Member will request a return of retirement contributions and forfeit all rights to any benefits from the plan and provide the ASRS with documentation that the member Eligible Member has forfeited all rights to benefits from the plan no later than the due date specified on the SP invoice;

And

  4. Acknowledgement that:
     a. Knowingly making a false statement or falsifying or permitting falsification of any record of the ASRS with an intent to defraud ASRS is a Class 6 felony, pursuant to A.R.S. § 38-793;
     b. The service purchase transaction is subject to audit and if any errors are discovered, the ASRS shall adjust a member’s total credited service with the ASRS, or if the member is already retired, adjustments to the member’s credited service will affect the member’s retirement benefit; and
     c. If an audit determines that the member Eligible Member is eligible for a benefit from the other public service Other Public Service employer’s retirement plan, the member Eligible Member is required to take necessary steps to forfeit the benefit, and if the forfeiture is not completed within 90 days of being notified of the audit results, the service credit Service Credit purchase listed on this application will be revoked and any funds paid to purchase the service credit Service Credit will be refunded to the member.

B. The amount the member Eligible Member shall pay to purchase other public service credit Service Credit for Other Public Service is determined as provided in R2-8-506.

C. Notwithstanding R2-8-512, the ASRS shall not accept after-tax monies for the purchase of Service Credit for Other Public Service with a territory, commonwealth, overseas possession or insular area pursuant to A.R.S. § 38-743.

R2-8-512. Purchasing Service Credit by Check, Cashier’s Check, or Money Order

A. An eligible member Eligible Member may purchase service credit Service Credit by personal check in the Eligible Member’s name, cashier’s check, or money order remitted by the Eligible Member.

B. Within 30 days of the due date on the SP invoice or PDA pay off letter By the due date specified by the method of payment the Eligible Member elected, the member Eligible Member shall ensure that the ASRS receives the completed Service Purchase Payment Request form with the information specified in R2-8-502(D)(2) and a check, cashier’s check, or money order made to the order of the Arizona State Retirement System payable to the ASRS in the amount to purchase the requested service credit Service Credit.

C. If the eligible member Eligible Member purchases service credit by check, cashier’s check, or money order in conjunction with one or more rollovers, transfers or trusteed transfers, or termination pay, the member shall make payment within 30 days after the date the ASRS sends written confirmation that the ASRS received the final rollover, trustee or trusteed transfer, or termination pay payment.

R2-8-513. Purchasing Service Credit by Irrevocable Payroll Deduction Authorization PDA

A. An eligible member Eligible Member may purchase service credit Service Credit by Irrevocable Payroll Deduction Authorization PDA.

B. By the due date specified on the SP invoice, the member shall ensure that the ASRS receives the completed Service Purchase Payment Request form with the information specified in R2-8-502(D)(2).

C. If the eligible member Eligible Member elects to pay for service credit Service Credit by Irrevocable Payroll Deduction Authorization PDA, the Eligible Member shall elect the terms of the Irrevocable PDA and submit the Irrevocable PDA to the ASRS and the Employer with the following:

1. The Irrevocable Payroll Deduction Authorization and send it to the eligible member for signature. The member shall ensure that the ASRS receives the signed Irrevocable Payroll Deduction Authorization within 30 days after the date on the Irrevocable Payroll Deduction Authorization. The signed Irrevocable Payroll Deduction Authorization becomes irrevocable upon receipt by the ASRS.
1. Acknowledgements:
   a. This Irrevocable PDA is binding and irrevocable;
   b. This Irrevocable PDA shall remain in effect until the earlier of:
      i. The authorized payroll deductions are completed; or
      ii. The Eligible Member terminates employment;
   c. The ASRS cannot terminate the Irrevocable PDA due to financial hardship;
   d. The amount of Irrevocable PDA payments the Eligible Member makes is subject to federal laws;
   e. The cost to purchase Service Credit by Irrevocable PDA includes an administrative interest charge at the Assumed Actuarial Investment Earnings Rate in effect at the time of the authorization as specified in R2-8-118(A);
   f. Payments specified in this Irrevocable PDA are in addition to the regular contributions required pursuant to A.R.S. §§ 38-736 and 38-797.05;
   g. The ASRS shall apply credited service to the Eligible Member’s account upon receipt of payments authorized by the Eligible Member under this Irrevocable PDA; and
   h. The ASRS shall not transfer, refund, or disburse the administrative interest that the ASRS charges pursuant to subsection (B)(1)(e); and

2. Statements of Understanding:
   a. It is the Eligible Member’s responsibility to ensure the Eligible Member’s Employer properly deducts payments and submits contributions as provided by the terms of the Irrevocable PDA;
   b. Payments specified by the terms of this Irrevocable PDA shall be made directly to the ASRS from the Eligible Member’s Employer and the Eligible Member does not have the option of receiving such payments directly from the Employer;
   c. The Eligible Member’s Employer shall make payments pursuant to this Irrevocable PDA after other mandatory deductions are made;
   d. The Eligible Member’s Employer cannot accept an election to change this Irrevocable PDA;
   e. The Eligible Member has up to 14 days to request the ASRS calculate the remaining balance of this Irrevocable PDA after the earlier of:
      i. Terminating employment;
      ii. Terminating LTD without returning to work with an Employer; or
      iii. The effective ASRS retirement date;
   f. The Eligible Member must complete a purchase of the remaining balance on this Irrevocable PDA by the due date specified on the PDA Pay-off Invoice;
   g. It is the Eligible Member’s responsibility to notify the ASRS of any changes in the Eligible Member’s employment that may affect the status of this Irrevocable PDA;
   h. If the Eligible Member terminates employment and returns to work with an Employer within 120 days of terminating employment, this Irrevocable PDA must continue with the new Employer pursuant to R2-8-513.01; and
   i. If the Eligible member terminates employment and does not return to work with an Employer within 120 days of terminating employment, the ASRS shall terminate this Irrevocable PDA pursuant to R2-8-513.01.

C. By submitting the Irrevocable PDA to the ASRS, the Irrevocable PDA is deemed to be signed by the Eligible Member.

D. At the time the eligible member Eligible Member signs the Irrevocable Payroll Deduction AuthorizationPDA, the eligible member Eligible Member may elect to use Termination Pay towards the balance of the Irrevocable Payroll Deduction AuthorizationPDA if the eligible member Eligible Member terminates employment. If the eligible member Eligible Member elects to use Termination Pay, chooses this option, the eligible member Eligible Member shall complete the Termination Pay Addendum to the Irrevocable Payroll Deduction Authorization and submit the Irrevocable PDAto the ASRS along with the remainder of the Irrevocable Payroll Deduction Authorization that includes:

1. A statement that the member Eligible Member:
   a. Understands and agrees that the member Eligible Member must continue working at least three full calendar months Three Full Calendar Months after the date of submission of the form before Termination Pay may be used on a pre-tax basis;
   b. Understands that if the Termination Pay exceeds the balance owed on the Irrevocable Payroll Deduction AuthorizationPDA, the overage will be returned to the ASRS employer Employer to be distributed to the member and Eligible Member;
   c. Elects to irrevocably agree to have termination pay that may be payable to the member upon termination of employment sent to the ASRS on a pre-tax basis and used toward any remaining balance of the Irrevocable Payroll Deduction Authorization if all scheduled payroll deductions have not been completed upon termination of service; and
   d. Understands that the election to use Termination Pay is binding and irrevocable;
   e. The Eligible Member’s Termination Pay must be received and processed before the ASRS will accept any other form of payment;
   f. The Eligible Member’s Employer is required to make payment directly to the ASRS after mandatory deductions are made, and the Eligible Member does not have the option of receiving the funds directly from the Employer;
   g. It is the Eligible Member’s responsibility to ensure that the Eligible Member’s Employer properly deducts Termination Pay;
   h. The amount of Termination Pay the Eligible Member elects is irrevocable pursuant to § 414(h)(2) of the IRC;
   i. If the Eligible Member terminates employment and immediately retires, the Eligible Member’s retirement processing may be delayed; and

2. A statement Whether the Eligible Member is electing that either all or a specified amount of Termination Pay is to be applied to the balance of the Irrevocable Payroll Deduction AuthorizationPDA.

E. The ASRS shall:
1. Charge interest on the unpaid balance at the assumed actuarial investment earnings rate approved by the Board. If the termination was entered into by an Eligible Member, the request for retroactive service credit is considered paid.

2. Limit the payroll deduction time period to a maximum of 20 years' 200 payments, and require a minimum payment of $10.00 per payroll period, or payment in an amount to purchase at least .001 years of service credit. Service Credit per payroll period, whichever is greater.

3. If the Eligible Member submits a request to terminate payroll deductions, the Eligible Member’s employer shall implement the payroll deducation on the first pay period after receiving the Irrevocable Payroll Deduction Authorization.

4. If a deduction is made under an Irrevocable Payroll Deduction Authorization within six months after the member’s termination, the member’s Eligible Member signs submits the authorization, the authorization lapses and the member’s Eligible Member may make another request, which is recalculated based on the new request date unless the failure to begin deductions is due to an ASRS error.

5. A period of leave of absence, long-term disability LTD, or Presidential Call-up military call-up shall cancel the Irrevocable Payroll Deduction Authorization. The ASRS employer terminates deductions immediately upon the member’s Eligible Member’s return to that employment. The period during which the member’s Eligible Member is on leave of absence, on long-term disability LTD, or leaves work because of a Presidential Call-up military call-up is not included in the 20-year payment time limitation under subsection (F)(2). If the member’s Eligible Member does not return to active working status, whether due to termination of employment or retirement, the member’s Eligible Member may elect to purchase the balance of unpaid service under the Irrevocable Payroll Deduction Authorization at the time of termination or retirement as specified in this Section.

6. Deductions made pursuant to an Irrevocable Payroll Deduction Authorization continue until:
   1. Irrevocable Payroll Deduction Authorization is completed;
   2. Eligible Member retires, whether or not the member’s Eligible Member continues employment as allowed in A.R.S. §§ 38-766.01 and 38-764(D); or
   3. Eligible Member terminates all ASRS employment without transferring employment; or
   4. Date of the Eligible Member’s death.

7. If a member’s Eligible Member retires or terminates employment from all ASRS employers without transferring employment as stated in R2-8-513.01 before all deductions are made as authorized by the Irrevocable Payroll Deduction Authorization, the ASRS shall cancel the Eligible Member’s Eligible Member’s Irrevocable Payroll Deduction Authorization if the member’s Eligible Member notifies the ASRS of the Eligible Member’s intent to purchase the remaining amount in writing during the period 14 days before to within 14 days after the earlier of either termination or retirement from all ASRS employers, or the intent to purchase the remaining amount due in a lump sum.

8. When the member’s Eligible Member notifies the ASRS of retirement or termination from all ASRS employees and requests to pay off the Irrevocable Payroll Deduction Authorization, the ASRS shall send the member’s Eligible Member a PDA pay-off Invoice letter to the mailing address given by the member’s Eligible Member through the Eligible Member’s secure ASRS account. The ASRS shall calculate the amount owed by the member’s Eligible Member and reduce the amount owed by any excess interest that the member has paid.

9. Within 30 days of the date of the PDA pay-off letter, the member’s Eligible Member shall ensure that the ASRS receives the completed SP Payment Request form with the information specified in R2-8-502(C)(1), R2-8-502(D)(2).

