

State of Arizona  
Senate  
Fiftieth Legislature  
First Regular Session  
2011

# SENATE BILL 1615

## AN ACT

AMENDING SECTIONS 12-119, 15-901.04, 15-1044, 15-1261, 23-392 AND 23-901, ARIZONA REVISED STATUTES; CHANGING THE DESIGNATION OF TITLE 27, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, TO "MINES AND MINERAL RESOURCES"; AMENDING SECTIONS 27-101, 27-101.01 AND 27-102, ARIZONA REVISED STATUTES; REPEALING SECTIONS 27-103, 27-104, 27-105, 27-106, 27-107, 27-108, 27-109, 27-110 AND 27-111, ARIZONA REVISED STATUTES; AMENDING SECTIONS 27-151, 27-152.02, 28-3513, 35-142, 36-271, 36-272, 36-273, 36-274, 36-275, 36-276, 36-773, 36-2926, 37-904, 38-842, 38-847, 41-121, 41-790, 41-791 AND 41-792.01, ARIZONA REVISED STATUTES; REPEALING SECTIONS 41-794 AND 41-795, ARIZONA REVISED STATUTES; AMENDING SECTIONS 41-796, 41-827.01, 41-1304, 41-1304.05 AND 41-1713, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 12, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1725; AMENDING SECTIONS 41-1804, 41-2513, 41-3012.07 AND 41-3016.06, ARIZONA REVISED STATUTES; REPEALING SECTIONS 41-3016.17 AND 41-3016.21, ARIZONA REVISED STATUTES; CHANGING THE DESIGNATION OF TITLE 41, CHAPTER 32, ARIZONA REVISED STATUTES, TO "GOVERNMENT INFORMATION TECHNOLOGY"; AMENDING SECTIONS 41-3501, 41-3502, 41-3503, 41-3504, 41-3505, 41-3506, 41-3507, 41-3508, 41-3521, 41-3542, 44-7041 AND 44-7042, ARIZONA REVISED STATUTES; RELATING TO STATE GOVERNMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 12-119, Arizona Revised Statutes, is amended to  
3 read:

4 12-119. Facilities management

5 The supreme court may obtain OPERATIONAL AND MAINTENANCE ASSISTANCE  
6 from the department of administration ~~operational, maintenance~~ and security  
7 assistance FROM THE DEPARTMENT OF PUBLIC SAFETY for any supreme court  
8 facility or may employ personnel or contract for outside services for the  
9 operation, maintenance and security of such facility. The supreme court and  
10 division one of the court of appeals shall be housed in the Arizona courts  
11 building. FOR THE PURPOSES OF THIS SECTION, SECURITY DOES NOT MEAN SECURITY  
12 SERVICES RELATED TO BUILDING OPERATION AND MAINTENANCE FUNCTIONS PROVIDED BY  
13 THE DEPARTMENT OF ADMINISTRATION.

14 Sec. 2. Section 15-901.04, Arizona Revised Statutes, is amended to  
15 read:

16 15-901.04. Instructional technology systems pilot program;  
17 grant application; criteria; program termination

18 A. The state board of education, in collaboration with the department  
19 of education, shall establish an instructional technology systems pilot  
20 program.

21 B. A school in a school district or a charter school may apply to the  
22 department of education for participation in the pilot program. The  
23 department of education shall recommend the format of the applications and  
24 recommend application procedures and criteria. The state board of education  
25 shall approve the application format and selection criteria.

26 C. The department of education shall select one school that provides  
27 instruction in any combination of kindergarten programs and grades one  
28 through eight to participate in the pilot program, after review and approval  
29 by the state board of education. The department of education shall select a  
30 school that has an effective plan that demonstrates commitment to  
31 instructional change required to achieve significant performance gains  
32 through participation in the pilot program and that demonstrates a financial  
33 commitment by submitting a budget that shows the amount of funding that the  
34 school will contribute to the pilot program. The department of education  
35 shall distribute monies appropriated for this purpose to the selected school.

36 D. The school that is selected to participate in the pilot program  
37 shall use the monies distributed pursuant to this section for the following  
38 purposes to significantly increase academic performance:

39 1. To upgrade instructional technology systems in the classroom by  
40 addressing all system aspects, including a digital curriculum, software,  
41 computer hardware, technical support, data and local area networks with file  
42 servers and broadband internet connectivity.

43 2. To ensure access to one networked computer with broadband internet  
44 access, according to standards established by the ~~government information~~

1 ~~technology agency~~ DEPARTMENT OF ADMINISTRATION, for every pupil in every  
2 academic classroom.

3 3. To provide training to teachers on classroom application and  
4 instructional technology.

5 E. The department of education shall submit an annual update beginning  
6 on January 1, 2008 that summarizes the results of the pilot program to the  
7 governor, the speaker of the house of representatives, the president of the  
8 senate and the joint legislative budget committee. The department of  
9 education shall provide a copy of this annual update to the secretary of  
10 state and the director of the Arizona state library, archives and public  
11 records. The annual update shall include a summary of the pilot program's  
12 impact on the school's budget, including any impact on hard and soft capital  
13 spending, expenditures delineated by administration and classroom spending,  
14 expenditures delineated by maintenance and operations and capital spending  
15 and the impact of the pilot program on accountability measures, including any  
16 academic gains made by pupils as a result of the pilot program.

17 F. The program established by this section ends on July 1, 2010  
18 PURSUANT TO SECTION 41-3102.

19 Sec. 3. Section 15-1044, Arizona Revised Statutes, is amended to read:

20 15-1044. Arizona e-learning task force; duties

21 A. The Arizona e-learning task force is established. The task force  
22 shall consist of the following members ~~who shall be appointed on or before~~  
23 ~~August 31, 2006~~:

24 1. Two representatives of the business community with expertise in  
25 technology issues, one of whom shall be appointed by the governor and one of  
26 whom shall be appointed by the speaker of the house of representatives.

27 2. Two persons who shall have a background in psychometrics, one of  
28 whom shall be appointed by the president of the senate and one of whom shall  
29 be appointed by the speaker of the house of representatives.

30 3. Two persons who have expertise in curriculum development, one of  
31 whom shall be appointed by the governor and one of whom shall be appointed by  
32 the president of the senate.

33 4. One teacher who provides instruction in grade six, seven, eight or  
34 nine in a public, private or charter school and who is appointed by the  
35 speaker of the house of representatives.

36 5. One person who represents a public, private or charter school that  
37 provides instruction in grade six, seven, eight or nine and who is appointed  
38 by the governor.

39 6. One person who represents an entity that has at least ten years of  
40 experience in teacher training and professional development coursework and  
41 that has provided such training and coursework to at least five thousand  
42 teachers and who is appointed by the president of the senate.

43 7. Two persons who represent higher education and who have expertise  
44 in education technology and twenty-first century learning, one of whom shall

1 be appointed by the president of the senate and one of whom shall be  
2 appointed by the speaker of the house of representatives.

3 8. One person who has a background in online or digital format  
4 formative assessment and who is appointed by the governor.

5 9. The superintendent of public instruction or the superintendent's  
6 designee.

7 10. The director of the ~~government information technology agency~~  
8 DEPARTMENT OF ADMINISTRATION or the director's designee.

9 B. The task force shall annually elect a chairperson from among the  
10 members of the task force. The department of education shall provide staff  
11 support for the task force.

12 C. The initial members appointed pursuant to subsection A, paragraphs  
13 1 through 8 shall assign themselves by lot to terms of one, two and three  
14 years in office. All subsequent members appointed pursuant to subsection A,  
15 paragraphs 1 through 8 serve three year terms. The chairperson shall notify  
16 the appointing authority of these terms.

17 D. The task force shall:

18 1. Examine e-learning programs in other states.

19 2. Analyze potential methods to implement e-learning programs in this  
20 state.

21 3. Develop innovative e-learning solutions.

22 4. Submit recommendations to the legislature and the state board of  
23 education on the following:

24 (a) The transformation of traditional instruction programs to  
25 e-learning programs.

26 (b) Options to equip teachers with the most effective technology and  
27 training.

28 (c) Revisions to the current system of school funding as it applies to  
29 e-learning programs.

30 (d) The coordination of a standardized data system for use by school  
31 districts that interfaces with the data warehouse system of the department of  
32 education and that provides decision support data for the school district  
33 office, school personnel, parents and pupils.

34 (e) The enhancement and expansion of the integrated data to enhance  
35 Arizona's learning web portal system within the department of education to  
36 best serve the entire educational system in this state.

37 5. Collaborate with the ~~government information technology agency~~  
38 DEPARTMENT OF ADMINISTRATION and other public and private entities to express  
39 the technology needs of schools in this state.

40 6. Annually report to the legislature regarding e-learning programs  
41 and solutions.

42 E. Task force members are not eligible for compensation, but task  
43 force members who are appointed pursuant to subsection A, paragraphs 1  
44 through 8 are eligible for reimbursement of expenses pursuant to title 38,  
45 chapter 4, article 2 from monies appropriated to the department of education.

1           Sec. 4. Section 15-1261, Arizona Revised Statutes, is amended to read:  
2           15-1261. E-rate application; fund

3           A. All school districts and charter schools that are eligible for  
4 e-rate priority one funding as authorized by the telecommunications act of  
5 1996 may apply for funding. Eligible school districts and charter schools  
6 may submit applications with assistance of the ~~government information~~  
7 ~~technology agency~~ DEPARTMENT OF ADMINISTRATION.

8           B. All school districts and charter schools that receive e-rate  
9 funding shall establish an e-rate fund. Any monies in the fund may be used  
10 to reimburse the school district or charter school for broadband internet and  
11 telecommunications costs.

12           Sec. 5. Section 23-392, Arizona Revised Statutes, is amended to read:  
13           23-392. Overtime compensation for certain law enforcement or  
14           probation officer activities; option; definitions

15           A. Any person engaged in law enforcement activities shall be  
16 compensated for each hour worked in excess of forty hours in one work week at  
17 the option of such employer at the following rates:

18           1. One and one-half times the regular rate at which such person is  
19 employed or one and one-half hours of compensatory time off for each hour  
20 worked if by the person's job classification overtime compensation is  
21 mandated by federal law.

