

# **Government Committee**

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# GOVERNMENT COMMITTEE

## LEGISLATION ENACTED

political subdivisions; financial audit reports (S.B. 1066) – Chapter 268

***Financial Statements*** – Increases, from four to nine months, the prescribed timeframe for the filing of certain city, town, county or community college district financial statements and eliminates the ability of the Office of the Auditor General (OAG) to grant a 120-day extension. Stipulates that certain specified city, town, county and community college financial statements that must be filed with the OAG must also be posted in a prominent location on the political subdivision's official website within seven business days after the filing date and must be retained and accessible on the website for at least 60 months. Requires, in the event that specified financial statements are not filed as required, that a form prescribed by the OAG indicating that the financial statements are pending, the reason for the delay and an estimated completion date, be included on the website of the political subdivision until the financial statements are filed. Prescribes additional submission requirements related to the form.

***City and Town Audit Reports*** – Modifies city and town audit report signing and filing requirements. Removes the authority to publish both estimates of revenues and expenses and the adopted budget on a website of an association of cities and towns for municipalities that do not have official websites.

local planning; residential housing; prohibitions (S.B. 1072) – Chapter 140

Retroactive to January 1, 2015, prohibits cities, towns and counties from: 1) adopting land-use regulations or plan provisions; or 2) imposing requirements or fees that establish the sale or lease price of certain specified properties or that require that specified properties be designated for sale or lease to a particular group of residents. Specifies that cities, towns and counties are not prohibited from creating or implementing voluntary regulations or conditions that are designed to increase the supply of moderate or lower cost housing.

solid waste collection; multifamily housing (S.B. 1079) – Chapter 142

Beginning July 1, 2016, prohibits municipalities from restraining or preventing a private enterprise from delivering recycling or waste-management services to commercial, industrial or multifamily residential properties within or to a municipality. Requires municipalities to prescribe rules for the delivery of recycling and solid waste-management services that promote the availability of services. Requires multifamily residential properties to provide municipalities notice to terminate recycling and solid-waste services.

neutrality agreement; apprenticeship agreement; prohibition (S.B. 1090) – Chapter 144

Prohibits state agencies and political subdivisions from requiring entrance into a neutrality agreement with any labor organization or participation in an apprenticeship program registered with the U.S. Department of Labor as conditions of or factors in a public-works

## **GOVERNMENT COMMITTEE (Cont'd)**

contract. Prohibits the Arizona Power Plant and Transmission Line Siting Committee (Committee) from requiring a neutrality agreement, apprenticeship program participation or a contribution agreement from persons engaged in the construction, maintenance, repair or improvement of Committee-approved projects.

homeowners' associations; removal; special meetings (S.B. 1091) – Chapter 81

Specifies that the requirements for removing a board member of a homeowners' association or a unit owners' association, including quorum and vote count requirements, are based on the total members eligible to vote rather than the members entitled to cast votes.

fire code requirements; fire watch (S.B. 1169) – Chapter 152

SEE THE RURAL AFFAIRS & ENVIRONMENT COMMITTEE.

forfeitures; ~~annual report~~ (NOW: quarterly reports; requirements; forfeitures) (S.B. 1170) – Chapter 40

Directs any state agency or department that files a quarterly report related to the Anti-Racketeering Revolving Fund with the Attorney General (AG) to additionally file a report with the board of supervisors (BOS) if the sheriff received monies, and with the city or town council if the municipality's department received monies. Directs a political subdivision that files a quarterly report related to the County Anti-Racketeering Revolving Fund with the county attorney to additionally file the report with the county BOS of the county and each city or town council in which the political subdivision is located. Requires each county to include a link to the Arizona Criminal Justice Commission on its website.

municipal elections; ballot; disclosure (S.B. 1184) – Chapter 83

Requires the publicity pamphlet related to any municipal election to approve a bond, sales tax or property tax measure to include the following information: 1) for a bond approval, an estimate of the annual levy of property taxes sufficient to pay the debt on the bonds; 2) for a sales tax levy, the amount of the tax increase; and 3) for a property tax levy, an estimate of the tax for a home valued at \$100,000, commercial property valued at \$250,000 and vacant land valued at \$100,000.

services outside municipal boundaries; requirements (S.B. 1187) – Chapter 153

SEE THE RURAL AFFAIRS & ENVIRONMENT COMMITTEE.

statutory drafting and revision (S.B. 1210) – Chapter 66

Retroactive to April 21, 2015, permits the Director of Legislative Council to substitute the actual date for the terms *the effective date of this section*, *the effective date of this amendment* and similar terms when preparing statutory text for publication. Specifies that a reference to a