10. The member’s Eligible Member may purchase the remaining service credit Service Credit by one or more of the following methods by the due date specified on the PDA Pay-off Invoice:
    1. By check, cashier’s check, or money order made out to the ASRS under any method specified in R2-8-512;
    2. By making a request to the ASRS for a rollover or transfer under R2-8-502(D)(2) and reduce the amount owed by any excess interest that the member has paid.
    3. By termination pay distribution as stated in R2-8-513.01 before all deductions are made as authorized by the Irrevocable Payroll Deduction Authorization.

R2-8-513.01. Irrevocable Payroll Deduction Authorization and Transfer of Employment to a Different ASRS Employer

A. If an Eligible Member Transfers Employment, the Eligible Member’s new Employer shall continue to make deductions pursuant to an Irrevocable Payroll Deduction Authorization if the member transfers employment.

B. If an Eligible Member terminates employment without having accepted an offer to work with an Employer, the ASRS shall terminate an Irrevocable Payroll Deduction Authorization if the member transfers employment without having accepted an offer to work for a new ASRS employer, and the member is not already an active member working for a different ASRS employer. The member shall then pay off the Irrevocable Payroll Deduction Authorization as specified in R2-8-513.01.

C. Notwithstanding subsection (B), if a retirement contribution is due from a new ASRS employer within 120 days from the member’s Eligible Member’s termination date with the previous employer, the ASRS shall determine that the Eligible Member Transferred Employment, unless the Eligible Member notified the ASRS of the termination of employment. If a retirement contribution is not received within 120 days, the Irrevocable Payroll Deduction Authorization terminates.

D. If an Eligible Member who has elected Termination Pay pursuant to R2-8-513(D). Transfers Employment, the ASRS shall not accept any Termination Pay that the ASRS receives from the Eligible Member’s previous Employer.

R2-8-513.02. Termination Date

For the purpose of an Irrevocable Payroll Deduction Authorization, the date a member’s Eligible Member is considered terminated from an ASRS employer is:

1. For a member’s Eligible Member terminating employment, the member’s Eligible Member’s last pay period end date with that ASRS employer.
2. For a member Eligible Member on Presidential Call-up, military call-up, or military call-up who does not return to the same ASRS employer, the Eligible Member:
   a. Ninety 90 days from the date of separation from Presidential Call-up service, military call-up, or military call-up;
   b. Ninety 90 days from the date released from the hospital, if injured while on Presidential Call-up service, military call-up, or military call-up;
   c. The date the Eligible Member has been hospitalized for one year two years for injuries sustained as a result of participating in a Presidential Call-up or military call-up.
   d. The date of the member’s death as a result of participating in a Presidential Call-up.
3. For an Eligible Member on leave of absence without pay who does not return to the same ASRS employer, the date the ASRS employer required the member Eligible Member to return to work;
4. For an Eligible Member who is unable to work because of a disability, the later of:
   a. The date the member’s Eligible Member’s request for long-term disability benefits are denied;
   b. The date the Eligible Member no longer has sick leave and annual leave leave with pay available; or
   c. For an Eligible Member on long-term disability who does not return to the same ASRS employer, Transfer Employment, the date long-term disability benefits are terminated.

R2-8-514. Purchasing Service Credit by Direct Rollover or Trustee-to-Trustee Transfer
A. An eligible member Eligible Member may purchase service credit Service Credit or pay off an Irrevocable Payroll Deduction Authorization by direct rollover at retirement or termination of employment without transferring employment, Direct Rollover or Trustee-to-Trustee Transfer pursuant to this Article.
B. By the due date specified by the method of payment the Eligible Member elected, By the due date specified on the SP invoice, the member Eligible Member shall ensure that the ASRS receives the payment for the service purchase and a completed Direct Rollover/Transfer Certification to Purchase Service Credit form, Service Purchase Payment Request form with the information specified in R2-8-502(D)(3).
C. Upon receipt of the completed Service Purchase Payment Request form, the ASRS shall provide a Direct Rollover Transfer Certification to Purchase Service Credit form, if the ASRS has not already provided the member with the form.
D. The member shall ensure that the ASRS receives the Direct Rollover/Transfer Certification to Purchase Service Credit form completed by the member and the plan making the distribution within 90 days after the issue date of the SP Invoice.
E. An Eligible Member who chooses to purchase Service Credit shall provide the following to the ASRS:
   1. The name of the financial institution or plan;
   2. Whether the Eligible Member is choosing to rollover/transfer the entire balance of their account and if not, the amount of the rollover/transfer;
   3. Acknowledgement of the following information:
      a. After-tax funds are only acceptable from 401(a) and 403(b) plans and must be listed separately from the portion that is pre-tax on the payment as after-tax amounts. This information must be provided to the ASRS with the payment.
      b. The only fund types that the ASRS accepts are:
         i. 401(a);
         ii. 401(k) pre-tax only;
         iii. 403(b);
         iv. Governmental 457 pre-tax only;
         v. 403(a) pre-tax only;
         vi. 408 Traditional IRA pre-tax only;
         vii. 408(k) SEP IRA pre-tax only;
         viii. 408(p) Simple IRA pre-tax only and only if the Eligible Member participated for at least 2 years in this plan;
      c. The ASRS shall not accept the following fund types:
         i. Roth funds;
         ii. Funds already distributed to the Eligible Member from a retirement plan listed in subsection (3)(b);
         iii. Inherited IRA;
         iv. Coverdale Education Savings Account funds;
         v. Hardship distributions;
         vi. Funds not includable in gross income;
         vii. Funds required under § 401(a)(9) of the IRC because the Eligible Member have attained age 70½;
         viii. One of a series of substantially equal periodic payments made at least annually for the Eligible Member’s life;
         ix. One of a series of substantially equal periodic payments made for 10 years or more;
         x. After-tax contributions from any plan other than a 401(a) or 403(b) qualified plan;
      d. The funds must be sent as a Direct Rollover from a plan listed in subsection (3)(b) and issued to the ASRS for the benefit of the Eligible Member. If the payment is issued to anyone other than the ASRS, including the Eligible Member, then within 60 days of the plan issuing the payment, the Eligible Member must place the payment into a plan specified in subsection (3)(b) to be reissued directly to the ASRS.
      e. It is the Eligible Member’s responsibility to contact the administrator of the plan from which the Direct Rollover will be made and have it initiated. The Eligible Member must also ensure all rollovers are completed by the due date. If the ASRS does not receive payment by the due date, the invoice will expire and the payment will be returned to the Eligible Member.
      f. If the ASRS accepts a rollover and later determines that it was not eligible, the ASRS will distribute the invalid payment directly to the Eligible Member. Any taxes, penalties, and interest that the IRS, any taxing authority, or financial institution may assess against the Eligible Member due to an invalid payment are solely the Eligible Member’s responsibility.
      g. The plan from which the Eligible Member is rolling over funds must be solely in the Eligible Member’s name. The Eligible Member may be a spousal beneficiary of a deceased person or an alternate payee on the plan from which the Eligible Member is rolling over funds.
The information requested on the An Eligible Member who chooses to purchase Service Credit pursuant to this section shall submit a Direct Rollover/Transfer Certification to Purchase Service Credit form that includes:
1. The Eligible Member’s full name;
2. Member’s mailing address;
3. The amount of each rollover or transfer, if applicable;
4. The account number of each plan, if applicable;
5. The member’s signature certifying that the member understands the requirements, limitations, and entitlements for the rollover/transfer that is being used to purchase service credit, and has read and understands the Direct Rollover/Transfer Certification to Purchase Service Credit form and any accompanying instructions and information sheets;
6. The date the member signs the form;
7. The date the member makes the written request for extension before expiration of the 90 days of the issue date on the SP invoice, and
8. The member’s signature certifying that the member understands the requirements, limitations, and entitlements for the rollover/transfer that is being used to purchase service credit, and has read and understands the Direct Rollover/Transfer Certification to Purchase Service Credit form and any accompanying instructions and information sheets;
9. The authorized representative’s Authorized Representative’s name and title;
10. The authorized representative’s telephone number;
11. The authorized representative’s Authorized Representative’s telephone number; and
12. Certification by the authorized representative Authorized Representative’s detailed signature that:
   a. The plan is either:
      i. A qualified pension, profit sharing, or 401(k) plan described in IRC § 401(a), or a qualified annuity plan described in IRC § 403(a);
      ii. A deferred compensation plan described in IRC § 457(b) maintained by a state of the United States, a political subdivision of a state of the United States, or an agency or instrumentality of a state of the United States;
      iii. An annuity contract described in IRC § 403(b); or
      iv. An IRA described in A.R.S. § 38-747(H)(3);
   b. The rollover/transfer specified on the form from which the pre-tax funds are being rolled over or transferred is intended to satisfy the requirements of the applicable section of the Internal Revenue Code_IRC;
   c. The authorized representative Authorized Representative is not aware of any plan provision or any other reason that would cause the plan/IRA not to satisfy the applicable section of the Code IRC; and
   d. The funds will be sent to the ASRS as a direct plan rollover, IRA rollover, or a trustee-to-trustee transfer Trustee-to-Trustee Transfer.
13. The date and signature of the authorized representative.
F. The ASRS shall provide the member with written notice regarding the eligibility of the rollover.
G. The member Eligible Member shall contact the plan administrator Plan Administrator to have the funds distributed and transferred to the ASRS. Except as provided in subsection H, unless the ASRS receives a check for the correct amount from the plan and all documents required by this Article by the due date specified by the method of payment the Eligible Member elected, within 90 days of the issue date on the SP invoice, the ASRS shall cancel the request to purchase service credit as specified in R2 8-502(C).
H. At the written request of the member, the ASRS shall provide an extension of 60 days in which the check may be received by the ASRS from the plan at the written request of the member, if:
1. The member has followed the procedure in this Article for requesting to purchase service credit;
2. The member has responded to the ASRS correspondence within the timeframe set forth in this Article;
3. The eligible plan has not provided to the ASRS the check to pay for the requested service credit purchase within 90 days of the date of the SP invoice;
4. The member makes the written request for extension before expiration of the 90 days.
I. The member Eligible Member shall ensure that the ASRS receives a check from the plan, made payable to the ASRS, for an amount that does not exceed the amount specified on the SP Invoice.
J. If the payment from the eligible plan exceeds the amount specified on the SP Invoice, the ASRS shall return the entire payment to the member Eligible Member.

R2 8-515. Purchasing Service Credit by Trustee to Trustee Transfer Repealed
A. An eligible member may purchase service credit or pay off an Irrevocable Payroll Deduction Authorization at retirement or termination of employment without transferring employment by a trustee to trustee transfer if the member participates in:
1. A deferred compensation plan described in IRC § 457 that is maintained by:
   a. The state of Arizona;
   b. A political subdivision, agency, or instrumentality of the state of Arizona; or
   c. A political subdivision entity of the state of Arizona;
2. An annuity contract described in IRC § 403(b); or
3. A retirement program qualified under IRC § 401(a) or 403(a).
B. By the due date specified on the SP Invoice, the ASRS shall receive from the member the completed Service Purchase Payment Request form described in R2 8-502(D)(2).
C. Upon receipt of the completed Service Purchase Payment Request form, the ASRS shall provide a Direct Rollover/Transfer Certification to Purchase Service Credit form, if the ASRS has not already provided the member with the form.
D. The member shall ensure that the member and the plan administrator complete the Direct Rollover/Transfer Certification to Purchase Service Credit form, containing all of the applicable information identified in R2 8-514(E), and ensure that the ASRS receives the form within 90 days after the issue date on the SP Invoice.
E. The ASRS shall provide the member with written notification regarding the eligibility of the transfer.
F. The member shall contact the plan administrator to have the funds transferred to the ASRS. Except as provided in subsection (G), unless the ASRS receives the check for the correct amount from the plan within 90 days of the date the member elects to use termination pay distribution, the ASRS shall cancel the request to purchase service credit as specified in R2-8-502(C).