22           2. If by the person's job classification federal law does not mandate  
23 overtime compensation, the person shall receive the regular rate of pay or  
24 compensatory leave on an hour for hour basis.

25           B. Any person engaged in probation officer activities shall be  
26 compensated for each hour worked in excess of eighty hours in a two week work  
27 period at the option of such employer at the following rates:

28           1. One and one-half times the regular rate at which such person is  
29 employed or one and one-half hours of compensatory time off for each hour  
30 worked if by the person's job classification overtime compensation is  
31 mandated by federal law.

32           2. If by the person's job classification federal law does not mandate  
33 overtime compensation, the person shall receive the regular rate of pay or  
34 compensatory leave on an hour for hour basis.

35           C. Paid leave may be considered hours worked for the purpose of  
36 calculating overtime.

37           D. The director of the department of public safety may establish  
38 alternate work periods, in accordance with federal law, for the purpose of  
39 determining overtime compensation for those employees of the air rescue  
40 section of the department of public safety.

41           E. Notwithstanding subsection C of this section, an alternate work  
42 period established by the director of the department of public safety for the  
43 purpose of determining overtime compensation shall not exceed twenty-eight  
44 days or one hundred sixty hours.

- 1 F. For the purposes of this section:  
2 1. "Person engaged in law enforcement activities":  
3 (a) Means:  
4 (i) A law enforcement officer as defined by section 38-1001.  
5 (ii) A peace officer as defined by section 41-1701.  
6 (iii) Any security personnel responsible for controlling or  
7 maintaining custody of inmates in correctional institutions maintained by  
8 this state or a county, city or town.  
9 ~~(iv) A capitol police officer employed pursuant to section 41-794,~~  
10 ~~subsection A.~~  
11 (b) Does not include any such person employed in a bona fide executive  
12 or administrative capacity as defined by the employer.  
13 2. "Person engaged in probation officer activities":  
14 (a) Means a probation officer or surveillance officer who is appointed  
15 pursuant to section 8-203, 12-251 or 12-259.  
16 (b) Does not include any such person employed in a bona fide executive  
17 or administrative capacity as defined by the employer.  
18 Sec. 6. Section 23-901, Arizona Revised Statutes, is amended to read:  
19 23-901. Definitions  
20 In this chapter, unless the context otherwise requires:  
21 1. "Award" means the finding or decision of an administrative law  
22 judge or the commission as to the amount of compensation or benefit due an  
23 injured employee or the dependents of a deceased employee.  
24 2. "Client" means an individual, association, company, firm,  
25 partnership, corporation or any other legally recognized entity that is  
26 subject to this chapter and that enters into a professional employer  
27 agreement with a professional employer organization.  
28 3. "Co-employee" means every person employed by an injured employee's  
29 employer.  
30 4. "Commission" means the industrial commission of Arizona.  
31 5. "Compensation" means the compensation and benefits provided by this  
32 chapter.  
33 6. "Employee", "workman", "worker" and "operative" means:  
34 (a) Every person in the service of the state or a county, city, town,  
35 municipal corporation or school district, including regular members of  
36 lawfully constituted police and fire departments of cities and towns, whether  
37 by election, appointment or contract of hire.  
38 (b) Every person in the service of any employer subject to this  
39 chapter, including aliens and minors legally or illegally permitted to work  
40 for hire, but not including a person whose employment is both:  
41 (i) Casual.  
42 (ii) Not in the usual course of the trade, business or occupation of  
43 the employer.  
44 (c) Lessees of mining property and their employees and contractors  
45 engaged in the performance of work which is a part of the business conducted

1 by the lessor and over which the lessor retains supervision or control are  
2 within the meaning of this paragraph employees of the lessor, and are deemed  
3 to be drawing wages as are usually paid employees for similar work. The  
4 lessor may deduct from the proceeds of ores mined by the lessees the premium  
5 required by this chapter to be paid for such employees.

6 (d) Regular members of volunteer fire departments organized pursuant  
7 to title 48, chapter 5, article 1, regular firemen of any volunteer fire  
8 department, including private fire protection service organizations,  
9 organized pursuant to title 10, chapters 24 through 40, volunteer firemen  
10 serving as members of a fire department of any incorporated city or town or  
11 an unincorporated area without pay or without full pay and on a part-time  
12 basis, and voluntary policemen and volunteer firemen serving in any  
13 incorporated city, town or unincorporated area without pay or without full  
14 pay and on a part-time basis, are deemed to be employees, but for the  
15 purposes of this chapter, the basis for computing wages for premium payments  
16 and compensation benefits for regular members of volunteer fire departments  
17 organized pursuant to title 48, chapter 5, article 1, or organized pursuant  
18 to title 10, chapters 24 through 40, regular members of any private fire  
19 protection service organization, volunteer firemen and volunteer policemen of  
20 these departments or organizations shall be the salary equal to the beginning  
21 salary of the same rank or grade in the full-time service with the city,  
22 town, volunteer fire department or private fire protection service  
23 organization, provided if there is no full-time equivalent then the salary  
24 equivalent shall be as determined by resolution of the governing body of the  
25 city, town or volunteer fire department or corporation.

26 (e) Members of the department of public safety reserve, organized  
27 pursuant to section 41-1715, are deemed to be employees. For the purposes of  
28 this chapter, the basis for computing wages for premium payments and  
29 compensation benefits for a member of the department of public safety reserve  
30 who is a peace officer shall be the salary received by officers of the  
31 department of public safety for their first month of regular duty as an  
32 officer. For members of the department of public safety reserve who are not  
33 peace officers, the basis for computing premiums and compensation benefits is  
34 four hundred dollars a month.

35 (f) Any person placed in on-the-job evaluation or in on-the-job  
36 training under the department of economic security's temporary assistance for  
37 needy families program or vocational rehabilitation program shall be deemed  
38 to be an employee of the department for the purpose of coverage under the  
39 state workers' compensation laws only. The basis for computing premium  
40 payments and compensation benefits shall be two hundred dollars per month.  
41 Any person receiving vocational rehabilitation services under the department  
42 of economic security's vocational rehabilitation program whose major  
43 evaluation or training activity is academic, whether as an enrolled attending  
44 student or by correspondence, or who is confined to a hospital or penal  
45 institution, shall not be deemed to be an employee of the department for any

1 purpose. Any dividend which the department's vocational rehabilitation  
2 program may be entitled to receive from the state compensation fund because  
3 of a favorable loss experience for any policy period shall not revert to the  
4 state general fund but shall be applied to the department's current premium  
5 obligations for workers' compensation coverage for such program.

6 (g) Regular members of a volunteer sheriff's reserve, which may be  
7 established by resolution of the county board of supervisors, to assist the  
8 sheriff in the performance of the sheriff's official duties. A roster of the  
9 current members shall monthly be certified to the clerk of the board of  
10 supervisors by the sheriff and shall not exceed the maximum number authorized  
11 by the board. Certified members of an authorized volunteer sheriff's reserve  
12 shall be deemed to be employees of the county for the purpose of coverage  
13 under the Arizona workers' compensation laws and occupational disease  
14 disability laws and shall be entitled to receive the benefits of these laws  
15 for any compensable injuries or disabling conditions which arise out of and  
16 occur in the course of the performance of duties authorized and directed by  
17 the sheriff. Compensation benefits and premium payments shall be based upon  
18 the salary received by a regular full-time deputy sheriff of the county  
19 involved for the first month of regular patrol duty as an officer for each  
20 certified member of a volunteer sheriff's reserve. This subdivision shall  
21 not be construed to provide compensation coverage for any member of a  
22 sheriff's posse who is not a certified member of an authorized volunteer  
23 sheriff's reserve except as a participant in a search and rescue mission or a  
24 search and rescue training mission.

25 (h) A working member of a partnership may be deemed to be an employee  
26 entitled to the benefits provided by this chapter upon written acceptance, by  
27 endorsement, at the discretion of the insurance carrier for the partnership  
28 of an application for coverage by the working partner. The basis for  
29 computing premium payments and compensation benefits for the working partner  
30 shall be an assumed average monthly wage of not less than six hundred dollars  
31 nor more than the maximum wage provided in section 23-1041 and is subject to  
32 the discretionary approval of the insurance carrier. Any compensation for  
33 permanent partial or permanent total disability payable to the partner shall  
34 be computed on the lesser of the assumed monthly wage agreed to by the  
35 insurance carrier on the acceptance of the application for coverage or the  
36 actual average monthly wage received by the partner at the time of injury.

37 (i) The sole proprietor of a business subject to this chapter may be  
38 deemed to be an employee entitled to the benefits provided by this chapter on  
39 written acceptance, by endorsement, at the discretion of the insurance  
40 carrier of an application for coverage by the sole proprietor. The basis for  
41 computing premium payments and compensation benefits for the sole proprietor  
42 shall be an assumed average monthly wage of not less than six hundred dollars  
43 nor more than the maximum wage provided by section 23-1041 and is subject to  
44 the discretionary approval of the insurance carrier. Any compensation for  
45 permanent partial or permanent total disability payable to the sole

1 proprietor shall be computed on the lesser of the assumed monthly wage agreed  
2 to by the insurance carrier on the acceptance of the application for coverage  
3 or the actual average monthly wage received by the sole proprietor at the  
4 time of injury.

5 (j) A member of the Arizona national guard, Arizona state guard or  
6 unorganized militia shall be deemed a state employee and entitled to coverage  
7 under the Arizona workers' compensation law at all times while the member is  
8 receiving the payment of the member's military salary from the state of  
9 Arizona under competent military orders or upon order of the governor.  
10 Compensation benefits shall be based upon the monthly military pay rate to  
11 which the member is entitled at the time of injury, but not less than a  
12 salary of four hundred dollars per month, nor more than the maximum provided  
13 by the workers' compensation law. No Arizona compensation benefits shall  
14 inure to a member compensable under federal law.