## GOVERNMENT COMMITTEE (Cont'd)

statute or a portion of statute applies to all reenactments, revisions or amendments of the statute or portion of statute.

reviser's technical corrections; 2015 (S.B. 1211) – Chapter 43

Each year Legislative Council prepares a reviser's technical corrections bill for the consideration of the Legislature, which corrects defective or conflicting statutory text from previous legislative enactments and makes non-substantive technical changes to conflicting statutes.

technical correction; county treasurer (NOW: county recorder; recording fees) (S.B. 1218) – Chapter 67

SEE THE RURAL AFFAIRS & ENVIRONMENT COMMITTEE.

AHCCCS; contractors; providers (NOW: auxiliary containers; regulatory prohibition; reporting) (S.B. 1241) – Chapter 271

Prohibits cities, towns and counties from: 1) requiring an owner, operator or tenant of a business, commercial building or multifamily housing to measure and report energy usage or consumption; 2) regulating the sale, use or disposition of auxiliary containers; or 3) imposing taxes, fees, assessments, deposits or charges for auxiliary containers. An *auxiliary container* is any reusable container that is used to transport merchandise to or from a business or multifamily housing property, except stationary receptacles for the voluntary donation of goods and materials for reuse, sale or recycling. Cities, towns and counties are permitted to continue voluntary recycling and waste-reduction programs for discarded auxiliary containers.

ballot contents disclosure; prohibition (S.B. 1287) – Chapter 187

Classifies, as a class 2 misdemeanor, the act of showing another voter's voted ballot or voting machine to an unauthorized person in a manner that reveals the contents of the ballot or machine. Clarifies that a voter who provides an image of the voter's own ballot on the internet or other electronic medium is deemed to have consented to the retransmittal of that image and that the retransmittal does not constitute a violation.

rules; counties; flood control districts (S.B. 1298) – Chapter 86

SEE THE WATER & ENERGY COMMITTEE.

fire districts; operations; revisions (S.B. 1312) – Chapter 162

***Consolidated and Merged Fire Districts*** – Establishes a process by which newly merged or consolidated fire districts administratively change and transfer all equipment, assets, liabilities and ambulance service names to that of the newly merged or consolidated district. Clarifies that a newly organized, merged or consolidated district is a separate and new legal entity and the fire

## GOVERNMENT COMMITTEE (Cont'd)

districts that were consolidated or merged into another fire district no longer exist. Exempts the governing body of a merged or consolidated fire district from the requirement that written consent be obtained from a single taxpayer residing in one of the affected districts who owns 30 percent or more of the net assessed valuation within the district, if one of the affected districts does not have a single taxpayer who satisfies the requirement.

***Audits and Financial Reports*** – Requires any audit, report or review to be presented to the district board (Board) during a public Board meeting telephonically or in another live electronic format or, as directed by the Board, in person. Requires that audits, reports and reviews include an attestation by the district auditor to certain specified information.

fire access roads; limitation; enforcement. (S.B. 1335/H.B. 2005) – Chapter 88

SEE THE PUBLIC SAFETY, MILITARY & TECHNOLOGY COMMITTEE.

responsibility of payment; utility services (S.B. 1342) – Chapter 166

Prohibits cities, towns, garbage-collection service providers, private water companies and sewer corporations from requiring payment for the following from anyone other than the person who contracted the services, resided at the property and received the services: 1) garbage-collection service rates and charges; 2) unpaid utility user fees; 3) unpaid water and wastewater service rates and charges; or 4) unpaid sewer utility service rates and charges. Specifies that the aforementioned prohibition is applicable to residential properties with four or fewer units. Allows a property owner, an immediate family member of the person who does not reside at the property or any other entity to contract and provide payment for garbage collection, utility, water, wastewater and sewer utility services.

government purchase of private property (NOW: private land acquisition; study committee) (S.B. 1345) – Chapter 188

Establishes the Study Committee on Private Land Acquisition (Committee) consisting of seven members and requires the Committee to conduct hearings and collect and analyze information regarding the acquisition of privately-owned real property by government entities. Directs the Committee to examine the impact that government ownership of real property has on the economies of state and local communities and identify a process to allow government entities to acquire privately-owned real property without reducing the tax base of the local community. Provides reporting requirements and terminates the Committee on November 1, 2018.

municipalities; additional business licenses; prohibition (S.B. 1368) – Chapter 189

SEE THE COMMERCE & WORKFORCE DEVELOPMENT COMMITTEE.

government; budget reconciliation; 2015-2016. (S.B. 1473/H.B. 2675) – Chapter 12

SEE THE APPROPRIATIONS COMMITTEE.