G. The ASRS shall provide an extension of 60 days in which the check may be received by the ASRS from the plan at the written request of the member.

1. The member has followed the procedure under this Article for requesting to purchase service credit;
2. The member has responded to the ASRS correspondence within the time frame set forth in this Article;
3. The member makes the written request for extension before expiration of the 90 days.

The member shall ensure that the ASRS receives a check from the plan, made payable to the ASRS, for an amount that does not exceed the amount specified on the SP Invoice.

I. If the payment from the eligible plan exceeds the amount specified on the SP Invoice, the ASRS shall return the entire payment to the member and notify the member of the correct amount due.

R2-8-519. Purchasing Service Credit by Termination Pay Distribution

A. To purchase service credit, an eligible member shall, no more than six months before the date the eligible member plans to retire or terminate employment, request to purchase service credit as specified in R2-8-502 and specify that the member wants to use termination pay distribution to pay for the service credit. Upon receipt of the request to purchase service credit as specified in R2-8-502, the eligible member shall provide documentation to the ASRS for the member’s request to purchase service credit as required by this Article, within 30 days of the eligible member’s request to purchase service credit.

B. Upon receipt of the documentation required by this Article from the eligible member and if the eligible member’s request to purchase service credit meets the requirements of this Article, the ASRS shall send to the eligible member a Termination Pay Authorization for the Purchase of Service Credit form to be received and processed before the ASRS will accept any other form of payment.

C. An Eligible Member who elects to use Termination Pay pursuant to this section, shall provide the ASRS with the Eligible Member’s anticipated termination date which cannot be more than six months from the date the ASRS issues the SP Invoice and must be at least Three Full Calendar Months after the date the Eligible Member elects and submits Termination Pay as a method of payment.

D. By the due date specified on the SP invoice, the member shall ensure that the ASRS receives the completed Service Purchase Payment Request form.

D.G. Upon receipt of the Service Purchase Request form, if the member indicates the member wishes to purchase service credit by termination pay distribution, the ASRS shall send the member a Termination Pay Authorization for the Purchase of Service Credit form to complete and return within the time limitation specified in subsection (E) that includes: An Eligible Member who elects to use Termination Pay pursuant to this section, shall provide the ASRS with a Termination Pay Authorization for the Purchase of Service Credit form with the following information:

1. The member’s full name,
2. The member’s Social Security number,
3. The member’s day telephone number,
4. The Request ID number listed on the SP invoice,
5. The name of the ASRS employer that will be submitting the Termination Pay to the ASRS;
6. Whether the member elects to use all termination pay or a specific amount of termination pay to purchase service credit;
7. Signature of the member, certifying that the member understands that:
   a. The member is required to continue working at least three full calendar months after the date the member submits the Termination Pay Authorization for the Purchase of Service Credit form before termination pay is due;
   b. The member terminates employment more than six months after the date on the SP Invoice, the member may purchase service credit at a newly calculated rate and possibly at a higher cost;
   c. The terms elected in the Termination Pay Authorization for the Purchase of Service Credit form are binding and irrevocable;
   d. The member’s employer is required to make payment directly to the ASRS after mandatory deductions are made, and the member does not have the option of receiving the funds directly from the employer;
   e. The ASRS shall apply service credit to the member’s account upon the receipt of payments authorized by the member by the Termination Pay Authorization for the Purchase of Service Credit form. The Eligible Member’s Termination Pay must be received and processed before the ASRS will accept any other form of payment;
   f. If the member elects to purchase service credit by the date payment election is due.
   g. It is the member’s responsibility to ensure that the member properly deducts termination pay for service credit, as provided in the Termination Pay Authorization for the Purchase of Service Credit form; and

The amount of termination pay for service credit is subject to federal laws.
ARTICLE 7. CONTRIBUTIONS NOT WITHHELD

R2-8-701. Definitions

The following definitions apply to this Article unless otherwise specified:

1. “218 agreement” means a written agreement between the state, political subdivision, or political subdivision entity and the Social Security Administration, under the provisions of § 418-218 of the Social Security Act, to provide Social Security and Medicare or Medicare-only coverage to employees of the state, political subdivision, or political subdivision entity.

2. “Documentation” means a pay stub, completed W-2 form, completed Verification of Contributions Not Withheld form, employer letter or spreadsheet, completed State Personnel Action Request Form, Social Security Earnings Report, employment contract, payroll record, timesheet, or other ASRS employer-provided form that includes:
   a. Whether the employee was covered under the ASRS employer’s 218 agreement prior to July 24, 2014,
b. The number of hours the member worked or length of time the member was employed by the ASRS employer, or for the Employer per pay period; and

c. The compensation paid to the member by the ASRS employer. The amount and type of compensation earned by the member within each pay period.

3. “Eligible service” means employment with an ASRS employer. Employer:

a. That is no more than 15 years before the date the ASRS receives written credible evidence that less than the correct amount of contributions were paid into the ASRS or the ASRS otherwise determines that less than the correct amount of contributions were made as specified in A.R.S. § 38-738(C); and

b. In which the member worked a minimum of 20 hours per week for at least 20 weeks in a service year for at least one ASRS employer from 7/1/1999 to the present, was Engaged to Work for an Employer.

4. “Engaged to Work” means the same as in R2-8-1001.

R2-8-702. General Information

A. Verified eligible service that occurred more than 15 years before the date ASRS receives the information identified in R2-8-704(A)(1) is considered public service credit as provided in A.R.S. § 38-729(D), and is not applied under this Article.

B. The ASRS employer Employer shall pay the ASRS employer’s Employer’s portion of the contributions the ASRS determines is owed under R2-8-706 whether or not the member pays the member’s portion of the contributions.

C. The member has withdrawn contributions as specified in R2-8-115; or

D. The member pays the member’s portion of the contributions.

E. The person who initiates the claim that contributions were not withheld for eligible service Eligible Service has the burden to prove a contribution error was made.

F. If an ASRS employer Employer requests to purchase service pursuant to this Article, the member may be eligible to purchase service pursuant to for which contributions were not withheld, but is able to establish a period of employment by an ASRS employer the member may request to purchase service credit for that period under A.R.S. § 38-743 and Article 5 of this Chapter.

R2-8-703. ASRS Employer’s Discovery of Error

If an ASRS employer Employer determines that any amount of contributions have not been withheld for a member for a period of eligible service Eligible Service, the ASRS employer Employer shall notify the ASRS in writing and shall provide ASRS with the member’s full name, Social Security number, months, years, and hours per week worked, the compensation each fiscal year for the time periods worked, and the member’s position title and status at the time contributions should have been withheld. The ASRS shall verify contributions not withheld and the eligible service of the member. The ASRS employer Employer shall pay the ASRS employer’s Employer’s portion of the contributions the ASRS determines is owed under R2-8-706 whether or not the member pays the member’s portion of the contributions.

1. The member’s full name;

2. The member’s Social Security number;

3. The range of dates that any contribution was not withheld;

4. The member’s position title during the date range listed in subsection (3);

5. The amount and type of compensation the member was entitled to receive, and the number of hours the member worked for the Employer per pay period for each fiscal year;

6. The member’s hire date;

7. Whether the member was Engaged to Work for the Employer;

8. Whether the position was covered under the Employer’s 218 Agreement for periods prior to July 24, 2014; and

9. The dated signature of the Employer’s authorized agent certifying:

   a. All the dates and salary information is correct;

   b. The person submitting this form has the legal power to enter into binding transactions with the ASRS;

   c. Acknowledgement the Employer will receive an invoice for the contributions owed for Eligible Service only, as well as the accumulated interest on the contributions that were not withheld for both the member and Employer contributions; and

   d. Acknowledge the member will receive an invoice for their contributions owed.

R2-8-704. Member’s Discovery of Error

A. If a member believes that an Employer has not withheld contributions for the member for a period of eligible service Eligible Service, the member shall:

   A. Provide the Employer with documentation of the member’s claim and request that the Employer provide verification that includes the information in the Verification of Contributions Not Withheld form or complete a Verification of Contributions Not Withheld form that includes:

   1. The member’s full name;

   2. Other names used by the member;

   3. The member’s Social Security number;

   4. Whether the position was covered under the Employer’s 218 agreement prior to July 24, 2014;

   5. The position title the member held at the time the contributions should have been withheld;

   6. The eligibility of the member at the time the contributions should have been withheld;

   7. The following statements of understanding and agreements certified by the authorized Employer representative’s signature indicating:

      a. I understand it is my responsibility to verify the accuracy of the information I am providing on this form. I understand any individual who knowingly makes a false statement, or who falsifies or permits to be falsified any record of the ASRS with an intent to defraud the ASRS, is guilty of a Class 6 felony pursuant to A.R.S. § 38-793; and

      b. The member is entitled to purchase service credit pursuant to for that period under A.R.S. § 38-743 and Article 5 of this Chapter.

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b. I understand that, based on the information provided on this form, the ASRS may determine that contributions are owed on behalf of the member listed on this form, and the Employer may incur a substantial financial obligation. I understand that I may receive an invoice for the member contributions I owe.

8. The following information by fiscal year:
   a. All pay period end dates;
   b. The hours per week worked within each pay period; and
   c. The compensation earned by the member within each pay period.

9. The name of the Employer;

10. The printed name and signature of the authorized Employer representative;

11. The daytime telephone number of the authorized Employer representative;

12. The title of the authorized Employer representative; and

13. The date the authorized Employer representative signed the form;

1. Notify the member’s Employer that the Employer has not withheld contributions correctly by contacting the Employer directly, or

2. Submit to the ASRS a Contributions Not Withheld Request form through the member’s secure ASRS account with the following:
   a. The name of the Employer that should have remitted contributions;
   b. The dollar amount of contributions that should have been made, while simultaneously con-
   c. The Employer Documentation
   d. The requirements to be an active member
   e. The ASRS employer

C. If the ASRS determines, as specified in A.R.S. § 38-738(B)(7), that all contributions should have been withheld, the Employer shall correct the information and submit the information to the ASRS through the Employer’s secure ASRS account. If the information provided by the eligible member pursuant to subsection (A) is incorrect, the Employer shall correct the information and submit the information to the ASRS through the Employer’s secure ASRS account, along with the information identified in subsection R2-8-703.

C. If the Employer refuses to fill out the Verification of Contributions Not Withheld form, or if the member disputes the information the Employer completes on the form, the member shall provide the ASRS with the documentation. The member believes supports the allegation that contributions should have been withheld, that includes proof:
   a. That the employee was covered under the ASRS Employer’s 218 agreement prior to July 24, 2014;
   b. Of the number of hours worked;
   c. Of the length of time the member was employed by the Employer, and
   d. Of the compensation paid to the member by the Employer.