15 (k) Certified ambulance drivers and attendants who serve without pay  
16 or without full pay on a part-time basis are deemed to be employees and  
17 entitled to the benefits provided by this chapter and the basis for computing  
18 wages for premium payments and compensation benefits for certified ambulance  
19 personnel shall be four hundred dollars per month.

20 (l) Volunteer workers of a licensed health care institution may be  
21 deemed to be employees and entitled to the benefits provided by this chapter  
22 upon written acceptance by the insurance carrier of an application by the  
23 health care institution for coverage of such volunteers. The basis for  
24 computing wages for premium payments and compensation benefits for volunteers  
25 shall be four hundred dollars per month.

26 (m) Personnel who participate in a search or rescue operation or a  
27 search or rescue training operation that carries a mission identifier  
28 assigned by the division of emergency management as provided in section  
29 35-192.01 and who serve without compensation as volunteer state employees.  
30 The basis for computation of wages for premium purposes and compensation  
31 benefits is the total volunteer man-hours recorded by the division of  
32 emergency management in a given quarter multiplied by the amount determined  
33 by the appropriate risk management formula.

34 (n) Personnel who participate in emergency management training,  
35 exercises or drills that are duly enrolled or registered with the division of  
36 emergency management or any political subdivision as provided in section  
37 26-314, subsection C and who serve without compensation as volunteer state  
38 employees. The basis for computation of wages for premium purposes and  
39 compensation benefits is the total volunteer man-hours recorded by the  
40 division of emergency management or political subdivision during a given  
41 training session, exercise or drill multiplied by the amount determined by  
42 the appropriate risk management formula.

43 (o) Regular members of the Arizona game and fish department reserve,  
44 organized pursuant to section 17-214. The basis for computing wages for  
45 premium payments and compensation benefits for a member of the reserve is the

1 salary received by game rangers and wildlife managers of the Arizona game and  
2 fish department for their first month of regular duty.

3 (p) Every person employed pursuant to a professional employer  
4 agreement.

5 ~~(q) Members of the department of administration capitol police~~  
6 ~~reserve, organized pursuant to section 41-794, are deemed to be employees.~~  
7 ~~For the purposes of this chapter, the basis for computing wages for premium~~  
8 ~~payments and compensation benefits for a member of the department of~~  
9 ~~administration capitol police reserve who is a peace officer shall be the~~  
10 ~~salary received by officers of the department of administration for their~~  
11 ~~first month of regular duty as an officer.~~

12 7. "General order" means an order applied generally throughout the  
13 state to all persons under jurisdiction of the commission.

14 8. "Heart-related or perivascular injury, illness or death" means  
15 myocardial infarction, coronary thrombosis or any other similar sudden,  
16 violent or acute process involving the heart or perivascular system, or any  
17 death resulting therefrom, and any weakness, disease or other condition of  
18 the heart or perivascular system, or any death resulting therefrom.

19 9. "Insurance carrier" means the state compensation fund and every  
20 insurance carrier duly authorized by the director of insurance to write  
21 workers' compensation or occupational disease compensation insurance in the  
22 state of Arizona.

23 10. "Interested party" means the employer, the employee, or if the  
24 employee is deceased, the employee's estate, the surviving spouse or  
25 dependents, the commission, the insurance carrier or their representative.

26 11. "Mental injury, illness or condition" means any mental, emotional,  
27 psychotic or neurotic injury, illness or condition.

28 12. "Order" means and includes any rule, direction, requirement,  
29 standard, determination or decision other than an award or a directive by the  
30 commission or an administrative law judge relative to any entitlement to  
31 compensation benefits, or to the amount thereof, and any procedural ruling  
32 relative to the processing or adjudicating of a compensation matter.

33 13. "Personal injury by accident arising out of and in the course of  
34 employment" means any of the following:

35 (a) Personal injury by accident arising out of and in the course of  
36 employment.

37 (b) An injury caused by the wilful act of a third person directed  
38 against an employee because of the employee's employment, but does not  
39 include a disease unless resulting from the injury.

40 (c) An occupational disease which is due to causes and conditions  
41 characteristic of and peculiar to a particular trade, occupation, process or  
42 employment, and not the ordinary diseases to which the general public is  
43 exposed, and subject to section 23-901.01.

44 14. "Professional employer agreement" means a written contract between  
45 a client and a professional employer organization:

1 (a) In which the professional employer organization expressly agrees  
2 to co-employ all or a majority of the employees providing services for the  
3 client. In determining whether the professional employer organization  
4 employs all or a majority of the employees of a client, any person employed  
5 pursuant to the terms of the professional employer agreement after the  
6 initial placement of client employees on the payroll of the professional  
7 employer organization shall be included.

8 (b) That is intended to be ongoing rather than temporary in nature.

9 (c) In which employer responsibilities for worksite employees,  
10 including hiring, firing and disciplining, are expressly allocated between  
11 the professional employer organization and the client in the agreement.

12 15. "Professional employer organization" means any person engaged in  
13 the business of providing professional employer services. Professional  
14 employer organization does not include a temporary help firm or an employment  
15 agency.

16 16. "Professional employer services" means the service of entering into  
17 co-employment relationships under this chapter to which all or a majority of  
18 the employees providing services to a client or to a division or work unit of  
19 a client are covered employees.

20 17. "Special order" means an order other than a general order.

21 18. "State compensation fund" includes the state compensation fund,  
22 accident benefit fund and occupational disease compensation fund in existence  
23 on January 2, 1969 and shall thereafter include all funds under the  
24 jurisdiction of the board of directors of the state compensation fund which  
25 have been derived from the assessment of premiums, interest, penalties and  
26 investment earnings for the payment of all workers' compensation and  
27 occupational disease compensation benefits.

28 19. "Weakness, disease or other condition of the heart or perivascular  
29 system" means arteriosclerotic heart disease, cerebral vascular disease,  
30 peripheral vascular disease, cardiovascular disease, angina pectoris,  
31 congestive heart trouble, coronary insufficiency, ischemia and all other  
32 similar weaknesses, diseases and conditions, and also previous episodes or  
33 instances of myocardial infarction, coronary thrombosis or any similar  
34 sudden, violent or acute process involving the heart or perivascular system.

35 20. "Workers' compensation" means workmen's compensation as used in  
36 article XVIII, section 8, Constitution of Arizona.

37 Sec. 7. Heading change

38 The article heading of title 27, chapter 1, article 1, Arizona Revised  
39 Statutes, is changed from "DEPARTMENT OF MINES AND MINERAL RESOURCES" to  
40 "MINES AND MINERAL RESOURCES".

41 Sec. 8. Section 27-101, Arizona Revised Statutes, is amended to read:

42 27-101. Definitions

43 In this article, unless the context otherwise requires:

44 ~~1. "Board" means the board of governors of the department.~~

1           ~~2-~~ 1. "Department" means the ~~department of mines and mineral~~  
2 ~~resources~~ ARIZONA GEOLOGICAL SURVEY.

3           ~~3-~~ 2. "Director" means the ~~director of the department~~ STATE  
4 GEOLOGIST.

5           ~~4-~~ 3. "Minerals" includes metals and metallic and nonmetallic  
6 minerals, except oil and gas.

7           Sec. 9. Section 27-101.01, Arizona Revised Statutes, is amended to  
8 read:

9           27-101.01. Immunity

10           ~~A. A department of mines and mineral resources is established.~~

11           ~~B. The objectives of the department are to promote the development of~~  
12 ~~the mineral resources of this state:~~

13           ~~1. Through technical and educational processes, including field~~  
14 ~~investigations, public seminars, publications, conferences and mineral~~  
15 ~~displays.~~

16           ~~2. By providing mining, metallurgical and other technical information~~  
17 ~~and assistance to all persons who are interested in developing the mineral~~  
18 ~~resources of this state.~~

19           ~~C.~~ Any claim or action against the department, ~~the board of governors~~  
20 ~~or any member of the board or~~ the director or any other officer, employee or  
21 volunteer of the department in the person's official capacity must be brought  
22 against the state of Arizona and not against the department, ~~board, board~~  
23 ~~member,~~ director or officer, employee or volunteer individually.

24           Sec. 10. Section 27-102, Arizona Revised Statutes, is amended to read:

25           27-102. Duties of the department

26           ~~A. Consistent with the objectives stated in section 27-101.01,~~ The  
27 department shall:

28           1. Promote the development of the mineral resources and industry of  
29 this state.

30           2. Advocate the development of mineral resources and the production of  
31 minerals and mineral products in this state in support of its objectives.

32           3. Participate in conferences, seminars, forums, speaking engagements,  
33 public news media and other functions necessary to achieve its objectives.

34           4. Conduct studies of the properties and claims of companies and  
35 individuals to assist in the exploration and development of mineral  
36 resources.

37           5. Maintain a repository of mineral and mining information, including  
38 databases, books, periodicals, individual mine files, mine map repository  
39 files, mining district data and an archive of mine data. All databases and  
40 other archival materials shall be maintained in a secure and retrievable  
41 format and location prescribed by the director to protect and preserve  
42 information from damage or destruction.

43           6. Provide quality mining data, evaluation and assistance relating to  
44 promoting mineral development to the legislature, federal, state and local  
45 governmental agencies and the public.

1           7. Make surveys of potential economic mineral resources and conduct  
2 field and other investigations that may interest capital in the development  
3 of the state's mineral resources.

4           8. Serve as a source of mining information for this state in matters  
5 relating to its mineral resources and monitor current mining and exploration  
6 activities.

7           9. Publish and disseminate information and data necessary or advisable  
8 to attain its objectives. The director may establish reasonable fees for  
9 publications.

10          10. Cooperate with the corporation commission in its investigations and  
11 administration of laws relating to the sale of mining securities.

12          11. Assist federal, state and local governmental agencies and  
13 instrumentalities, economic development organizations and gem and mineral  
14 organizations in matters relating to:

15           (a) Education.