## **GOVERNMENT COMMITTEE (Cont'd)**

technical correction; unclaimed property; transition (NOW: fire sprinklers; permits; regulation) (H.B. 2003) – Chapter 191

Requires municipalities and counties to include specified language regarding fire sprinkler requirements and prohibitions on fire sprinkler permit applications for single-family detached residences and residential buildings that contain no more than two dwelling units. Allows municipalities to adopt fire codes or ordinances that provide sufficient fire access and routes that ensure public health and safety. Specifies that fire sprinkler permit applications may be in either print or electronic format.

technical correction; petroleum product storage (NOW: counties; protected development rights; extensions) (H.B. 2010) – Chapter 92

Permits a county to extend a protected development right for 30 years for a phased development that has a gross acreage that exceeds 1,600 acres, and restricts a protected development right from being established for more than 40 years.

office of administrative hearings; continuation (H.B. 2032) – Chapter 20

Retroactive to July 1, 2015, the Office of Administrative Hearings is continued until July 1, 2019.

cities and towns; technical correction (NOW: limited county employee merit system) (H.B. 2063) – Chapter 275

Eliminates requirements for a limited county employee merit system and specifies which positions a board of supervisors may remove from the merit system. Removes the requirement that previously-covered employees be maintained in the merit system if they assume a new position that is exempt or terminated from the merit system.

licensing; accountability; enforcement; exceeding regulation (H.B. 2212) – Chapter 104

Prohibits state, municipal, county and district employees from intentionally or knowingly violating licensing requirements or participating in a violation. Specifies that a violation is cause for disciplinary action or dismissal pursuant to the entity's personnel policy. Permits a private civil action regarding a violation to be enforced if a state, municipal, county or district employee makes an unauthorized decision regarding licensure. Authorizes the court to award reasonable attorney fees, damages and all fees associated with the license application to the prevailing party.

Establishes that licensing applications may be provided in print or electronic formats and requires certain statutory language to be included on all licensing applications.

law enforcement officers; firearm purchase (H.B. 2272) – Chapter 107

## GOVERNMENT COMMITTEE (Cont'd)

Permits a retired officer who is a member of an eligible retirement system to purchase the firearm that was issued to that officer upon approval and at a price determined by the employing agency.

state agency rulemaking; restrictions (H.B. 2297) – Chapter 240

Prohibits state agencies from adopting any new rule that would increase current restraints on the free exercise of property rights or the freedom to engage in lawful business, unless the rule is necessary to implement statutes, required by a final court decision or is part of an effort to reduce regulatory restraints. Provides that any person who is subject to a proceeding related to the enforcement of a prohibited rule has an affirmative defense to the action. Rules that govern public employees and rules that are necessary to protect public health and safety or to avoid sanctions that would result from a failure to take rulemaking action pursuant to a court order or federal law are exempt from the prohibition.

firearms; prosecutors; law enforcement officers (H.B. 2300) – Chapter 52

Classifies a former municipal, county or state prosecutor as a qualified retired law enforcement officer. Classifies an active prosecutor who has passed a pistol qualifying exam approved by the Arizona Peace Officer Standards and Training Board as a peace officer. Requires prosecutorial agencies and law enforcement agencies to issue a photo identification card to a qualified retired law enforcement officer that indicates that the officer honorably retired from the agency.

aggravated assault; simulated deadly weapon (H.B. 2304) – Chapter 109

Establishes an assault using a simulated deadly weapon as an aggravated assault and classifies a violation as a class 3 felony or a class 2 felony if the victim is under 15 years of age.

wildlife; guides; firearms (H.B. 2396) – Chapter 122

Eliminates the limitation that an acting wildlife guide is only permitted to carry a revolver or pistol.

referendum and recall provisions (H.B. 2407) – Chapter 285

***Initiative and Referendum Petitions*** – Establishes that the following constitutes the full and correct copy of the title and text of a referendum measure for circulation for signatures: 1) the Secretary of State's (SOS) time-and-date marked copy of the measure with its proposed text set out in full; 2) for local matters, the copy of the measure signed or enacted into law by the mayor or chairman of the county board of supervisors, with its proposed text set out in full; and 3) for local matters enacted without an ordinance or resolution, the official minutes approved by the governing body and signed by the governing body's clerk. Invalidates referendum petition signatures collected with any copy of the petition measure that is not a facsimile of the time-and-date-marked copy for statewide measures, or the full and correct copy of a local measure.