R2-8-705. ASRS’ Discovery of Error
If the ASRS determines, as specified in A.R.S. § 38-738(B)(7), that all contributions have not been withheld for a member for a period of eligible service Eligible Service, the ASRS shall notify the member and the ASRS employer Employer in writing and shall request the Employer submit through the Employer’s secure ASRS account a Verification of Contributions Not Withheld form pursuant to R2-8-703, following information:

1. The months, years and hours per week worked;
2. The compensation earned by the member each fiscal year for the time periods worked; and
3. The member’s position title at the time contributions should have been withheld.

R2-8-706. Determination of Contributions Not Withheld
A. Upon receipt of the information listed in R2-8-703, R2-8-704, or R2-8-705, the ASRS shall review the information to determine whether or not member contributions should have been withheld by the Employer, the length of time those contributions should have been withheld, and the amount of contributions that should have been withheld.

B. Except for a member who met active membership requirements, the requirements to be an active member while simultaneously contributing to another retirement plan listed in subsection (B)(2), for purposes of this Article, the ASRS shall determine that contributions should not have been withheld for the period of service in question if:
   1. An Employer remits an accurate ACR amount pursuant to R2-8-116; or
   2. The employee participates in:
      a. Another Arizona retirement plan listed in A.R.S. Title 38, Chapter 5, Articles 3, 4, or 6; or
      b. In an optional retirement plan listed in Title R2-8-706, Article 4. Article 15, Article 12, Article 1.

C. Except for returning to work under A.R.S. § 38-766.01, the presence of a contract between a member and the Employer does not alter the contribution requirements of A.R.S. §§ 38-738 and 38-736.

D. If there is any discrepancy between the documentation provided by the Employer and the documentation provided by the member, a document used in the usual course of business prepared at the time in question is controlling.

E. The ASRS shall provide to each, the Employer and the member, a written statement and invoice with the following: that includes:
   1. The amount of eligible service Eligible Service for which contributions were not withheld,
   2. The dollar amount of contributions that should have been made,
   3. The dollar amount of the contributions to be paid to the ASRS by the Employer,
   4. The interest on the Employer contributions and member contributions to be paid to the ASRS by the Employer pursuant to A.R.S. § 38-738.
R2-8-707. Submission of Payment  
A. Within 90 calendar days from the date on the statement identified in R2-8-706(E), after the ASRS notifies the ASRS employer, the ASRS employer shall pay the ASRS the amount due to be paid by the Employer, all ASRS employer contributions, including accrued interest on both the ASRS employer and member contributions, from the date the contributions were due to the date the ASRS notifies the ASRS employer of the amount due. An ASRS employer who makes payment under A.R.S. § 38-738(B)(3) is not liable for additional interest that may accrue as a result of a member’s failure to remit payment required by A.R.S. § 38-738(B)(1). If the ASRS does not receive full payment of the ASRS employer’s amount due within 90 calendar days after the ASRS notifies the ASRS employer of the amount due, the full amount due will accrue interest on the amount not paid, as provided in A.R.S. § 38-738(B)(3), will accrue from the 91st day until the ASRS employer pays the full amount. The ASRS may collect the unpaid balance plus interest pursuant to A.R.S. § 38-735(C).

B. An ASRS employer may pay the amount the ASRS employer believes may be due at any time before ASRS’s notification of the amount due in order to prevent the accrual of interest after the date of the payment. Any amount the ASRS employer pays that the ASRS determines is not owed shall be refunded to the ASRS employer. The member shall make payment to the ASRS pursuant to A.R.S. § 38-738 by the due date specified on the member’s invoice identified in R2-8-706(E).

C. A member may purchase eligible service for which contributions were not withheld in accordance with the requirements of Article 5 of this Chapter for purchase of service credit. If the ASRS does not receive full payment of the ASRS employer’s amount due by the due date specified on the member’s invoice identified in R2-8-706(E), within 90 calendar days after the ASRS notifies the member that the ASRS received the ASRS employer’s full payment, the full amount due will accrue interest on the amount not paid, as provided in A.R.S. § 38-738(B)(1), will accrue from the 91st day until the member pays the full amount.

D. A member does not receive service credit or credit for salary until both the Employer and member portions of the contributions and all interest has been paid pursuant to A.R.S. § 38-738.

R2-8-709. Nonpayment of Contributions  
A. A member receives service credit only for the portion of service the ASRS has determined is eligible and that the member has paid for.

B. A member does not receive service credit until both the ASRSemployer and member portions of the contributions have been paid.

C. If the ASRS employer does not pay, the ASRS shall take any steps legally authorized to collect payment. Any steps the ASRS may take to collect payment are separate from any action a member may elect to take against the ASRS employer.

ARTICLE 11. TRANSFER OF SERVICE CREDIT

R2-8-1101. Definitions  
The following definitions apply to this Article unless otherwise specified:

1. “Actuarial present value” means an amount in today’s dollars of a member’s future retirement benefit calculated using appropriate actuarial assumptions and the:
   a. Member’s Current Years of Creditable Service;
   b. Member’s age as of the date the Member submits to the ASRS a request to transfer service credit pursuant to this Article; and
   c. Member’s most recent annual compensation.

2. “Current years of creditable service” means:
   a. For Transfer In Service, the amount of credited service a member has earned or purchased, and the amount of service credit for which an Irrevocable PDA is in effect for which the member has not yet completed payment, but does not include any current requests to purchase service credit for which the member has not yet paid; and
   b. For transferring service credit to the Other Retirement Plan, the amount of credited service a member has earned or purchased, but does not include service credit for which the member has not yet paid.

3. “Irrevocable PDA” means the same as in R2-8-501.

4. “Funded Actuarial Present Value” means the Actuarial Present Value reduced to the extent funded on market value basis as of the most recent actuarial evaluation of the ASRS.

5. “Member’s accumulated contribution account balance” means the sum of all the member’s retirement contributions and any principal payments made for:
   a. The purchase of service credit;
   b. Contributions not withheld; and
   c. Previous transfers of service credit.

6. “Other retirement plan” means the state retirement plans specified in A.R.S. § 38-921, other than the ASRS, or a retirement plan of a charter city as specified in A.R.S. § 38-730.

7. “Other Retirement Plan’s cost” means the amount determined by the ASRS pursuant to R2-8-1102(D).

8. “Other public service” means the same as in R2-8-501.

9. “Transfer in service” means credited service with the Other Retirement Plan that a member is eligible to transfer to the ASRS pursuant to A.R.S. §§ 38-730 and 38-921.

R2-8-1102. Required Documentation and Calculations for Transfer In Service Credit  
A. A member who is eligible to Transfer In Service credit, may request to transfer service credit by providing a Transfer In form to the ASRS with the following:
   1. The name of the Other Retirement Plan;
2. The date the member either terminated employment with an employer of the Other Retirement Plan or ceased to participate in the Other Retirement Plan;
3. The date the member began employment with the employer through which the member was participating in the Other Retirement Plan;
4. The number of years the member participated in the Other Retirement Plan;
5. Acknowledgement the member agrees that:
   a. Knowingly making a false statement or falsifying or permitting falsification of any record of the ASRS with an intent to defraud ASRS is a Class 6 felony, pursuant to A.R.S. § 38-793; and
   b. The Transfer In Service credit transaction is subject to audit and if any errors are discovered, the ASRS shall adjust a member’s account, or if the member is already retired, adjustments to the member’s account may affect the member’s retirement benefit.

B. Upon receipt of the information specified in subsection (A), the ASRS shall submit the information to the Other Retirement Plan and request:
   1. The Other Retirement Plan’s Funded Actuarial Present Value pursuant to A.R.S. §§ 38-730 and 38-922;
   2. The Member’s Accumulated Contribution Account Balance in the Other Retirement Plan;
   3. The amount of service credit the member has accumulated in the Other Retirement Plan; and
   4. The start date and end date for the member’s participation in the Other Retirement Plan.

C. Upon receipt of the information specified in subsection (B), the ASRS shall calculate the Actuarial Present Value as specified in R2-8-506 necessary to transfer full service credit to the ASRS.

D. The ASRS shall calculate the Other Retirement Plan’s Cost as follows:
   1. If the ASRS Actuarial Present Value is greater than the Other Retirement Plan’s Funded Actuarial Present Value, then the Other Retirement Plan’s Cost is the greater of:
      a. The Other Retirement Plan’s Funded Actuarial Present Value; or
      b. The Member’s Accumulated Contribution Account Balance in the Other Retirement Plan;
   2. If the ASRS Actuarial Present Value is less than or equal to the Other Retirement Plan’s Funded Actuarial Present Value, then the Other Retirement Plan’s Cost is the greater of:
      a. The ASRS Actuarial Present Value; or
      b. The Member’s Accumulated Contribution Account Balance in the Other Retirement Plan.

E. The ASRS shall compare the Other Retirement Plan’s Cost to the ASRS Actuarial Present Value calculated pursuant to subsection (C) and:
   1. If the Other Retirement Plan’s Cost is less than the ASRS Actuarial Present Value, then the member may elect to transfer service credit to the ASRS and:
      a. Pay the difference between the Other Retirement Plan’s Cost and the ASRS Actuarial Present Value; or
      b. Accept a proportionately reduced amount of service credit;
   2. If the Other Retirement Plan’s Cost is greater than or equal to the ASRS Actuarial Present Value, then the member may elect to transfer the service to the ASRS pursuant to subsection (F).

F. Upon completion of the comparison specified in subsections (D) and (E), the ASRS shall send the member a transfer in invoice notifying the member of the member’s options to complete the transfer of service credit through the member’s secure ASRS account.

G. The member may elect to complete a transfer of service credit pursuant to this section by submitting the member’s election by the election due date specified on the transfer in invoice.

H. Upon receipt of the member’s election to complete a transfer of service credit, the ASRS shall send the transfer in invoice to the Other Retirement Plan and the Other Retirement Plan shall make payment to the ASRS by submitting a check made payable to the ASRS for the Other Retirement Plan’s Cost specified on the transfer in invoice by the payment due date specified on the transfer in invoice.

I. If a member elects to pay the total difference between the ASRS Actuarial Present Value and the Other Retirement Plan’s Cost pursuant to R2-8-1102(E), the member shall elect the method of payment by the payment due date specified on the transfer in invoice.

J. A member may elect to pay the total difference between the ASRS Actuarial Present Value and the Other Retirement Plan’s Cost pursuant to R2-8-1102(E) by any one or more methods specified in R2-8-512, R2-8-513, R2-8-514, or R2-8-519.

K. For a member who elects to accept a proportionately reduced amount of service pursuant to subsection (E)(1)(b), the ASRS shall calculate the proportionately reduced amount of service credit based on the member’s service credits in the Other Retirement Plan multiplied by the ratio of the Other Retirement Plan’s Cost to the ASRS Actuarial Present Value.

L. The member shall submit payment to transfer service credit pursuant to this section by the payment due date specified on the transfer in invoice.

M. If the member does not submit payment for the total difference in the calculations pursuant to R2-8-1102(E) by the payment due date specified on the transfer in invoice, the member may be eligible to purchase the remaining service credit as Other Public Service, and the member is not eligible to purchase the remaining service credit based on the cost specified in the transfer in invoice.