16           (b) The identification, exploration and development of mineral  
17 resources in this state.

18          12. Use its authority in other ways to assist in more extensive  
19 exploration and development of the mineral resources of this state.

20          B. The department shall maintain a mining and mineral depository for  
21 collecting and cataloging mining artifacts and specimens, lapidary material  
22 and equipment and other valuable documents relating to mining and minerals.

23          Sec. 11. Repeal

24          Sections 27-103, 27-104, 27-105, 27-106, 27-107, 27-108, 27-109, 27-110  
25 and 27-111, Arizona Revised Statutes, are repealed.

26          Sec. 12. Section 27-151, Arizona Revised Statutes, is amended to read:

27          27-151. Arizona geological survey; state geologist; powers;  
28           definition

29          A. The Arizona geological survey is established with offices located  
30 in proximity to the university of Arizona in Tucson. The governor shall  
31 appoint a state geologist, pursuant to section 38-211, to be the  
32 administrative head of the Arizona geological survey and to serve at the  
33 pleasure of the governor. The state geologist shall be registered as a  
34 geologist by the state board of technical registration, a graduate of an  
35 accredited institution and otherwise qualified by education and experience to  
36 direct the research and information functions of the Arizona geological  
37 survey.

38          B. The state geologist may organize the Arizona geological survey into  
39 such administrative units, and employ such permanent, temporary, part-time  
40 and volunteer professional and support staff, as necessary to achieve the  
41 objectives and promote the policies prescribed by this article.

42          C. The state geologist may:

43           1. Retain the services of faculty members or students, and shall have  
44 reasonable access to the data and other resources, of the university of  
45 Arizona or any other state university in this state to conduct or supervise

1 research, experimentation or other related work of the Arizona geological  
2 survey.

3 2. Organize field expeditions to perform work for the Arizona  
4 geological survey using university students who are sufficiently advanced in  
5 their study of geology to be able to perform satisfactory work.

6 3. Establish and appoint an advisory board consisting of independent  
7 practicing geologists, university or college faculty, mining geologists and  
8 others who use and rely on data, information and other services of the  
9 Arizona geological survey.

10 D. The expenses of the Arizona geological survey shall be paid by  
11 annual appropriation from the state general fund and as otherwise provided by  
12 this article [AND ARTICLE 1 OF THIS CHAPTER](#).

13 E. For [THE](#) purposes of this article, "mineral resources" means all  
14 metallic, nonmetallic and energy resources, including coal, oil, natural gas,  
15 geothermal resources, carbon dioxide and helium.

16 Sec. 13. Section 27-152.02, Arizona Revised Statutes, is amended to  
17 read:

18 [27-152.02. Powers and duties of state geologist; fund](#)

19 A. The state geologist shall:

20 1. Establish such administrative functions and offices as necessary to  
21 achieve the purposes of this article.

22 2. Prescribe the number and professional disciplines of the technical  
23 staff and their office and laboratory associates.

24 3. Direct the work of the Arizona geological survey and the  
25 formulation of its program and policies.

26 4. Adopt such rules as are necessary to carry out the purposes of this  
27 article.

28 5. Purchase or lease necessary office and laboratory equipment and  
29 acquire facilities from the state or lease necessary office and laboratory  
30 space.

31 6. Apply for and accept gifts, bequests or legacies of real or  
32 personal property or any other contribution, financial or otherwise, for use  
33 pursuant to the direction of the donor or, in the absence of an express  
34 direction, to be disposed of for the best interests of this state. The state  
35 geologist shall honor any restriction imposed by the donor on divulging  
36 contributed information or tangible personal property.

37 7. Accept from the federal, state and local governments or their  
38 agencies monies made available to this state for the purposes of this  
39 article.

40 8. Enter into cooperative agreements with federal, county or municipal  
41 governments or their agencies or with any agency or governmental unit  
42 established by the law of this or any other state for the purpose of carrying  
43 out the provisions of this article.

44 9. Contract with persons and organizations, public or private, to  
45 provide services for the Arizona geological survey.

1           10. Appoint a person with a background in oil and gas conservation to  
2 act on behalf of the oil and gas conservation commission and administer and  
3 enforce the applicable provisions of chapter 4 of this title relating to the  
4 oil and gas conservation commission.

5           B. The state geologist or the geologist's designee, at any time, may  
6 enter the property and inspect wells drilled for oil, gas, geothermal  
7 resources, helium or carbon dioxide and shall control property, machinery and  
8 appliances necessary to gauge the wells.

9           C. A geological survey fund is established for the purposes provided  
10 in this article consisting of appropriations and all monies received pursuant  
11 to [ARTICLE 1 OF THIS CHAPTER](#), this section and sections 27-152.01, 27-153 and  
12 27-515. Monies shall be separately accounted for and used as a continuing  
13 appropriation by the state geologist for the purposes provided from each  
14 source. Monies in the fund are exempt from the provisions of section 35-190  
15 relating to lapsing of appropriations.

16           Sec. 14. Section 28-3513, Arizona Revised Statutes, is amended to  
17 read:

18           28-3513. [Administrative charges](#)

19           A. The immobilizing or impounding agency shall establish procedures  
20 for immobilization hearings or poststorage hearings, for the release of  
21 properly immobilized or impounded vehicles and for imposition of a charge for  
22 administrative costs relating to the removal, immobilization, impoundment,  
23 storage or release of a vehicle. The immobilizing or impounding agency may  
24 waive the administrative charges.

25           B. The administrative charges established pursuant to this section  
26 shall not exceed one hundred fifty dollars and shall not be charged to a  
27 towing company that performs removal, immobilization, impoundment, storage or  
28 release of the vehicle.

29           C. The immobilizing or impounding agency shall collect any  
30 administrative charges at the time of the release of the vehicle unless the  
31 vehicle is stolen and the theft was reported to the appropriate law  
32 enforcement agency. If the vehicle is stolen and the theft was reported to  
33 the appropriate law enforcement agency, the operator of the vehicle at the  
34 time of immobilization or impoundment is responsible for all towing,  
35 immobilization, storage and administrative charges.

36           D. The administrative charges established pursuant to this section are  
37 in addition to any other immobilization, impoundment or storage charges.

38           E. A justice court providing an immobilization or poststorage hearing  
39 may collect a fee equal to the fee established pursuant to section 22-281 for  
40 a small claims answer.

41           F. If the immobilizing or impounding agency is:

42           1. A municipality, the administrative charges collected pursuant to  
43 this section shall be transmitted to the city treasurer for deposit in a  
44 special fund established by the municipality for the purpose of implementing  
45 section 28-872 and this article.

1           2. A county, the administrative charges collected pursuant to this  
2 section shall be transmitted to the county treasurer for deposit in a special  
3 fund established by the county for the purpose of implementing section 28-872  
4 and this article.

5           3. The department of public safety, the administrative charges  
6 collected pursuant to this section shall be deposited, pursuant to sections  
7 35-146 and 35-147, in the Arizona highway patrol fund established by section  
8 41-1752.

9           4. The capitol police, the administrative charges collected pursuant  
10 to this section shall be deposited, pursuant to sections 35-146 and 35-147,  
11 in the capitol police administrative towing fund established by section  
12 ~~41-795~~ 41-1725.

13           Sec. 15. Section 35-142, Arizona Revised Statutes, is amended to read:  
14           35-142. Monies kept in funds separate from state general fund;  
15                                   receipt and withdrawal

16           A. All monies received for and belonging to the state shall be  
17 deposited in the state treasury and credited to the state general fund except  
18 the following, which shall be placed and retained in separate funds:

19           1. The unexpendable principal of monies received from federal land  
20 grants shall be placed in separate funds and the account of each such  
21 separate fund shall bear a title indicating the source and the institution or  
22 purpose to which such fund belongs.

23           2. The interest, rentals and other expendable money received as income  
24 from federal land grants shall be placed in separate accounts, each account  
25 bearing a title indicating the source and the institution or purpose to which  
26 the fund belongs. Such expendable monies shall be expended only as  
27 authorized, regulated and controlled by the general appropriation act or  
28 other act of the legislature.

29           3. All private or quasi-private monies authorized by law to be paid to  
30 or held by the state treasurer shall be placed in separate accounts, each  
31 account bearing a title indicating the source and purpose of such fund.

32           4. All monies legally pledged to retirement of building indebtedness  
33 or bonds issued by those institutions authorized to incur such indebtedness  
34 or to issue such bonds shall be placed in separate accounts.

35           5. Monies of a multi-county water conservation district authorized by  
36 law to be paid to or held by the state treasurer shall be placed in separate  
37 accounts, each account bearing a title indicating the source and purpose of  
38 such fund.

39           6. All monies collected by the Arizona game and fish department shall  
40 be deposited in a special fund known as the state game and fish protection  
41 fund for the use of the Arizona game and fish commission in carrying out the  
42 provisions of title 17.

43           7. All federal monies that are received by the department of economic  
44 security for family assistance benefits and medical eligibility as a result  
45 of efficiencies developed by the department of economic security and that

1 would otherwise revert to the state general fund pursuant to section 35-190  
2 shall be retained for use by the department of economic security in  
3 accordance with the terms and conditions imposed by the federal funding  
4 source in an account or accounts established or authorized by the state  
5 treasurer.

6 8. Monies designated by law as special state funds shall not be  
7 considered a part of the general fund. Unless otherwise prescribed by law,  
8 the state treasurer shall be the custodian of all such funds.

9 9. All monies received and any accounts established and maintained by  
10 the director of the Arizona state retirement system or the administrator of  
11 the public safety personnel retirement system, the corrections officer  
12 retirement plan and the elected officials' retirement plan.

13 B. No money shall be received or held by the state treasurer except as  
14 authorized by law, and in every instance the treasurer shall issue a receipt  
15 for money received and shall record the transaction in the statewide  
16 accounting system. No money shall be withdrawn from the treasury except on  
17 the warrant or electronic funds transfer voucher of the department of  
18 administration.