## GOVERNMENT COMMITTEE (Cont'd)

Prohibits the Affidavit of Circulator (Affidavit) form included on each petition signature sheet from being modified and invalidates petition sheets that contain a modified or a partially completed Affidavit. Requires the SOS to disqualify all petition signatures collected by an unregistered out-of-state circulator. Directs the SOS to remove petition signatures related to the date that the petitioner signed the petition, as specified.

Requires paid petition circulators for county, city and town measures to register with the applicable filing officer. Outlines organization requirements for petitions regarding city, town or county matters must organize the signature sheets and group them by circulator. Authorizes the local filing officer to return any signature sheets that are not organized as prescribed.

Directs county recorders to disqualify petition signatures that are determined to be invalid after a comparison is made between the signature and handwriting on the petition and the signer's voter registration file. Disqualifies petition signatures collected by a justice of the peace or county recorder.

Directs the SOS, if the valid petition signatures do not meet the required threshold, to retain the original signature sheets, as specified. Allows any citizen to file a complaint with the county attorney or Attorney General if the SOS refuses to accept and file a petition for a matter involving a statewide initiative, referendum or proposed constitutional amendment. Establishes that the decision of the superior court in an action related to the refusal of the SOS to file a petition may be stayed as prescribed by rules adopted by the Supreme Court and prohibits an action that contests the validity of an initiative or referendum measure based on the actions of the SOS from being maintained in any state court except as prescribed. Precludes a person from maintaining a separate action seeking to enjoin the SOS or other elections officers from certifying or printing the official ballot for the election that will include the proposed initiative or referendum measure and specifies that any request to enjoin the certification or printing of the ballot must be made as a part of a filed action.

Establishes jurisdiction for a city, town, county, special district or school district.

***Recall Petitions*** – Establishes that an application for a recall petition that is received and marked by the filing officer with an official date and time of receipt constitutes the official copy of the text of the recall. Prescribes related requirements if any subsequent change is made to the text of a recall. Invalidates signatures collected with any copy of the recall text that is not a facsimile of the time-and-date-marked copy with the complete text that is identical to the filing officer's copy.

***Miscellaneous*** – Contains legislative findings and intent language with regard to the referendum and recall petition processes that declares that the related constitutional and statutory requirements be strictly construed and that individuals using the processes must strictly comply with prescribed requirements.

~~municipalities; pawnbrokers; gold; prohibited fees~~ (NOW: weights and measures department; transfer) (H.B. 2480) – Chapter 244

## **GOVERNMENT COMMITTEE (Cont'd)**

Beginning July 1, 2016, establishes the Weights and Measures Services Division (Division) within the Arizona Department of Agriculture (ADA) and specifies that the Division is responsible for the inspection, testing and licensing of commercial weighing and measuring devices. Establishes an Associate Director (Associate) position within the Division and transfers the duties and responsibilities previously held by the Director of Arizona Department of Weights and Measures (ADWM) to the Associate. Transfers certain specified authority, powers, duties and responsibilities currently granted to ADWM to the ADA and the Arizona Department of Transportation (ADOT), as follows:

**ADOT** – Transfers requirements related to vehicles for hire, including taxis, limousines and livery vehicles, to ADOT and directs ADOT to inspect and test taxi meters to determine whether they meet applicable requirements. Grants applicable licensing, certification, enforcement, complaint investigation, testing and regulation authority currently granted to ADWM to ADOT. Transfers the applicable powers and duties currently granted to ADWM regarding the administration of applicable departmental responsibilities to ADOT.

**ADA** – Transfers authority over the sales of commodities, bulk sales and the regulation of packaging of commodities and authority over standard weights and measures, physical standards and technical requirements for commercial devices, with certain exceptions, from ADWM to ADA. Grants applicable licensing, certification, enforcement, complaint investigation, testing and regulation authority currently granted to ADWM to ADA, and transfers the applicable powers and duties currently granted to ADWM regarding the administration of departmental responsibilities to ADA. Transfers current prescribed requirements relating to motor fuel regulation, gasoline vapor control, livestock and agricultural product weights to ADA, and additionally transfers oversight over the State Metrology Laboratory to ADA.

