



STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

April 29, 2011

The Honorable Ken Bennett
Secretary of State
1700 W. Washington
Phoenix, Arizona 85007

RE: Senate Bill 1316 (PSPRS; trustees; employment agreements)

Dear Secretary Bennett:

Today I vetoed Senate Bill 1316 because it would weaken statutory prohibitions against the State of Arizona doing business with companies with scrutinized business operations in Sudan or Iran.

Arizona statute provides that contracts entered into by the State of Arizona or its political subdivision for the "procurement of goods or services" require the contractor to certify that it does not have scrutinized business operations in Iran or Sudan (A.R.S. §§ 35-391.06 & 35-393.06). Senate Bill 1316 effectively exempts certain investment activities by the Public Safety Personnel Retirement System Board from these prohibitions by providing that "loans, guarantees, investment management agreements, and investment contracts entered into by the board do involve the procurement . . . of goods . . . or services but are instead contracts memorializing obligations or interest in securities." (Page 9, lines 16-19)

I do not support weakening the prohibition against the State of Arizona doing business with companies with scrutinized business operations in Sudan or Iran. I have spoken with the bill sponsor and this was not his intention, nor do I believe it was the intention of the Senate or the House of Representatives based on my review of the record.

Sincerely,

Janice K. Brewer
Governor

cc: The Honorable Russell Pearce
The Honorable Andy Tobin
The Honorable Steve Yarbrough
Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service