19 C. All federal monies granted and paid to the state by the federal  
20 government shall be accounted for in the accounts or funds of the state in  
21 the necessary detail to meet federal and state accounting, budgetary and  
22 auditing requirements, and all appropriations for matching such federal  
23 monies shall be transferred from the general fund to such separate funds as  
24 needed, except as otherwise required by the federal government.

25 D. Nothing in this section requires the establishment of separate  
26 accounts or funds for such federal monies unless otherwise required by  
27 federal or state law. The department of administration has the authority to  
28 use the most efficient system of accounts and records, consistent with legal  
29 requirements and standard and necessary fiscal safeguards.

30 E. Nothing in this section precludes the creation by the department of  
31 administration of a clearing account or other acceptable accounting method to  
32 effect prompt payment of claims from an approved budget or appropriation.  
33 The department of administration shall report each account or fund  
34 established or cancelled to the directors of the joint legislative budget  
35 committee and the governor's office of strategic planning and budgeting.

36 F. Nothing in this section or any other section precludes the use of  
37 monies kept in funds separate from the general fund, the interest from which  
38 accrues to the general fund, for payment of claims against the general fund,  
39 provided sufficient monies remain available for payment of claims against  
40 such funds.

41 G. The department of administration may issue warrants for qualified  
42 expenditures of federal program monies before they are deposited in the state  
43 treasury. The receipt of federal monies shall be timed to coincide, as  
44 closely as administratively feasible, with the redemption of warrants by the  
45 state treasurer. The department of administration shall limit expenditures

1 to the amount that has been made available for the use under the grant award  
2 by the federal government. The state agency initiating the expenditures is  
3 responsible for ensuring that expenditures qualify for coverage under the  
4 guidelines of the federal grant award.

5 H. The department of administration shall establish the policies and  
6 procedures for all state agencies for drawing federal monies. When the  
7 established method results in federal monies being held by this state, the  
8 department of administration may use the interest earned on the monies to pay  
9 the federal government for any related interest liability. If an interest  
10 liability is incurred due to a state agency varying from the established  
11 policies and procedures, the department of administration shall charge the  
12 appropriate agency account or fund. Interest payment charges to agencies  
13 shall be reported by the department of administration to the joint  
14 legislative budget committee on or before March 1. Any federal interest  
15 liability owed to this state as a result of the delayed federal disbursements  
16 shall be used to offset this state's interest liability to the federal  
17 government. Any remaining interest earnings shall be deposited in the state  
18 general fund.

19 I. Any state agency or authorized agent of a state agency may accept  
20 credit cards pursuant to an agreement entered into by the state treasurer  
21 pursuant to section 35-315 for the payment of any amount due to that agency  
22 or agent or this state.

23 J. Except for the department of revenue for tax payments, agencies or  
24 authorized agents on behalf of state agencies that accept credit cards shall  
25 deduct any applicable discount fee and processing fee associated with the  
26 transaction amount before depositing the net amount in the appropriate state  
27 fund. No other reduction is permitted against the transaction amount. The  
28 net amount deposited in the appropriate state fund shall be considered as the  
29 full deposit required by law of monies received by the agency or the  
30 authorized agent. Payment of any applicable discount fee and processing fee  
31 shall be accounted for in the annual report submitted to the governor's  
32 office of strategic planning and budgeting in accordance with section  
33 41-1273. The transaction amount of any credit card transaction shall not be  
34 reduced by any discount fee or processing fee in an amount in excess of the  
35 merchant card settlement fees reflected in the state banking contract with  
36 the state treasurer's office.

37 K. Any state agency that contracts with an authorized agent for the  
38 electronic processing of transactions pursuant to title 41, chapter 23 may  
39 include a provision in the contract to allow the authorized agent to impose a  
40 convenience fee. If allowed, the convenience fee shall be charged to the  
41 cardholder in addition to the transaction amount, except for the following:

42 1. Except as provided in subsection R of this section, any permits,  
43 licenses or other authorizations needed to pursue a trade or occupation in  
44 this state.

1           2. Except as provided in subsection R of this section, any permits,  
2 licenses or other authorizations needed to establish, expand or operate a  
3 business in this state.

4           3. Except as provided in subsection R of this section, any permits,  
5 licenses or other authorizations needed to register a vehicle or license a  
6 driver in this state.

7           L. Each state agency or its authorized agent shall:

8           1. Deduct the amount of the convenience fee before depositing the  
9 transaction amount or the transaction amount reduced by the discount fee or  
10 the processing fee, or both, into the appropriate state fund.

11           2. Not deduct any part of the convenience fee from the transaction  
12 amount before depositing the net amount into the appropriate state fund.

13           3. Deduct the amount of the discount fee or the processing fee, or  
14 both, from the transaction amount before depositing the net amount into the  
15 appropriate state fund.

16           M. The net amount deposited in the appropriate state fund pursuant to  
17 subsection K or L of this section shall be considered as the full deposit of  
18 monies that is required by law and that is received by the agency.

19           N. Notwithstanding section 35-142.01, convenience fees received by a  
20 state agency or its authorized agent are limited to, and may be used to  
21 offset, the costs imposed by the authorized agent in processing the  
22 transactions.

23           O. When the percentage of electronic transactions first exceeds at  
24 least thirty per cent of a state agency's total transactions, the state  
25 agency shall perform a cost benefit report, including costs of convenience  
26 fees, the amount of revenue generated and any realized cost savings. The  
27 state agency shall submit the cost benefit report to the joint legislative  
28 budget committee within six months after reaching the thirty per cent  
29 threshold.

30           P. State agencies shall report the number of transactions, the number  
31 of electronic transactions, the total dollar amount of transactions  
32 processed, the total dollar amount of any discount fee, the total dollar  
33 amount of any processing fee and the total dollar amount of any convenience  
34 fee charged, deducted or paid pursuant to subsections J and K of this section  
35 annually by October 1 to the governor, the ~~government information technology~~  
36 ~~agency~~ DEPARTMENT OF ADMINISTRATION and the joint legislative budget  
37 committee.

38           Q. Nothing in this section or any other provision of law authorizes  
39 any state agency, authorized agent of any state agency or budget unit to  
40 establish a bank account for any government monies. All monies received by  
41 or on behalf of this state shall be deposited with and in the custody of the  
42 state treasurer or in an account that is authorized by the state treasurer  
43 pursuant to this section. This subsection does not apply to monies received  
44 and any accounts established and maintained by the director of the Arizona  
45 state retirement system or the administrator of the public safety personnel

1 retirement system, the corrections officer retirement plan and the elected  
2 officials' retirement plan.

3 R. If a state agency provides an alternative method of payment, the  
4 convenience fee may be charged to the cardholder in addition to the  
5 transaction amount.

6 Sec. 16. Section 36-271, Arizona Revised Statutes, is amended to read:

7 36-271. Definitions

8 In this article, unless the context otherwise requires:

9 1. "Commission" means the Arizona biomedical research commission.

10 2. "DEPARTMENT" MEANS THE DEPARTMENT OF HEALTH SERVICES.

11 ~~2-~~ 3. "Disease" means a condition or disorder that causes the human  
12 body to deviate from its normal or healthy state and ~~which condition or~~  
13 ~~disorder~~ THAT has no known general cure or adequate medically accepted  
14 treatment.

15 ~~3-~~ 4. "Medically accepted treatment" means a methodology or protocol  
16 recognized by the American medical association, the American college of  
17 surgeons or the national cancer institute or taught by an approved school of  
18 medicine as defined in section 32-1401 as a treatment that results in the  
19 restoration of the human body to a normal or healthy state.

20 Sec. 17. Section 36-272, Arizona Revised Statutes, is amended to read:

21 36-272. Biomedical research commission; members; terms;  
22 appointment; compensation; meetings

23 A. The biomedical research commission is established IN THE DEPARTMENT  
24 consisting of the following members who are appointed by the governor  
25 pursuant to section 38-211:

26 1. Three members representing the medical community who are  
27 experienced in disease related research, no more than one of whom may be  
28 employed by or otherwise associated with any state agency, state university  
29 or political subdivision of this state.

30 2. Three members representing the scientific research community, no  
31 more than two of whom may be employed by or otherwise associated with any  
32 state agency, state university or political subdivision of this state.

33 3. Three members representing the general public.

34 B. THE COMMISSION SHALL ADVISE THE DEPARTMENT REGARDING WAYS TO  
35 ADVANCE RESEARCH IN THIS STATE RELATING TO:

36 1. THE CAUSES, EPIDEMIOLOGY AND DIAGNOSIS OF DISEASES.

37 2. THE FORMULATION OF CURES FOR DISEASES.

38 3. THE DEVELOPMENT OF MEDICALLY ACCEPTED TREATMENT AND PREVENTION OF  
39 DISEASES, INCLUDING THE DISCOVERY AND DEVELOPMENT OF NEW DRUGS.

40 ~~B-~~ C. Notwithstanding any other provision of law, the terms of  
41 members are three years beginning on May 1.

42 ~~C-~~ D. Commission members are eligible to receive compensation in the  
43 amount of two hundred dollars per day for every day of actual service in the  
44 business of the commission and are eligible for reimbursement of expenses  
45 necessarily and properly incurred in attending commission meetings.

1 ~~D. The director of the department of health services or the director's~~  
2 ~~designee may serve as a nonvoting member of the commission and is not counted~~  
3 ~~for the purpose of determining the presence of a quorum.~~

4 E. The commission shall meet at least quarterly at the call of the  
5 chairperson. The commission shall also meet at the call of either three  
6 commission members or two commission members and the commission's executive  
7 director. The commission shall elect a chairperson and cochairperson from  
8 among its membership annually at its first quarterly meeting.