**Miscellaneous** – Outlines administrative procedures for the transfer of authority, property, personnel and monies from ADWM to ADA and ADOT. ADOA must submit a succession plan to the Joint Legislative Budget Committee for review by March 1, 2016. Exempts ADA and ADOT from rulemaking requirements for one year after July 1, 2016, and directs Legislative Council to prepare proposed legislation that conforms the provisions of this legislation for consideration in the Fifty-Third Legislature, First Regular Session.

### board of adjustment; appeals (H.B. 2525) – Chapter 125

Specifies that taxpayers who own or lease property within 300 feet from the boundary of an immediately adjacent property that has been affected by a decision of a board of adjustment or municipal legislative body may appeal the decision.

### governor's regulatory review council; membership (H.B. 2526) – Chapter 218

Requires the Governor to appoint at least one small-business owner as a member of the Governor's Regulatory Review Council (GRRC) and applies requirements regarding vacancy of office to members of GRRC. Adds the removal of a board or commission member by the appointing power before the expiration of the member's term of office as an occurrence that deems an office vacant.

## GOVERNMENT COMMITTEE (Cont'd)

prohibited laws, rules, ordinances; firearms (H.B. 2527) – Chapter 126

Prohibits the state, state agencies and political subdivisions, with the exception of the Legislature, from enacting or implementing any law, rule, or ordinance relating to the transfer of firearms.

state, county employees; precinct committeemen (H.B. 2551) – Chapter 287

Permits county and state employees to serve as precinct committeemen.

codes; adoption by reference; copies (H.B. 2557) – Chapter 193

Allows cities and towns to file a code or public record with the clerk of the municipality in either of the following formats: 1) at least three paper copies; or 2) one paper copy and one electronic copy.

campaign finance; electronic filing system (H.B. 2589) – Chapter 291

Allows the Secretary of State (SOS) to develop, subject to appropriation, an electronic filing system for statements, designations and reports with regard to campaign contributions and expenses that are not in connection with statewide or legislative elections. Political subdivisions may opt in to use the system by giving notice to the SOS at least 30 days before the first report's due date that calendar year and paying a fee determined by the SOS.

late filings; campaign finance reports (H.B. 2595) – Chapter 292

***Campaign Finance Report Late Penalty*** – Freezes the accrual of late penalty fees for failure to make or file a required campaign finance report on the day the report is filed and allows the filing officer to refuse a report if penalties remain unpaid at the time the report is filed. Authorizes the filing officer to notify the appropriate enforcement officer of a violation beginning 31 days after a campaign finance report is due.

***Presidential Preference Election (PPE)*** – Makes the following changes to requirements with regard to the PPE : 1) modifies the timeframe nomination-petition papers must be filed from between 90 days and 120 days before the PPE to between 100 days and 130 days before the PPE; 2) reduces the number of signatures required on nomination petitions for candidates for United States President from 1,000 to at least 500; and 3) reduces the number of states that a candidate must provide evidence of qualification to appear on the PPE ballot in their political party from 20 other states to at least 2 other states. As session law, provides that the 2016 PPE results are not required to be tabulated by congressional districts if the congressional district lines are different from the lines used in the 2014 general election.

***Joint Technical Education Districts (JTED)*** – Decreases, from 1 percent to 0.5 percent, the number of required nomination-petition signatures for a JTED candidate.

## GOVERNMENT COMMITTEE (Cont'd)

**Early Ballots** – Requires that early ballot requests be received by 31 days, rather than the 30th day, before an election and requires that early ballots received by the 31st day be distributed no later than the 24th day before an election. Prevents early ballot distribution from beginning more than 27 days, instead of more than 26 days, prior to an election.

elections; active registered voters (H.B. 2608) – Chapter 293

Establishes that the terms *registered voters*, *persons who are registered to vote*, *registered electors* and *voters registered* include only active registered voters for certain specified purposes. Requires all nomination petitions to be signed by qualified signers, and clarifies that a qualified signer is a qualified elector who is: 1) a registered member of the party from which the candidate is seeking nomination; 2) a registered member of a political party not entitled to continued representation on the ballot; or 3) a registered independent or no party preferred. Changes the base percentage for calculating nomination-petition signature thresholds from voters registered in the candidates' party to the number of qualified signers as determined from the registration totals.