R2-8-1103. Transferring Service to Other Retirement Plans
A. Upon receipt of a request to transfer a member’s service credit from the ASRS to the Other Retirement Plan, the ASRS shall calculate:
   1. The ASRS Funded Actuarial Present Value pursuant to A.R.S. §§ 38-730 and 38-922; and
   2. The Member’s Accumulated Contribution Account Balance in the ASRS.
B. Upon completing the calculations specified in subsection (A), the ASRS shall submit the calculations and member information to the Other Retirement Plan with a due date for the Other Retirement Plan to submit a fund request to the ASRS pursuant to subsection (C).
C. If a member elects to transfer service credit to the Other Retirement Plan, the member shall ensure that the Other Retirement Plan submits a fund request on the Other Retirement Plan’s letterhead by the due date specified in subsection (B) to the ASRS with the following information:
   1. The member’s full name;
2. The last four digits of the member’s Social Security number;
3. The name of the Other Retirement Plan; and
4. The Actuarial Present Value necessary to transfer full service credit to the Other Retirement Plan.

D. Upon receipt of the information specified in subsection (C), the ASRS shall compare the calculations specified in subsection (A) to the Other Retirement Plan’s Actuarial Present Value specified in subsection (C) and transfer funds as follows:

1. If the Other Retirement Plan’s Actuarial Present Value specified in subsection (C) is greater than the ASRS Funded Actuarial Present Value specified in subsection (A), then the ASRS shall transfer the greater of:
   a. The ASRS Funded Actuarial Present Value specified in subsection (A); or
   b. The Member’s Accumulated Contribution Account Balance in the ASRS.

2. If the Other Retirement Plan’s Actuarial Present Value specified in subsection (C) is less than or equal to the ASRS Funded Actuarial Present Value, then the ASRS shall transfer the greater of:
   a. The Other Retirement Plan’s Actuarial Present Value specified in subsection (C); or
   b. The Member’s Accumulated Contribution Account Balance in the ASRS.

E. Transferring service credit to the Other Retirement Plan pursuant to this section constitutes a withdrawal from ASRS membership and results in a forfeiture of all other benefits under ASRS.

F. Notwithstanding subsection (E), pursuant to A.R.S. § 38-750, a transferred employee who continues an Irrevocable PDA after transferring service credit to the Other Retirement Plan may be eligible to:

1. Transfer service credit associated with the remaining balance of the Irrevocable PDA for which the transferred employee paid for the purchase of service credit plus interest at the Assumed Actuarial Investment Earnings Rate pursuant to A.R.S. § 38-922, not including any administrative interest charge the transferred employee paid pursuant to an Irrevocable PDA; or

2. Receive a return of contributions plus interest as specified in R2-8-118(A), column 3, pursuant to A.R.S. § 38-740.
NOTICES OF PROPOSED EXPEDITED RULEMAKING

This section of the Arizona Administrative Register contains Notices of Proposed Expedited Rulemaking. The Office of the Secretary of State is the filing office and publisher of these rules.

NOTICE OF PROPOSED EXPEDITED RULEMAKING

TITLE 13. PUBLIC SAFETY
CHAPTER 1. DEPARTMENT OF PUBLIC SAFETY
CRIMINAL IDENTIFICATION SECTION

PREAMBLE

1. Article, Part, or Section Affected (as applicable) Rulemaking Action
   Article 5 Repeal
   R13-1-501 Repeal
   R13-1-502 Repeal
   R13-1-503 Repeal
   R13-1-504 Repeal

2. Citations to the agency’s statutory authority to include the authorizing statute (general) and the implementing statute (specific):
   Authorizing statute: A.R.S. §§ 41-1713(A)(4) and 41-1008(A)(2)
   Implementing statute: A.R.S. § 41-1750(H), (K), (N) and (P)(1)

3. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the proposed rule:
   Notice of Rulemaking Docket Opening: 25 A.A.R. 331, February 8, 2019 (in this issue)

4. The agency’s contact person who can answer questions about the rulemaking:
   Name: Lane Ciminski, Captain
   Address: Arizona Department of Public Safety
             POB 6638, Mail Drop 1200
             Phoenix, AZ 85086
   Telephone: (602) 223-2500
   E-mail: lciminski@azdps.gov
   Website: www.azdps.gov

5. An agency’s justification and reason why the rule should be made, amended, repealed, or renumbered, to include an explanation about the rulemaking:
   The agency is conducting an expedited rulemaking pursuant to A.R.S. § 41-1027(A)(6) to repeal all of Article 5; where the rulemaking does not increase the cost of regulatory compliance, increase a fee or reduce procedural rights of persons regulated and where the rulemaking repeals rules that are redundant and not necessary for the operation of state government.
   The Department believes that it, along with all other government entities, is statutorily required to provide public records services where statutes clearly define public records requirements.
   The Department believes the content of the article does not qualify under A.R.S. § 41-1003 as a formal procedure to the public.
   The Department believes it is not required to promulgate rules for fees in regards to public records. A.R.S. § 41-1008(A)(2) specifies the Department shall not make a rule to establish a fee when it has statutory authority to charge a fee to recover its costs. A.R.S. § 41-1750(K) authorizes the Director to establish a fee in an amount necessary to cover the costs of public records. The Department intends to only charge fees where the fee recovers the Department’s cost.
   The Department received a rulemaking waiver from Mr. Timothy Roemer, Governor’s Public Safety Policy Advisor on December 13, 2018.

6. A reference to any study relevant to the rule that the agency reviewed and proposes to either rely on or not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:
   The Department did not review any studies.

7. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:
   The rulemaking does not diminish a previous grant of authority of a political subdivision of this state.

8. The preliminary summary of the economic, small business, and consumer impact:
   Under A.R.S. § 41-1027, the expedited rulemaking is exempt from this requirement.
9. The agency’s contact person who can answer questions about the economic, small business, and consumer impact statement:

Under A.R.S. § 41-1027, the expedited rulemaking is exempt from this requirement.

10. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date: Thursday, February 28, 2019
Time: 9:00 a.m. MST
Location: Arizona Department of Public Safety
Public Services Center – Auditorium (check in with security in the lobby)
2222 W. Encanto Blvd.
Phoenix, AZ 85009
Close of record: Thursday February 28, 2019 at 5:00 p.m. MST

11. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

a. Whether the rule requires a permit, whether a general permit is used, and if not, the reason why a general permit is not used:

The article does not require a permit.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law, and if so, citation to the statutory authority to exceed the requirements of federal law:

There is no applicable federal law.

c. Whether a person submitted an analysis to the agency that compares the rule’s impact of the competitiveness of business in this state to the impact on business in other states:

No person submitted an analysis to the Department comparing the rule’s business competitiveness impact.

12. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

There are no incorporated by reference items.

13. The full text of the rules follows:

TITLE 13. PUBLIC SAFETY
CHAPTER 1. DEPARTMENT OF PUBLIC SAFETY
CRIMINAL IDENTIFICATION SECTION

ARTICLE 5. DEPARTMENT RECORDS REPEALED

Section
R13-1-501. Procedure for Obtaining a Traffic Accident Report or Photograph Repealed
R13-1-502. Charges for Copies of Traffic Accident Reports and Photographs Repealed
R13-1-503. Procedure for Obtaining Copies of Offense, Arrest, or Incident Reports Repealed
R13-1-504. Charges for Copies of Offense, Arrest, Incident and Other Types of Department Reports Repealed

ARTICLE 5. DEPARTMENT RECORDS REPEALED

R13-1-501. Procedure for Obtaining a Traffic Accident Report or Photograph Repealed

A. Any individual or entity, public or private, may obtain traffic accident reports and photographs from the Department.

B. A governmental agency requesting a traffic accident report may obtain the report free of charge. The Department shall charge the general public or a private entity a processing fee as listed in R13-1-502.

C. To obtain a copy of a Department traffic accident report or photograph, the requester shall:

1. Complete and submit the Department Request for Copy of Report form, available from the Department Records Unit. The Request for Copy of Report form includes:

a. The requester’s name;
b. The requester’s address;
c. The requester’s phone number;
d. All information known regarding the traffic accident; and
e. The requirement to specify whether the request is for:

i. The traffic accident report only;
ii. Photographs only; or
iii. The traffic accident report and photographs; and

2. Pay the charge under R13-1-502, if applicable.

D. Once the investigating officer submits the traffic accident report, the Department shall make accident reports and photographs available upon request. The Department shall release available traffic accident reports and photographs promptly after receiving the Request for Copy of Report form and payment of charges.

E. The Department redacts Social Security information from traffic accident reports released to the general public.
F. As specified in A.R.S. § 28-667, the Department shall not provide traffic accident reports for commercial solicitation.

R13-1-502. Charges for Copies of Traffic Accident Reports and Photographs Repealed

The charges for copies of traffic accident reports and photographs are:

1. Charges for a copy of a traffic accident report by method of delivery:
   a. Paper - $9.00 for nine pages or less and $0.10 for each additional page exceeding nine.
   b. Fax - $9.00 up to 20 pages.
   c. Electronic mail - $9.00 up to five megabytes.
   d. Compact disk - $10.00 up to 700 megabytes. Additional reports may be delivered on a single compact disk for $9.00 each.

2. Charges for a copy of a traffic accident photograph by method of delivery:
   a. Printed photograph - $4.00 each.
   b. Photographic contact sheet - $10.00 each.
   c. For all photographs associated by a single report delivered by compact disk or digital versatile disk - $15.00 up to 1.7 gigabytes.

B. A person shall mail payment to the Department’s Records Unit, Mail Drop 3111, P.O. Box 6638, Phoenix, AZ 85005-6638 in the form of a cashier’s check, money order, or a business check payable to the Arizona Department of Public Safety. If paying in person at the Department’s Public Records Unit, 2222 West Encanto Boulevard, Phoenix, AZ 85009, the person shall pay with a cashier’s check, money order, business check, or in cash. If paying through an electronic payment system, as instructed on the Department’s website www.azdps.gov, the person shall pay with electronic funds.

R13-1-503. Procedure for Obtaining Copies of Offense, Arrest, or Incident Reports Repealed

A. Any individual or entity, private or public, in accordance with A.R.S. § 39-121 may request an Offense, Arrest, or Incident report by contacting the Department’s custodian of public records.

B. A government agency requesting an Offense, Arrest, or Incident report may obtain the report free of charge. The Department shall charge the general public or a private entity a processing charge as listed in R13-1-504.

C. To obtain a copy of a Department Offense, Arrest, or Incident report, the requester shall:
   1. Complete and submit the Department’s Public Records Unit Request form provided on the Department’s website at www.dps.state.az.us, or provide a written request that includes:
      a. The requester’s name;
      b. The requester’s address;
      c. The requester’s phone number, fax number, or both; and
      d. All information known regarding the offense, arrest, or incident, including the Department report number; and
   2. Pay the charge under R13-1-504, if applicable.

D. Once the Offense, Arrest, or Incident report is submitted by the investigating officer, the Department shall make the report available upon request. The Department shall release available Offense, Arrest, or Incident reports promptly in accordance with A.R.S. § 39-121.