9 Sec. 18. Section 36-273, Arizona Revised Statutes, is amended to read:

10 36-273. Powers and duties

11 A. The ~~commission~~ DEPARTMENT may:

12 1. Use monies in the disease control research fund established  
13 pursuant to section 36-274 to contract with individuals, organizations,  
14 corporations and institutions, public or private, in this state for any  
15 projects or services that, ~~in the commission's determination,~~ THE DEPARTMENT  
16 DETERMINES may advance research into the causes, the epidemiology and  
17 diagnosis, the formulation of cures, the medically accepted treatment or the  
18 prevention of diseases, including new drug discovery and development. Public  
19 monies in the disease control research fund shall not be used for capital  
20 construction projects.

21 2. Enter into research and development agreements, royalty agreements,  
22 development agreements, licensing agreements and profit sharing agreements  
23 concerning the research, development and production of new products developed  
24 or to be developed through ~~commission~~ DEPARTMENT funded research.

25 3. Accept or receive monies from any source, including restricted or  
26 unrestricted gifts and contributions from individuals, foundations,  
27 corporations and other organizations and institutions.

28 4. Obtain expert services to assist in the evaluation of requests and  
29 proposals ~~by the committees of the commission.~~

30 5. Request cooperation from any state agency for the purposes of this  
31 article.

32 6. Provide information and technical assistance to other jurisdictions  
33 and agencies.

34 B. The ~~commission~~ DEPARTMENT shall:

35 1. ~~Establish a committee to~~ Review and evaluate proposals or requests  
36 for projects or services ~~and recommend to the commission the allocation of~~  
37 ~~available monies.~~

38 2. Establish a mechanism to review the contracts awarded to ensure  
39 that the monies are used in accordance with the proposals approved by the  
40 ~~commission~~ DEPARTMENT.

41 3. Prepare and submit a report on or before January 15 of each year to  
42 the governor, the president of the senate AND the speaker of the house of  
43 representatives, ~~the secretary of state and the director of the Arizona state~~  
44 ~~library, archives and public records. The report shall describe the~~  
45 ~~activities of the commission,~~ THAT DESCRIBES the projects or services

1 proposed to the ~~commission~~ DEPARTMENT PURSUANT TO THIS ARTICLE, the projects  
2 or services for which the ~~commission~~ DEPARTMENT has awarded a contract and  
3 the amount of monies necessary for each proposal, the cost of each proposal  
4 for which a contract was awarded, the names and addresses of the recipients  
5 of each contract and the purpose for which each contract was made. THE  
6 DEPARTMENT SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE.

7 Sec. 19. Section 36-274, Arizona Revised Statutes, is amended to read:

8 36-274. Disease control research fund; lapsing; investment

9 A. The disease control research fund is established consisting of  
10 monies received from the state lottery fund pursuant to section 5-522,  
11 subsection C, monies appropriated by the legislature and any gifts,  
12 contributions or other monies received by the ~~commission~~ DEPARTMENT from any  
13 source TO CARRY OUT THE PURPOSES OF THIS ARTICLE, except monies from the  
14 health research fund established by section 36-275. The ~~commission~~ DEPARTMENT  
15 shall administer the disease control research fund.

16 B. The ~~commission~~ DEPARTMENT may expend monies in the disease control  
17 research fund for projects or services pursuant to section 36-273 and for  
18 expenses incurred by the ~~commission~~ DEPARTMENT in carrying out the purposes  
19 of this article, including filing applications and maintaining patents.

20 C. As a condition of each contract for cancer research projects or  
21 services, the ~~commission~~ DEPARTMENT shall require that the recipient shall  
22 not use fund monies for any purpose, including any administrative or building  
23 purposes, other than the specific cancer research grant project contract.

24 D. Monies in the disease control research fund are exempt from the  
25 provisions of section 35-190 relating to lapsing of appropriations.

26 E. On notice from the ~~commission~~ DEPARTMENT, the state treasurer shall  
27 invest and divest monies in the disease control research fund as provided by  
28 section 35-313, and monies earned from investment shall be credited to the  
29 fund.

30 Sec. 20. Section 36-275, Arizona Revised Statutes, is amended to read:

31 36-275. Health research fund

32 A. The health research fund is established. Notwithstanding any law  
33 to the contrary, the ~~commission~~ DEPARTMENT shall deposit, pursuant to  
34 sections 35-146 and 35-147, all monies it administers pursuant to section  
35 36-773 into the health research fund. The ~~commission~~ DEPARTMENT shall  
36 administer the fund.

37 B. Except as provided by section 36-276, the ~~commission~~ DEPARTMENT  
38 shall only expend monies in the health research fund for research on the  
39 prevention and treatment of tobacco related disease and addiction and  
40 research into the causes, epidemiology and diagnosis of diseases, the  
41 formulation of cures, the medically accepted treatment or the prevention of  
42 diseases including new drug discovery and development, and may include  
43 behavioral studies and attitude assessments, and for expenses incurred by the  
44 ~~commission~~ DEPARTMENT in carrying out the purposes described in section  
45 36-773.

1 C. Monies in the health research fund are exempt from section 35-190  
2 relating to lapsing of appropriations.

3 Sec. 21. Section 36-276, Arizona Revised Statutes, is amended to read:

4 36-276. Biotechnology research; appropriation; purpose; audit;  
5 reversion

6 A. For fiscal years 2002-2003 through 2011-2012, the sum of five  
7 hundred thousand dollars is appropriated in each fiscal year from the health  
8 research fund established by section 36-275 to the ~~commission~~ DEPARTMENT for  
9 allocation to a nonprofit medical research foundation in this state that  
10 specializes in biotechnology and that collaborates with universities,  
11 hospitals, biotechnology and health science research centers and other public  
12 and private biotechnology businesses in this state. The foundation must  
13 match the allocation dollar for dollar.

14 B. Due to the matching monies requirement, the expenditure of monies  
15 appropriated pursuant to this section is exempt from the procurement code and  
16 solicitation and award of grant requirements of title 41, chapters 23 and 24.

17 C. The recipient of monies received pursuant to this section shall  
18 commission an audit of the expenditure of these monies and submit a copy of  
19 the audit to the ~~commission~~ DEPARTMENT on or before December 31 of each year.

20 D. The recipient of the monies received pursuant to this section must  
21 return unexpended and unencumbered monies to the ~~commission~~ DEPARTMENT within  
22 ninety days after the end of the fiscal year.

23 ~~E. If the commission does not allocate any monies pursuant to this~~  
24 ~~section by January 1, 2005, the commission shall notify the speaker of the~~  
25 ~~house of representatives and the president of the senate in writing of this~~  
26 ~~fact.~~

27 Sec. 22. Section 36-773, Arizona Revised Statutes, is amended to read:

28 36-773. Health research account

29 A. Five cents of each dollar in the tobacco tax and health care fund  
30 shall be deposited in the health research account for research on preventing  
31 and treating tobacco-related disease and addiction.

32 B. The ~~Arizona biomedical research commission~~ DEPARTMENT OF HEALTH  
33 SERVICES shall administer the account.

34 C. Monies that are deposited in the health research account shall only  
35 be used to supplement monies that are appropriated by the legislature for  
36 health research purposes and shall not be used to supplant those appropriated  
37 monies.

38 Sec. 23. Section 36-2926, Arizona Revised Statutes, is amended to  
39 read:

40 36-2926. Use of cost savings; preparation of budget  
41 recommendations; cooperation of other agencies

42 A. The administration shall use the cost savings generated from  
43 agreements entered into pursuant to section 36-2925 to supplement monies that  
44 are appropriated by the legislature. The administration shall use the cost  
45 savings to:

1           1. Develop and operate employee recruitment and retention programs  
2 that may include creating positions not covered by state service, special  
3 salary plans and pay practices and performance compensation programs approved  
4 by the director.

5           2. **IMPLEMENT** technology projects to upgrade hardware or software used  
6 by the administration in the operation of the system.

7           B. The governor's office of strategic planning and budgeting and the  
8 joint legislative budget committee shall not recommend using the cost savings  
9 generated by section 36-2925 to supplant state or federal monies used for the  
10 operation or administration of the programs operated by the administration.

11           C. The department of administration ~~and the government information~~  
12 ~~technology agency~~ shall assist the administration in developing and operating  
13 employee recruitment and retention programs specified in subsection A of this  
14 section.

15           Sec. 24. Section 37-904, Arizona Revised Statutes, is amended to read:

16           37-904. Public lands board of review; members; powers and  
17 duties; staff and officers; service of process

18           A. There is established a public lands board of review consisting of  
19 the following members:

20           1. State land commissioner.

21           2. Director of ~~the department of health services division of air and~~  
22 ~~water~~ **ENVIRONMENTAL** quality.

23           ~~3. Director of the department of mines and mineral resources.~~

24           **3. STATE GEOLOGIST.**

25           4. Director of the Arizona state parks board.

26           5. Director of the department of transportation.

27           6. Deputy state forester.

28           7. Director of water resources.

29           8. Director of the Arizona game and fish department.

30           9. As provided in subsection F, the chairman of the board of  
31 supervisors of a county in which public lands are located.

32           10. One county supervisor, appointed by the governor to serve at the  
33 pleasure of the governor.

34           B. The board shall elect one of its members to serve as chairman. The  
35 chairman shall call meetings of the board and prescribe the time and place of  
36 each meeting.

37           C. Members of the board are not eligible to receive compensation but  
38 are eligible for reimbursement of expenses pursuant to title 38, chapter 4,  
39 article 2.

40           D. The board:

41           1. Shall review and approve or disapprove all rules and regulations  
42 proposed by the commissioner under this chapter.

43           2. May review any decision of the commissioner relating to public  
44 lands under this chapter and affirm, modify or reverse the decision.

1 E. The state land department shall provide the administrative staff  
2 and offices needed by the board, and the state land commissioner shall be  
3 deemed the clerk of the board upon which notices of appeal and other process  
4 shall be served.

5 F. The chairman of the county board of supervisors of a county in  
6 which public lands are located and which are the subject of the board action  
7 shall serve as a member of the board for the purposes of the action.

8 Sec. 25. Section 38-842, Arizona Revised Statutes, is amended to read:  
9 38-842. Definitions

10 In this article, unless the context otherwise requires:

11 1. "Accidental disability" means a physical or mental condition that  
12 the local board finds totally and permanently prevents an employee from  
13 performing a reasonable range of duties within the employee's job  
14 classification and that was incurred in the performance of the employee's  
15 duty.