Modifies the nomination-petition signature percentages for the following offices:

Office	Petition Signature Requirement Threshold
U.S. Senator, State Offices	From .5% to .25%
U.S. Representative	From 1% to .5%
U.S. Representative (special election to fill vacancy)	From .5% to .25%
Member of the Legislature	From 1% to .5%
County Office, Superior Court Judge (county with population less than 200,000 persons)	From 2% to 1%
County Office, Superior Court Judge (county with population greater than 200,000 persons)	From .5% to .25%
Justice of the Peace or Constable	From 2% to 1%

political activity; public resources; limitation (H.B. 2613) – Chapter 296

Prohibits the use of city, town, county, school district, community college district and special taxing district-focused promotional expenditures to influence an election, after a bond, budget override or other tax-related election has been called. Excludes routine communications of the aforementioned political subdivisions from the prohibition.

## **LEGISLATION VETOED**

restoration to competency; state costs (S.B. 1145) – VETOED

## GOVERNMENT COMMITTEE (Cont'd)

Requires a city or county to reimburse the Department of Health Services (DHS) for the total cost of a defendant's inpatient, in custody competency restoration treatment for FY 2016, if the state pays for the initial costs of the defendant's treatment, with certain exceptions. Excludes costs incurred for the treatment of a post-conviction defendant who is not competent to be sentenced from city or county reimbursement requirements. Stipulates that each city or county must submit reimbursements to DHS within 30 days of a received request and directs DHS to deposit reimbursements into the Arizona State Hospital Fund.

The Governor indicates in his veto message that the issue addressed in S.B. 1145 has been resolved by the courts and DHS, negating the need for the legislation.

campaign reports; late filings; notice (S.B. 1171) – VETOED

Requires filing officers to include the specific amount of any daily late penalty fees and information regarding how and when the daily late penalty starts and stops accruing in a delinquency notice, if a political committee fails to file required campaign finance reports in a timely manner.

The Governor indicates in his veto message that the Secretary of State can administratively address this issue.

technical correction; defrauding secured creditors (NOW: ballot measures; forms; filing officer) (H.B. 2540) – VETOED

Requires the Secretary of State, with regard to statewide initiative and referendum petitions measures, to provide a blank petition signature sheet at the time a statewide initiative or referendum measure is filed and requires that the official serial number associated with the measure appear on the front and back of the lower right-hand corner of the form. With regard to city, town and county matters, the bill directs city and town clerks and county officers in charge of elections to provide a blank petition signature sheet that includes the official serial number of the measure on the front and back lower right-hand corner of the petition form.

The Governor states in his veto message that the petition process is a power reserved for the voting public and that it is contingent upon the voting public to ensure compliance with applicable laws. Additionally, the Governor indicates that inserting state and local employees further into the process could expose them to unnecessary liability.

false claims; agriculture; technical correction previous (NOW: agriculture director; duties; enforcement) (NOW: animal cruelty; livestock; poultry; violation) (H.B. 2150) – VETOED

SEE THE NATURAL RESOURCES COMMITTEE.

state computers; sensitive electronic data (H.B. 2566) – VETOED

## GOVERNMENT COMMITTEE (Cont'd)

Beginning July 1, 2016, requires budget units to establish a password system on every state-owned or -leased computer. Requires the Director of the Arizona Department of Administration to establish a data encryption standard for all budget units to protect sensitive data by July 1, 2018. Directs budget units to encrypt sensitive electronic data that is electronically stored.

The Governor indicates in his veto message that his administration has already addressed and developed internet technology security policies governing passwords, encryption and other security concerns.

### state agencies; credit cards (H.B. 2587) – VETOED

***State Credit Card Processing*** – Directs the State Treasurer (Treasurer) to issue a request for proposals for the electronic processing of transactions for all state agencies that accept credit cards for payment and to contract with an authorized agent for credit card processing. Provides that a provision may be included in the contract that allows the agent to charge a convenience fee for transactions. Prohibits a state agency from entering into a new contract or renewing an existing contract for payment processing, and instead transfers the authority to the Treasurer.

***Local Government Credit Card Processing*** – Allows a local government to accept credit cards for payment upon a majority vote of its governing body and allows local governments that accept credit cards to enter agreements with financial institutions or other service providers for credit card processing. Authorizes, upon notice to the Treasurer, local governments to use contracts for processing transactions that have been negotiated by the Treasurer. Allows local governments to charge a convenience fee to the cardholder in an amount not to exceed any processing fee incurred by the local government. Prohibits local governments that accept credit cards from receiving and retaining any convenience fee that exceeds the payment for the amount due to the local government. Prohibits a financial institution or service provider from paying or returning any convenience fee paid in connection with a credit card transaction to a local government for final retention.

The Governor indicates in his veto message that savings and efficiency efforts can be handled administratively.