E. The Department may redact certain information in a Department report based on legal considerations.

R13-1-504. Charges for Copies of Offense, Arrest, Incident and Other Types of Departmental Reports Repealed

The charges for a copy of an offense, arrest, incident, and other types of departmental reports by method of delivery are:

1. Paper - $9.00 for nine pages or less and $0.10 for each additional page exceeding nine.
2. Fax - $9.00 up to 20 pages.
3. Electronic mail - $9.00 up to five megabytes.
4. Compact disk - $10.00 up to 700 megabytes. Additional reports may be delivered on a single compact disk for $9.00 each.
5. Digital versatile disk - $15.00 up to 4.7 gigabytes.
6. Flash drive - $20.00 up to eight gigabytes.
7. External drive - $100.00 up to one terabyte.

B. A person shall mail payment to the Department’s Public Records Unit, Mail Drop 3240, P.O. Box 6638, Phoenix, AZ 85005-6638 in the form of a cashier’s check, money order, or a business check payable to the Arizona Department of Public Safety. If paying in person at the Department’s Public Records Unit, 2222 West Encanto Boulevard, Phoenix, AZ 85009, the person shall pay with a cashier’s check, money order, business check, or in cash. If paying through an electronic payment system as instructed on the Department’s website www.azdps.gov, the person shall pay with electronic funds.
NOTICE OF FINAL EXPEDITED RULEMAKING

TITLE 15. REVENUE
CHAPTER 5. DEPARTMENT OF REVENUE
TRANSACTION PRIVILEGE AND USE TAX SECTION

PREAMBLE

1. Article, Part, or Section Affected (as applicable) Rulemaking Action
   R15-5-1860 Amend

2. Citations to the agency’s statutory rulemaking authority to include the authorizing statute (general), the implementing statute (specific):
   Authorizing statute: A.R.S. § 42-1005(A)(1)
   Implementing statutes: A.R.S. §§ 42-5102 and 42-5106

3. The effective date of the rule:
   January 14, 2019

4. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the final expedited rulemaking package:
   Notice of Rulemaking Docket Opening: 24 A.A.R. 2635, September 21, 2018
   Notice of Proposed Expedited Rulemaking: 24 A.A.R. 2621, September 21, 2018

5. The agency’s contact person who can answer questions about the rulemaking:
   Name: Lisa Querard
   Address: Arizona Department of Revenue
   1600 W. Monroe St., Mail Code 1300
   Phoenix, AZ 85007
   Telephone: (602) 716-6813
   Fax: (602) 716-7996
   E-mail: lquerard@azdor.gov
   Web site: http://www.azdor.gov

6. The agency’s explanation why the proposed expedited rule should be made, amended, repealed, or renumbered under A.R.S. § 41-1027(A) and why expedited proceedings are justified under A.R.S. § 41-1001(16)(c):
   HB2371 (Laws 2018, chapter 286) amended A.R.S. § 42-5102(A)(5) to remove “a mobile facility, motor vehicle or other such conveyance” from the list of retailers permitted to sell tax exempt food. As a result, A.A.C. R15-5-1860(12)(v) which defines a qualified retailer as including “a mobile facility, motor vehicle or other such conveyance” is outdated. The Department’s final expedited rule amendment removes those terms from A.A.C. R15-5-1860(12)(v).
   A.R.S § 41-1027(A)(6) provides that an agency is permitted to make expedited rules if the proposed rule amendment would not increase the cost of regulatory compliance, increase a fee or reduce the procedural rights of persons. In addition to removing an outdated reference, the proposed rule amendment would not increase the cost of regulatory compliance, increase a fee or reduce the procedural rights of persons. Therefore, it qualifies for the expedited rulemaking process under A.R.S. § 41-1027(A)(6).
   The Department received a rulemaking waiver from the Governor’s Office on August 14, 2018.

7. A reference to any study relevant to the rule that the agency reviewed and either relied on or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:
   Not applicable

8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:
   Not applicable

9. A statement that the agency is exempt from the requirements under A.R.S. § 41-1055(G) to prepare and file an economic, small business, and consumer impact statement under A.R.S. § 41-1055(D)(2):
   Pursuant to A.R.S. § 41-1055(D)(2), an agency is not required to prepare an economic, small business and consumer impact statement where the agency is submitting proposed expedited rulemakings. Thus, no economic impact statement is required with this
rulemaking.

10. A description of any changes between the proposed expedited rulemaking and the final expedited rulemaking. Technical changes were made at the request of Council staff.

11. The agency's summary of the public or stakeholder comments or objections made about the rulemaking and the agency response to the comments:
   Oral proceedings were not held for this rulemaking. Pursuant to A.R.S. § 41-1027(C), the Department published the Notice of Proposed Expedited Rulemaking on its website on September 14, 2018 and it remained there for at least 30 days. The Department did not receive any stakeholder comments about the rulemaking.

12. Any other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additional matters shall include but are not limited to:
   a. Whether the rule requires a permit, license, or agency authorization under A.R.S. § 41-1037(A), and whether a general permit is used and if not, the reasons why a general permit is not used:
      The rules do not require a permit.
   b. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:
      No such analysis was submitted.

13. The full text of the rules follows:

TITLE 15. REVENUE
CHAPTER 5. DEPARTMENT OF REVENUE
TRANSACTION PRIVILEGE AND USE TAX SECTION

ARTICLE 18.1. SALES OF FOOD

Section
R15-5-1860. Definitions

ARTICLE 18.1. SALES OF FOOD

For the purpose of these rules, unless the context requires otherwise, the following definitions will apply:

1. “Accessory food items” means coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments and spices, and other non-staple foods.
2. “Attendant” means a person, generally the employee of the retailer, who waits on the customers, or tends to their needs.
3. “Automatic retailer” means a coin operated mechanical device or system which sells tangible personal property. Such device or system must itself vend or sell the items, i.e., a device or system which delivers the subject of the sale, or by automatic action physically delivers the thing sold. Vending machines are considered automatic retailers.
4. “Caterer” means a person engaged in the business of serving meals, food and drinks on the premises used by his customer, but does not include employees hired by the hour of day.
5. “Delicatessen” means a business which sells specialty food items, such as prepared cold meats, perishable food and grocery items kept under refrigeration.
6. “Facilities for the consumption of food” means appropriate furniture, tableware, or parking areas for sitting both in or on the premises of the business, either in or out of a motor vehicle.
7. “Food”
   a. Under A.R.S. § 42-1387, the Department is required to promulgate rules defining food as those items that may be purchased from an eligible grocery business with food coupons, but in no event may such definition of food include food for consumption on the premises, alcoholic beverages or tobacco. Even though alcoholic beverages, and food for consumption on the premises may be intended for human consumption, such items are not considered food by the statutory provisions. In these rules, items that are considered food by the Statutes, and therefore tax exempt if sold by a qualified retailer, shall be referred to as “tax exempt foods.” Other items that may be intended for human consumption but are excluded from the definition of food by the Statute, and are therefore subject to the Sales Tax, shall be referred to herein as “taxable foods.”
   b. “Food” means: Items intended for human consumption. Food is deemed to be intended for human consumption when its intended or ordinary use is as a food for human consumption or is an ingredient used in preparing food for human consumption. For example, even though animal food may be used by some humans, its intended or intended use is not for human consumption. Also, even though vitamins and other medication may be ingested, its intended or ordinary use is as a health aid or therapeutic agent or a deficiency corrector and is not intended for use as food. Following is a numeration of items which the Department does not consider food for human consumption:
      i. Pet food and supplies
      ii. Cosmetics and grooming items
      iii. Tobacco products
      iv. Soaps and paper products and household supplies
      v. Dietary supplements such as vitamins or protein supplements
      vi. Medicines
      vii. Fertilizer
8. “Food for consumption on the premises”
   a. “Food for consumption on the premises” means the following:
      i. Hot prepared food, including products, items or ingredients of food which are prepared and sold or are intended to be sold in a heated condition. This also includes a combination of hot and cold food items or ingredients if a single price is charged by the retailer.
      ii. Hot or cold sandwiches including frozen sandwiches.
      iii. Food served by an attendant to be eaten at tables, chairs, benches, booths, stools, counters and within parking areas (for in-car consumption).
      iv. Food served with trays, glasses, dishes or other tableware. Food which is generally selected by the customer from available displays and then taken by the customer to a checkout stand for payment is not considered to be served by the retailer.
      v. Beverages sold in cups, glasses or open containers. Beverages shall include items such as milk shakes and ice cream floats.
      vi. Food sold by caterers.
      vii. Food sold within the premises of theaters, exhibitions, fairs, amusement parks, bowling alleys, athletic events, and other shows or contests and any businesses which charge admission, entrance or cover fees for exhibition, amusement, entertainment or instruction. While food for consumption on the premises includes any food sold within the premises of certain businesses, including businesses that charge admission, entrance or cover fees for exhibition, amusement, entertainment or instruction, food for consumption on premises does not include sales of tax exempt food by a qualified retailer within the premises of a full time educational institution that charges tuition for a full course of studies.
   b. Any item enumerated in subparagraph (a) which is sold on a take-out or to-go basis is still considered to be food for consumption on the premises and therefore taxable.
9. “Food intended for home consumption” means food, other than food for consumption on the premises, which is usually intended to be consumed at home. Unless the taxpayer can establish to the contrary, food delivered by a retailer to an office or other business establishment shall not be considered food intended for home consumption.
10. “Home” means a natural person’s usual or habitual dwelling place, including rest homes, nursing homes, jails and other such institutions.
11. “Premises” means the total space and facilities, including buildings, grounds and parking lot that are made available for use by the retailer for the purpose of consuming food sold by such retailer.
12. “Qualified retailer”
   a. A qualified retailer or qualified retail business is one that may be eligible to sell tax exempt food without including the sale of tax exempt food items in its taxable base. A retailer other than a qualified retailer must pay a tax measured by the sale of otherwise exempt food even though the sale of such items would be exempt if sold by a qualified retailer.
   b. Qualified retailers are:
      i. An eligible grocery business, which includes retailers who are eligible to participate in the United States Department of Agriculture Food Stamp Program, whether such retailer actually participates in the food stamp program. If a retailer is eligible to participate in the food stamp program, but does not participate in such program, such retailer may only be an eligible grocery business if the retailer first makes application to the Department to sell food tax exempt. Examples of retailers that might be considered eligible grocery businesses include:
         (1) Grocery stores;
         (2) Convenience stores;
         (3) Butcher shops;
         (4) Bakeries;
         (5) Dairy stores;
         (6) Cheese stores;
         (7) Farmer’s markets.
      ii. Retailers whose primary business is not the sale of food, but who sell food in a manner similar to grocery stores. This category includes stores such as department stores, drug stores, and gas stations.
      iii. Retailers who sell food and who do not provide any facilities for consumption of food on the premises. This category may include certain health food stores, and certain outlets retailing soda and other similar beverages in bottles or cans, but not cups.
      iv. Delicatessen business, if such retailer conducts his business so that the sale of tax exempt foods and other taxable items may be separately accounted for, through, for example, the use of two (2) cash registers, or a cash register with at least two (2) tax computing keys which are used to record taxable and tax exempt sales.
      v. A retailer who is a street or sidewalk vendor who uses a pushcart, mobile facility, motor vehicle, or other such conveyance. Such retailers include:
         (1) Snackmobiles;
         (2) Chuck-wagons;
         (3) Mobile hot dog stands.
      vi. Vending machines and other automatic retailers.
13. “Staple food” means those food items intended for home preparation and consumption, which includes meat, poultry, fish, bread and bread stuffs, cereals, vegetables, fruits, fruit and vegetable juices, and dairy products.
14. “Taxable foods” are items which may be intended for human consumption, but are still subject to the Sales Tax when sold. Examples of taxable foods would be alcoholic beverages, and food for consumption on the premises.
15. Tax-exempt foods
a. “Tax exempt foods” are generally those items of food intended for home consumption which, if purchased from an eligible grocery business, would be eligible as of January 1, 1979, to be purchased with food coupons issued by the United States Department of Agriculture.