16 2. "Accumulated contributions" means, for each member, the sum of the  
17 amount of the member's aggregate contributions made to the fund and the  
18 amount, if any, attributable to the employee's contributions before the  
19 member's effective date under another public retirement system, other than  
20 the federal social security act, and transferred to the fund minus the  
21 benefits paid to or on behalf of the member.

22 3. "Actuarial equivalent" means equality in present value of the  
23 aggregate amounts expected to be received under two different forms of  
24 payment, based on mortality and interest assumptions adopted by the board.

25 4. "Alternate payee" means the spouse or former spouse of a  
26 participant as designated in a domestic relations order.

27 5. "Alternate payee's portion" means benefits that are payable to an  
28 alternate payee pursuant to a plan approved domestic relations order.

29 6. "Annuitant" means a person who is receiving a benefit pursuant to  
30 section 38-846.01.

31 7. "Average monthly benefit compensation" means the result obtained by  
32 dividing the total compensation paid to an employee during a considered  
33 period by the number of months, including fractional months, in which such  
34 compensation was received. The considered period shall be the three  
35 consecutive years within the last twenty completed years of credited service  
36 that yield the highest average. In the computation under this paragraph, a  
37 period of nonpaid or partially paid industrial leave shall be considered  
38 based on the compensation the employee would have received in the employee's  
39 job classification if the employee was not on industrial leave.

40 8. "Board" means the board of trustees of the system, who are the  
41 persons appointed to invest and operate the fund.

42 9. "Catastrophic disability" means a physical and not a psychological  
43 condition that the local board determines prevents the employee from totally  
44 and permanently engaging in any gainful employment and that results from a  
45 physical injury incurred in the performance of the employee's duty.

1           10. "Certified peace officer" means a peace officer certified by the  
2 Arizona peace officers standards and training board.

3           11. "Claimant" means any member or beneficiary who files an application  
4 for benefits pursuant to this article.

5           12. "Compensation" means, for the purpose of computing retirement  
6 benefits, base salary, overtime pay, shift differential pay, military  
7 differential wage pay and holiday pay paid to an employee by the employer on  
8 a regular monthly, semimonthly or biweekly payroll basis and longevity pay  
9 paid to an employee at least every six months for which contributions are  
10 made to the system pursuant to section 38-843, subsection D. Compensation  
11 does not include, for the purpose of computing retirement benefits, payment  
12 for unused sick leave, payment in lieu of vacation, payment for compensatory  
13 time or payment for any fringe benefits. In addition, compensation does not  
14 include, for the purpose of computing retirement benefits, payments made  
15 directly or indirectly by the employer to the employee for work performed for  
16 a third party on a contracted basis or any other type of agreement under  
17 which the third party pays or reimburses the employer for the work performed  
18 by the employee for that third party, except for third party contracts  
19 between public agencies for law enforcement, criminal, traffic and crime  
20 suppression activities training ~~OR FIRE~~, wildfire, emergency medical or  
21 emergency management activities or where the employer supervises the  
22 employee's performance of law enforcement, criminal, traffic and crime  
23 suppression activities, ~~training, OR fire~~, wildfire, emergency medical or  
24 emergency management ~~services~~ **ACTIVITIES**. For the purposes of this  
25 paragraph, "base salary" means the amount of compensation each employee is  
26 regularly paid for personal services rendered to an employer before the  
27 addition of any extra monies, including overtime pay, shift differential pay,  
28 holiday pay, longevity pay, fringe benefit pay and similar extra payments.

29           13. "Credited service" means the member's total period of service  
30 before the member's effective date of participation, plus those compensated  
31 periods of the member's service thereafter for which the member made  
32 contributions to the fund.

33           14. "Cure period" means the ninety-day period in which a participant or  
34 alternate payee may submit an amended domestic relations order and request a  
35 determination, calculated from the time the system issues a determination  
36 finding that a previously submitted domestic relations order did not qualify  
37 as a plan approved domestic relations order.

38           15. "Depository" means a bank in which all monies of the system are  
39 deposited and held and from which all expenditures for benefits, expenses and  
40 investments are disbursed.

41           16. "Determination" means a written document that indicates to a  
42 participant and alternate payee whether a domestic relations order qualifies  
43 as a plan approved domestic relations order.

44           17. "Determination period" means the ninety-day period in which the  
45 system must review a domestic relations order that is submitted by a

1 participant or alternate payee to determine whether the domestic relations  
2 order qualifies as a plan approved domestic relations order, calculated from  
3 the time the system mails a notice of receipt to the participant and  
4 alternate payee.

5 18. "Direct rollover" means a payment by the system to an eligible  
6 retirement plan that is specified by the distributee.

7 19. "Distributee" means a member, a member's surviving spouse or a  
8 member's spouse or former spouse who is the alternate payee under a plan  
9 approved domestic relations order.

10 20. "Domestic relations order" means an order of a court of this state  
11 that is made pursuant to the domestic relations laws of this state and that  
12 creates or recognizes the existence of an alternate payee's right to, or  
13 assigns to an alternate payee the right to, receive a portion of the benefits  
14 payable to a participant.

15 21. "Effective date of participation" means July 1, 1968, except with  
16 respect to employers and their covered employees whose contributions to the  
17 fund commence thereafter, the effective date of their participation in the  
18 system is as specified in the applicable joinder agreement.

19 22. "Effective date of vesting" means the date a member's rights to  
20 benefits vest pursuant to section 38-844.01.

21 23. "Eligible child" means an unmarried child of a deceased member or  
22 retired member who meets one of the following qualifications:

23 (a) Is under eighteen years of age.

24 (b) Is at least eighteen years of age and under twenty-three years of  
25 age only during any period that the child is a full-time student.

26 (c) Is under a disability that began before the child attained  
27 twenty-three years of age and remains a dependent of the surviving spouse or  
28 guardian.

29 24. "Eligible groups" means only the following who are regularly  
30 assigned to hazardous duty:

31 (a) Municipal police officers who are certified peace officers.

32 (b) Municipal fire fighters.

33 (c) Paid full-time fire fighters employed directly by a fire district  
34 organized pursuant to section 48-803 or 48-804 with three or more full-time  
35 fire fighters, but not including fire fighters employed by a fire district  
36 pursuant to a contract with a corporation.

37 (d) State highway patrol officers who are certified peace officers.

38 (e) State fire fighters.

39 (f) County sheriffs and deputies who are certified peace officers.

40 (g) Game and fish wardens who are certified peace officers.

41 (h) Police officers who are certified peace officers and fire fighters  
42 of a nonprofit corporation operating a public airport pursuant to sections  
43 28-8423 and 28-8424. A police officer shall be designated pursuant to  
44 section 28-8426 to aid and supplement state and local law enforcement

1 agencies and a fire fighter's sole duty shall be to perform fire fighting  
2 services, including services required by federal regulations.

3 (i) Police officers who are certified peace officers and who are  
4 appointed by the Arizona board of regents.

5 (j) Police officers who are certified peace officers and who are  
6 appointed by a community college district governing board.

7 (k) State attorney general investigators who are certified peace  
8 officers.

9 (l) County attorney investigators who are certified peace officers.

10 (m) Police officers who are certified peace officers and who are  
11 employed by an Indian reservation police agency.

12 (n) Fire fighters who are employed by an Indian reservation fire  
13 fighting agency.

14 ~~(o) Police officers who are certified peace officers and who are~~  
15 ~~appointed by the department of administration.~~

16 ~~(p)~~ (o) Department of liquor licenses and control investigators who  
17 are certified peace officers.

18 ~~(q)~~ (p) Arizona department of agriculture officers who are certified  
19 peace officers.

20 ~~(r)~~ (q) Arizona state parks board rangers and managers who are  
21 certified peace officers.

22 ~~(s)~~ (r) County park rangers who are certified peace officers.

23 25. "Eligible retirement plan" means any of the following that accepts  
24 a distributee's eligible rollover distribution:

25 (a) An individual retirement account described in section 408(a) of  
26 the internal revenue code.

27 (b) An individual retirement annuity described in section 408(b) of  
28 the internal revenue code.

29 (c) An annuity plan described in section 403(a) of the internal  
30 revenue code.

31 (d) A qualified trust described in section 401(a) of the internal  
32 revenue code.

33 (e) An annuity contract described in section 403(b) of the internal  
34 revenue code.

35 (f) An eligible deferred compensation plan described in section 457(b)  
36 of the internal revenue code that is maintained by a state, a political  
37 subdivision of a state or any agency or instrumentality of a state or a  
38 political subdivision of a state and that agrees to separately account for  
39 amounts transferred into the eligible deferred compensation plan from this  
40 plan.

41 26. "Eligible rollover distribution" means a payment to a distributee,  
42 but does not include any of the following:

43 (a) Any distribution that is one of a series of substantially equal  
44 periodic payments made not less frequently than annually for the life or life  
45 expectancy of the member or the joint lives or joint life expectancies of the

1 member and the member's beneficiary or for a specified period of ten years or  
2 more.

3 (b) Any distribution to the extent the distribution is required under  
4 section 401(a)(9) of the internal revenue code.

5 (c) The portion of any distribution that is not includable in gross  
6 income.

7 27. "Employee" means any person who is employed by a participating  
8 employer and who is a member of an eligible group but does not include any  
9 persons compensated on a contractual or fee basis. If an eligible group  
10 requires certified peace officer status and at the option of the local board,  
11 employee may include a person who is training to become a certified peace  
12 officer.

13 28. "Employers" means:

14 (a) Cities contributing to the fire fighters' relief and pension fund  
15 as provided in sections 9-951 through 9-971 or statutes amended thereby and  
16 antecedent thereto, as of June 30, 1968 on behalf of their full-time paid  
17 fire fighters.