b. Tax-exempt food shall also include any new items of food intended for human consumption which would have been eligible for purchase with food coupons issued by the United States Department of Agriculture if such items would have existed for sale on January 1, 1979.

c. The following are examples of items which the Department will consider as tax exempt food:
   - bread and flour products
   - vegetables and vegetable products
   - candy and confectionery
   - sugar, sugar products and substitutes
   - cereal and cereal products
   - butter, oleomargarine, shortening and cooking oils
   - cocoa and cocoa products
   - coffee and coffee substitutes
   - milk and milk products
   - eggs and egg products
   - tea
   - meat and meat products
   - spices, condiments, extracts and food colorings
   - fish and fish products
   - frozen foods
   - soft drinks and soda (including bottles on which a deposit is required to be paid)
   - fruit and fruit products
   - packaged ice cream products
   - dietary substitutes
   - ice cubes and bottled water including carbonated and mineral water
   - purchases of seed and plants for use in gardens to produce food items for personal consumption

16. “Two tax computing keys” shall mean the mechanical or electronic function in a cash register which can separately record and accumulate taxable and nontaxable items without having the items presorted.
NOTICES OF RULEMAKING DOCKET OPENING

This section of the Arizona Administrative Register contains Notices of Rulemaking Docket Opening. A docket opening is the first part of the administrative rulemaking process. It is an “announcement” that the agency intends to work on its rules. When an agency opens a rulemaking docket to consider rulemaking, the Administrative Procedure Act (APA) requires the publication of the Notice of Rulemaking Docket Opening. Under the APA effective January 1, 1995, agencies must submit a Notice of Rulemaking Docket Opening before beginning the formal rulemaking process. Many times an agency may file the Notice of Rulemaking Docket Opening with the Notice of Proposed Rulemaking. The Office of the Secretary of State is the filing office and publisher of these notices. Questions about the interpretation of this information should be directed to the agency contact person listed in item #4 of this notice.

NOTICE OF RULEMAKING DOCKET OPENING
DEPARTMENT OF PUBLIC SAFETY
CRIMINAL IDENTIFICATION SECTION

[R19-13]

1. Title and its heading: 13, Public Safety
Chapter and its heading: 1, Department of Public Safety – Criminal Identification Section
Article and its heading: 5, Department Records
Section numbers: R13-1-501, R13-1-502, R13-1-503, R13-1-504 (The Department may add, delete or modify sections as necessary)

2. The subject matter of the proposed rule:
The agency is conducting an expedited rulemaking pursuant to A.R.S. § 41-1027(A)(6) to repeal all of Article 5; where the rulemaking does not increase the cost of regulatory compliance, increase a fee or reduce procedural rights of persons regulated and where the rulemaking repeals rules that are redundant and not necessary for the operation of state government.
The Department believes that it, along with all other government entities, is statutorily required to provide public records services where statutes clearly define public records requirements.
The Department believes the content of the article does not qualify under A.R.S. § 41-1003 as a formal procedure to the public.
The Department believes it is not required to promulgate rules for fees in regards to public records. A.R.S. § 41-1008(A)(2) specifies the Department shall not make a rule to establish a fee when it has statutory authority to charge a fee to recover its costs. A.R.S. § 41-1750(K) authorizes the Director to establish a fee in an amount necessary to cover the costs of public records. The Department intends to only charge fees where the fee recovers the Department’s cost.
The Department received a rulemaking waiver from Mr. Timothy Roemer, Governor’s Public Safety Policy Advisor on December 13, 2018.

3. A citation to all published notices relating to the proceeding:
Notice of Proposed Expedited Rulemaking: 25 A.A.R. 324, February 8, 2019 (in this issue)

4. Name and address of agency personnel with whom persons may communicate regarding the rule:
Name: Lane Ciminski, Captain
Address: Department of Public Safety
POB 6638, Mail drop 1200
Phoenix, AZ 85005-6638
Telephone: (602) 223-2500
E-mail: lciminski@azdps.gov

5. The time during which the agency will accept written comments and the time and place where oral comments may be made:
The Department will accept comments during business hours at the address listed in Item 4 until the close of record. Information regarding an oral proceeding is included in the Notice of Proposed Expedited Rulemaking.

6. A timetable for agency decisions or other action on the proceeding, if known:
To be determined
Notices of Substantive Policy Statement

NOTICES OF SUBSTANTIVE POLICY STATEMENT

The Administrative Procedure Act (APA) requires the publication of Notices of Substantive Policy Statement issued by agencies (A.R.S. § 41-1013(B)(9)). Substantive policy statements are written expressions which inform the general public of an agency’s current approach to rule or regulation practice. Substantive policy statements are advisory only. A substantive policy statement does not include internal procedural documents that only affect an agency’s internal procedures and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the APA.

If you believe that a substantive policy statement does impose additional requirements or penalties on regulated parties, you may petition the agency under A.R.S. § 41-1033 for a review of the statement.

NOTICE OF SUBSTANTIVE POLICY STATEMENT
DEPARTMENT OF WATER RESOURCES

1. Title of the Substantive Policy Statement and the substantive policy statement number by which the substantive policy statement is referenced:
   Policy and Procedure for Transferring an Entitlement of Colorado River Water (CR10)

2. Date the substantive policy statement was issued and the effective date of the policy statement if different from the issuance date:
   January 16, 2019

3. Summary of the contents of the substantive policy statement:
   The Substantive Policy Statement applies to the transfer by non-federal Arizona contractors of mainstream Colorado River entitlements allocated for irrigation and municipal and industrial (M&I) purposes. The Substantive Policy Statement revises Substantive Policy Statement CR9 by adding Intentionally Created Surplus (ICS) Transfers as a type of entitlement transfer that is subject to the Substantive Policy Statement.

4. Federal or state constitutional provision; federal or state statute, administrative rule, or regulation; or final court judgment that underlies the substantive policy statement:
   A.R.S. § 45-107

5. A statement as to whether the substantive policy statement is a new statement or a revision:
   This Policy and Procedure for Transferring an Entitlement of Colorado River Water is a revision to and supersedes Substantive Policy Statement No. CR9.

6. The agency contact person who can answer questions about the substantive policy statement:
   Name: Vineetha Kartha
   Address: P.O. Box 36020
   Phoenix, AZ 85067-6020
   Telephone: (602) 771-8552
   E-mail: vkartha@azwater.gov
   Web site: www.azwater.gov

7. Information about where a person may obtain a copy of the substantive policy statement and the costs for obtaining the policy statement:
   Copies of this Substantive Policy Statement are available at no cost on the Department’s website: www.azwater.gov. Hard copies may be obtained by contacting the person listed above for $0.25 per page.
GOVERNOR EXECUTIVE ORDER

Executive Order 2019-01 is being reproduced in each issue of the Administrative Register as a notice to the public regarding state agencies’ rulemaking activities.

EXECUTIVE ORDER 2019-01
Moratorium on Rulemaking to Promote Job Creation and Customer-Service-Oriented Agencies; Protecting Consumers Against Fraudulent Activities

WHEREAS, government regulations should be as limited as possible; and

WHEREAS, burdensome regulations inhibit job growth and economic development; and

WHEREAS, protecting the public health, peace and safety of the residents of Arizona is a top priority of state government; and

WHEREAS, in 2015 the State of Arizona implemented a moratorium on all new regulatory rulemaking by State agencies through executive order and renewed the moratorium in 2016, 2017 and 2018; and

WHEREAS, the State of Arizona eliminated or repealed 422 needless regulations in 2018 and 676 in 2017 for a total of 1,098 needless regulations eliminated or repealed over two years; and

WHEREAS, estimates show these eliminations saved job creators more than $31 million in operating costs in 2018 and $48 million in 2017 for a total of over $79 million in savings over two years; and

WHEREAS, approximately 283,300 private sector jobs have been added to Arizona since January 2015; and

WHEREAS, all government agencies of the State of Arizona should continue to promote customer-service-oriented principles for the people that it serves; and

WHEREAS, each State agency shall continue to conduct a critical and comprehensive review of its administrative rules and take action to reduce the regulatory burden, administrative delay and legal uncertainty associated with government regulation while protecting the health, peace and safety of residents; and

WHEREAS, each State agency should continue to evaluate its administrative rules using any available and reliable data and performance metrics; and

WHEREAS, Article 5, Section 4 of the Arizona Constitution and Title 41, Chapter 1, Article 1 of the Arizona Revised Statutes vests the executive power of the State of Arizona in the Governor.

NOW, THEREFORE, I, Douglas A. Ducey, by virtue of the authority vested in me by the Constitution and laws of the State of Arizona hereby declare the following:

1. A State agency subject to this Order shall not conduct any rulemaking, whether informal or formal, without the prior written approval of the Office of the Governor. In seeking approval, a State agency shall address one or more of the following as justifications for the rulemaking:
   a. To fulfill an objective related to job creation, economic development or economic expansion in this State.
   b. To reduce or ameliorate a regulatory burden while achieving the same regulatory objective.
   c. To prevent a significant threat to the public health, peace, or safety.
   d. To avoid violating a court order or federal law that would result in sanctions by a federal court for failure to conduct the rulemaking action.
   e. To comply with a federal statutory or regulatory requirement if such compliance is related to a condition for the receipt of federal funds or participation in any federal program.
   f. To comply with a state statutory requirement.
   g. To fulfill an obligation related to fees or any other action necessary to implement the State budget that is certified by the Governor’s Office of Strategic Planning and Budgeting.
   h. To promulgate a rule or other item that is exempt from Title 41, Chapter 6, Arizona Revised Statutes, pursuant to section 41-1005, Arizona Revised Statutes.
   i. To address matters pertaining to the control, mitigation, or eradication of waste, fraud or abuse within an agency or wasteful, fraudulent, or abusive activities perpetrated against an agency.
   j. To eliminate rules which are antiquated, redundant or otherwise no longer necessary for the operation of state government.

2. A State agency subject to this Order shall not publicize any directives, policy statements, documents or forms on its website unless such are explicitly authorized by Arizona Revised Statutes or Arizona Administrative Code.

3. A State agency subject to this Order and which issues occupational or professional licenses shall review the agency’s rules and practices related to receiving and acting on substantive complaints about unlicensed individuals who are allegedly holding them-
Executive Order 2019-01

selves out as licensed professionals for financial gain and are knowingly or recklessly providing or attempting to provide regulated services which the State agency director believes could cause immediate and/or significant harm to either the financial or physical health of unknowing consumers within the state. Agencies shall identify and execute on opportunities to improve its complaint intake process, documentation, tracking, enforcement actions and coordination with proper law enforcement channels to ensure those allegedly trying to defraud unsuspecting consumers and putting them at risk for immediate and/or significant harm to their financial or physical health are stopped and effectively diverted by the State agency to the proper law-enforcement agency for review. A written plan on the agency’s process shall be submitted to the Governor’s Office no later than May 31, 2019.

4. For the purposes of this Order, the term “State agencies” includes, without limitation, all executive departments, agencies, offices, and all state boards and commissions, except for: (a) any State agency that is headed by a single elected State official; (b) the Corporation Commission; and (c) any board or commission established by ballot measure during or after the November 1998 general election. Those state agencies, boards and commissions excluded from this Order are strongly encouraged to voluntarily comply with this Order in the context of their own rulemaking processes.

5. This Order does not confer any legal rights upon any persons and shall not be used as a basis for legal challenges to rules, approvals, permits, licenses or other actions or to any inaction of a State agency. For the purposes of this Order, “person,” “rule,” and “rulemaking” have the same meanings prescribed in section 41-1001, Arizona Revised Statutes.

IN WITNESS THEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Arizona.

Douglas A. Ducey
GOVERNOR
DONE at the Capitol in Phoenix on this ninth day of January in the Year Two Thousand and Nineteen and of the Independence of the United States of America the Two Hundred and Forty-Third.

ATTEST:
Katie Hobbs
SECRETARY OF STATE
## REGISTER INDEXES

The *Register* is published by volume in a calendar year (See “General Information” in the front of each issue for more information).

Abbreviations for rulemaking activity in this Index include:

### PROPOSED RULEMAKING
- **PN** = Proposed new Section
- **PM** = Proposed amended Section
- **PR** = Proposed repealed Section
- **P#** = Proposed renumbered Section

### SUPPLEMENTAL PROPOSED RULEMAKING
- **SPN** = Supplemental proposed new Section
- **SPM** = Supplemental proposed amended Section
- **SPR** = Supplemental proposed repealed Section
- **SP#** = Supplemental proposed renumbered Section

### FINAL RULEMAKING
- **FN** = Final new Section
- **FM** = Final amended Section
- **FR** = Final repealed Section
- **F#** = Final renumbered Section

### SUMMARY RULEMAKING

#### PROPOSED SUMMARY
- **PSMN** = Proposed Summary new Section
- **PSMM** = Proposed Summary amended Section
- **PSMR** = Proposed Summary repealed Section
- **PSM#** = Proposed Summary renumbered Section

#### FINAL SUMMARY
- **FSMN** = Final Summary new Section
- **FSMM** = Final Summary amended Section
- **FSMR** = Final Summary repealed Section
- **FSM#** = Final Summary renumbered Section

### EXPEDITED RULEMAKING

#### PROPOSED EXPEDITED
- **PEN** = Proposed Expedited new Section
- **PEM** = Proposed Expedited amended Section
- **PER** = Proposed Expedited repealed Section
- **PE#** = Proposed Expedited renumbered Section

#### SUPPLEMENTAL EXPEDITED
- **SPEN** = Supplemental Proposed Expedited new Section
- **SPEM** = Supplemental Proposed Expedited amended Section
- **SPER** = Supplemental Proposed Expedited repealed Section
- **SP#** = Supplemental Proposed Expedited renumbered Section

#### FINAL EXPEDITED
- **FEN** = Final Expedited new Section
- **FEM** = Final Expedited amended Section
- **FER** = Final Expedited repealed Section
- **FE#** = Final Expedited renumbered Section

### EXEMPT RULEMAKING

#### EXEMPT
- **XN** = Exempt new Section
- **XM** = Exempt amended Section
- **XR** = Exempt repealed Section
- **X#** = Exempt renumbered Section

#### EXEMPT PROPOSED
- **PXN** = Proposed Exempt new Section
- **PXM** = Proposed Exempt amended Section
- **PXR** = Proposed Exempt repealed Section
- **PX#** = Proposed Exempt renumbered Section

#### EXEMPT SUPPLEMENTAL PROPOSED
- **SPXN** = Supplemental Proposed Exempt new Section
- **SPXR** = Supplemental Proposed Exempt repealed Section
- **SPXM** = Supplemental Proposed Exempt amended Section
- **SPX#** = Supplemental Proposed Exempt renumbered Section

#### FINAL EXEMPT RULEMAKING
- **FXN** = Final Exempt new Section
- **FXM** = Final Exempt amended Section
- **FXR** = Final Exempt repealed Section
- **FX#** = Final Exempt renumbered Section

### EMERGENCY RULEMAKING

- **EN** = Emergency new Section
- **EM** = Emergency amended Section
- **ER** = Emergency repealed Section
- **E#** = Emergency renumbered Section
- **EEXP** = Emergency expired

### RECODIFICATION OF RULES
- **RC** = Recodified

### REJECTION OF RULES
- **RJ** = Rejected by the Attorney General

### TERMINATION OF RULES

- **TN** = Terminated proposed new Sections
- **TM** = Terminated proposed amended Section
- **TR** = Terminated proposed repealed Section
- **T#** = Terminated proposed renumbered Section

### RULE EXPIRATIONS
- **EXP** = Rules have expired
  *See also “emergency expired” under emergency rulemaking*

### CORRECTIONS
- **C** = Corrections to Published Rules
### Rulemaking Activity Index

Rulemakings are listed in the Index by Chapter, Section number, rulemaking activity abbreviation and by volume page number. Use the page guide above to determine the Register issue number to review the rule. Headings for the Subchapters, Articles, Parts, and Sections are not indexed.

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Volume 25 Page Guide

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OTHER NOTICES AND PUBLIC RECORDS INDEX

Other notices related to rulemakings are listed in the Index by notice type, agency/county and by volume page number. Agency policy statements and proposed delegation agreements are included in this section of the Index by volume page number.

Public records, such as Governor Office executive orders, proclamations, declarations and terminations of emergencies, summaries of Attorney General Opinions, and county notices are also listed in this section of the Index and published by volume page number.

THIS INDEX INCLUDES OTHER NOTICE ACTIVITY THROUGH ISSUE 5 OF VOLUME 25.

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- Environmental Quality, Department of - Air Pollution Control; 18 A.A.C. 2; pp. 51-52
- Environmental Quality, Department of - Water Quality Standards; 18 A.A.C. 11; p. 273
- Game and Fish Commission; 12 A.A.C. 4; p. 128
- Information Technology Agency, Government; 2 A.A.C. 18; pp. 107-108
- Insurance, Department of; 20 A.A.C. 6; p. 161
- Pharmacy, Board of; 4 A.A.C. 23; p. 51
- Tax Deferred Annuity and Deferred Compensation Plans, Governing Committee for; 2 A.A.C. 9; p. 107

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Guidance Document, Notices of
Health Services, Department of; p. 109

Public Information, Notices of
Environmental Quality, Department of; pp. 57-63
Environmental Quality, Department of - Water Pollution Control; p. 162
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Substantive Policy Statement, Notices of
Real Estate Department; pp. 129-130
A.R.S. § 41-1032(A), as amended by Laws 2002, Ch. 334, § 8 (effective August 22, 2002), states that a rule generally becomes effective 60 days after the day it is filed with the Secretary of State's Office. The following table lists filing dates and effective dates for rules that follow this provision. Please also check the rulemaking Preamble for effective dates.

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The Secretary of State’s Office publishes the Register weekly. There is a three-week turnaround period between a deadline date and the publication date of the Register. The weekly deadline dates and issue dates are shown below. Council meetings and Register deadlines do not correlate. Also listed are the earliest dates on which an oral proceeding can be held on proposed rulemakings or proposed delegation agreements following publication of the notice in the Register.

<table>
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<th>Deadline Date (paper only) Friday, 5:00 p.m.</th>
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GOVERNOR’S REGULATORY REVIEW COUNCIL DEADLINES

The following deadlines apply to all Five-Year-Review Reports and any adopted rule submitted to the Governor’s Regulatory Review Council. Council meetings and Register deadlines do not correlate. We publish these deadlines as a courtesy.

All rules and Five-Year Review Reports are due in the Council office by 5 p.m. of the deadline date. The Council’s office is located at 100 N. 15th Ave., Suite 402, Phoenix, AZ 85007. For more information, call (602) 542-2058 or visit http://grrc.az.gov.

GOVERNOR’S REGULATORY REVIEW COUNCIL DEADLINES FOR 2019

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<th>DEADLINE FOR PLACEMENT ON AGENDA*</th>
<th>FINAL MATERIALS SUBMITTED TO COUNCIL</th>
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* Materials must be submitted by **5 PM** on dates listed as a deadline for placement on a particular agenda. Placement on a particular agenda is not guaranteed.
GOVERNOR’S REGULATORY REVIEW COUNCIL
NOTICE OF ACTION TAKEN AT THE JANUARY 8, 2019 MEETING

Rules:

ARIZONA STATE RETIREMENT SYSTEM (R-19-0101)
Title 2, Chapter 8, Article 5, Purchasing Service Purchase; Article 7, Contributions Not Withheld; Article 11, Transfer of Service Credit

Amend: R2-8-501; R2-8-502; R2-8-503; R2-8-504; R2-8-505; R2-8-506; R2-8-507; R2-8-508; R2-8-509; R2-8-510; R2-8-511; R2-8-512; R2-8-513; R2-8-513.01; R2-8-513.02; R2-8-514; R2-8-519; R2-8-520; R2-8-521; R2-8-701; R2-8-702; R2-8-703; R2-8-704; R2-8-705; R2-8-706; R2-8-707

Repeal: R2-8-515; R2-8-709

New Article: Article 11

New Section: R2-8-1101; R2-8-1102; R2-8-1103

COUNCIL ACTION: APPROVED

MEDICAL BOARD (R-19-0102)
Title 4, Chapter 16, Article 1, General Provisions; Article 4, Medical Assistants

Amend: R4-16-101; R4-16-102; R4-16-103; R4-16-401; R4-16-402

COUNCIL ACTION: APPROVED

DEPARTMENT OF HEALTH SERVICES (R-19-0103)
Title 9, Chapter 6, Article 12, Tuberculosis Control

Amend: R9-6-1201; R9-6-1202; R9-6-1203; R9-6-1204

COUNCIL ACTION: APPROVED

DEPARTMENT OF HEALTH SERVICES (R-19-0104)
Title 9, Chapter 10, Article 3, Behavioral Health Inpatient Facilities; Article 5, Recovery Care Centers; Article 6, Hospices; Article 7, Behavioral Health Residential Facilities; Article 8, Assisted Living Facilities; Article 9, Outpatient Surgical Centers; Article 10, Outpatient Treatment Centers, Article 11, Adult Day Health Care Facilities; Article 13, Behavioral Health Specialized Transitional Facility; Article 14, Substance Abuse Transitional Facilities; Article 16, Behavioral Health Respite Homes; Article 17, Unclassified Health Care Institutions; Article 18, Adult Behavioral Health Therapeutic Homes

Amend: R9-10-323; R9-10-517; R9-10-617; R9-10-721; R9-10-819; R9-10-917; R9-10-1030; R9-10-1116; R9-10-1316; R9-10-1415; R9-10-1610; R9-10-1712; R9-10-1810

COUNCIL ACTION: APPROVED

DEPARTMENT OF REVENUE (R-19-0105)
Title 15, Chapter 5, Article 18.1, Sales of Food

Amend: R15-5-1860

COUNCIL ACTION: APPROVED

Five-Year Review Reports:

DEPARTMENT OF ADMINISTRATION (F-18-1204)
Title 2, Chapter 11, Article 1, General; Article 2, Traffic and Parking; Article 3, Solicitation; Article 4, Special Events; Article 5, Severability

COUNCIL ACTION: APPROVED