18 (b) Cities contributing under the state police pension laws as  
19 provided in sections 9-911 through 9-934 or statutes amended thereby and  
20 antecedent thereto, as of June 30, 1968 on behalf of their municipal  
21 policemen.

22 (c) The state highway patrol covered under the state highway patrol  
23 retirement system.

24 (d) The state, or any political subdivision of this state, including  
25 towns, cities, fire districts, counties and nonprofit corporations operating  
26 public airports pursuant to sections 28-8423 and 28-8424, that has elected to  
27 participate in the system on behalf of an eligible group of public safety  
28 personnel pursuant to a joinder agreement entered into after July 1, 1968.

29 (e) Indian tribes that have elected to participate in the system on  
30 behalf of an eligible group of public safety personnel pursuant to a joinder  
31 agreement entered into after July 1, 1968.

32 29. "Fund" means the public safety personnel retirement fund, which is  
33 the fund established to receive and invest contributions accumulated

34 30. "Local board" means the retirement board of the employer, who are  
35 the persons appointed to administer the system as it applies to their members  
36 in the system.

37 31. "Member" means any full-time employee who meets all of the  
38 following qualifications:

39 (a) Who is either a paid municipal police officer, a paid fire  
40 fighter, a law enforcement officer who is employed by this state including  
41 the director thereof, a state fire fighter who is primarily assigned to fire  
42 fighting duties, a fire fighter or police officer of a nonprofit corporation  
43 operating a public airport pursuant to sections 28-8423 and 28-8424, all  
44 ranks designated by the Arizona law enforcement merit system council, a state  
45 attorney general investigator who is a certified peace officer, a county

1 attorney investigator who is a certified peace officer, ~~a police officer who~~  
2 ~~is appointed by the department of administration and who is a certified peace~~  
3 ~~officer~~, a department of liquor licenses and control investigator who is a  
4 certified peace officer, an Arizona department of agriculture officer who is  
5 a certified peace officer, an Arizona state parks board ranger or manager who  
6 is a certified peace officer, a county park ranger who is a certified peace  
7 officer, a person who is a certified peace officer and who is employed by an  
8 Indian reservation police agency, a fire fighter who is employed by an Indian  
9 reservation fire fighting agency or an employee included in a group  
10 designated as eligible employees under a joinder agreement entered into by  
11 their employer after July 1, 1968 and who is or was regularly assigned to  
12 hazardous duty.

13 (b) Who, on or after the employee's effective date of participation,  
14 is receiving compensation for personal services rendered to an employer or  
15 would be receiving compensation except for an authorized leave of absence.

16 (c) Whose customary employment is at least forty hours per week or,  
17 for those employees who customarily work fluctuating work weeks, whose  
18 customary employment averages at least forty hours per week.

19 (d) Who is engaged to work for more than six months in a calendar  
20 year.

21 (e) Who, if economic conditions exist, is required to take furlough  
22 days or reduce the hours of ~~their~~ THE EMPLOYEE'S normal work week below forty  
23 hours but not less than thirty hours per pay cycle, and maintain ~~their~~ THE  
24 EMPLOYEE'S active member status within the system as long as the hour change  
25 does not extend beyond twelve consecutive months.

26 (f) Who has not attained age sixty-five before the employee's  
27 effective date of participation or who was over age sixty-five with  
28 twenty-five years or more of service prior to the employee's effective date  
29 of participation.

30 32. "Normal retirement date" means the first day of the calendar month  
31 immediately following an employee's completion of twenty years of service or  
32 the employee's sixty-second birthday and the employee's completion of fifteen  
33 years of service.

34 33. "Notice of receipt" means a written document that is issued by the  
35 system to a participant and alternate payee and that states that the system  
36 has received a domestic relations order and a request for a determination  
37 that the domestic relations order is a plan approved domestic relations  
38 order.

39 34. "Ordinary disability" means a physical condition that the local  
40 board determines will prevent an employee totally and permanently from  
41 performing a reasonable range of duties within the employee's department or a  
42 mental condition that the local board determines will prevent an employee  
43 totally and permanently from engaging in any substantial gainful activity.

44 35. "Participant" means a member who is subject to a domestic relations  
45 order.

1           36. "Participant's portion" means benefits that are payable to a  
2 participant pursuant to a plan approved domestic relations order.

3           37. "Pension" means a series of monthly amounts that are payable to a  
4 person who is entitled to receive benefits under the plan but does not  
5 include an annuity that is payable pursuant to section 38-846.01.

6           38. "Personal representative" means the personal representative of a  
7 deceased alternate payee.

8           39. "Plan approved domestic relations order" means a domestic relations  
9 order that the system approves as meeting all the requirements for a plan  
10 approved domestic relations order as otherwise prescribed in this article.

11           40. "Regularly assigned to hazardous duty" means regularly assigned to  
12 duties of the type normally expected of municipal police officers, municipal  
13 or state fire fighters, eligible fire district fire fighters, state highway  
14 patrol officers, county sheriffs and deputies, fish and game wardens, fire  
15 fighters and police officers of a nonprofit corporation operating a public  
16 airport pursuant to sections 28-8423 and 28-8424, police officers who are  
17 appointed by the Arizona board of regents or a community college district  
18 governing board, state attorney general investigators who are certified peace  
19 officers, county attorney investigators who are certified peace officers,  
20 ~~police officers who are appointed by the department of administration and who~~  
21 ~~are certified peace officers,~~ department of liquor licenses and control  
22 investigators who are certified peace officers, Arizona department of  
23 agriculture officers who are certified peace officers, Arizona state parks  
24 board rangers and managers who are certified peace officers, county park  
25 rangers who are certified peace officers, police officers who are certified  
26 peace officers and who are employed by an Indian reservation police agency or  
27 fire fighters who are employed by an Indian reservation fire fighting agency.  
28 Those individuals who are assigned solely to support duties such as  
29 secretaries, stenographers, clerical personnel, clerks, cooks, maintenance  
30 personnel, mechanics and dispatchers are not assigned to hazardous duty  
31 regardless of their position classification title. Since the normal duties of  
32 those jobs described in this paragraph are constantly changing, questions as  
33 to whether a person is or was previously regularly assigned to hazardous duty  
34 shall be resolved by the local board on a case-by-case basis. Resolutions by  
35 local boards are subject to rehearing and appeal.

36           41. "Retirement" or "retired" means termination of employment after a  
37 member has fulfilled all requirements for a pension. Retirement shall be  
38 considered as commencing on the first day of the month immediately following  
39 a member's last day of employment or authorized leave of absence, if later.

40           42. "Segregated funds" means the amount of benefits that would  
41 currently be payable to an alternate payee pursuant to a domestic relations  
42 order under review by the system, or a domestic relations order submitted to  
43 the system that failed to qualify as a plan approved domestic relations  
44 order, if the domestic relations order were determined to be a plan approved  
45 domestic relations order.

1           43. "Service" means the last period of continuous employment of an  
2 employee by the employers before the employee's retirement, except that if  
3 such period includes employment during which the employee would not have  
4 qualified as a member had the system then been effective, such as employment  
5 as a volunteer fire fighter, then only twenty-five per cent of such  
6 noncovered employment shall be considered as service. Any absence that is  
7 authorized by an employer shall not be considered as interrupting continuity  
8 of employment if the employee returns within the period of authorized  
9 absence. Transfers between employers also shall not be considered as  
10 interrupting continuity of employment. Any period during which a member is  
11 receiving sick leave payments or a temporary disability pension shall be  
12 considered as service. Notwithstanding any other provision of this  
13 paragraph, any period during which a person was employed as a full-time paid  
14 fire fighter for a corporation that contracted with an employer to provide  
15 firefighting services on behalf of the employer shall be considered as  
16 service if the employer has elected at its option to treat part or all of the  
17 period the firefighter worked for the company as service in its applicable  
18 joinder agreement. Any reference in this system to the number of years of  
19 service of an employee shall be deemed to include fractional portions of a  
20 year.

21           44. "State" means the state of Arizona, including any department,  
22 office, board, commission, agency or other instrumentality of the state.

23           45. "System" means the public safety personnel retirement system  
24 established by this article.

25           46. "Temporary disability" means a physical or mental condition that  
26 the local board finds totally and temporarily prevents an employee from  
27 performing a reasonable range of duties within the employee's department and  
28 that was incurred in the performance of the employee's duty.

29           Sec. 26. Section 38-847, Arizona Revised Statutes, is amended to read:  
30           38-847. Local boards

31           A. The administration of the system and responsibility for making the  
32 provisions of the system effective for each employer are vested in a local  
33 board. The department of public safety, the Arizona game and fish  
34 department, the department of emergency and military affairs, the university  
35 of Arizona, Arizona state university, northern Arizona university, each  
36 county sheriff's office, each county attorney's office, each county parks  
37 department, each municipal fire department, each eligible fire district, each  
38 community college district, each municipal police department, the department  
39 of law, ~~the department of administration,~~ the department of liquor licenses  
40 and control, the Arizona department of agriculture, the Arizona state parks  
41 board, each Indian reservation police agency and each Indian reservation fire  
42 fighting agency shall have a local board. A nonprofit corporation operating  
43 pursuant to sections 28-8423 and 28-8424 shall have one local board for all  
44 of its members. Each local board shall be constituted as follows:

1           1. For political subdivisions or Indian tribes, the mayor or chief  
2 elected official or a designee of the mayor or chief elected official  
3 approved by the respective governing body as chairman, two members elected by  
4 secret ballot by members employed by the appropriate employer and two  
5 citizens, one of whom shall be the head of the merit system, or the head's  
6 designee from among the other members of the merit system, if it exists for  
7 the group of members, appointed by the mayor or chief elected official and  
8 with the approval of the governing body of the city or the governing body of  
9 the employer. The appointed two citizens shall serve on both local boards in  
10 a city or Indian tribes where both fire and police department employees are  
11 members.

12           2. For state agencies and nonprofit corporations operating pursuant to  
13 sections 28-8423 and 28-8424, two members elected by secret ballot by members  
14 employed by the appropriate employer and three citizens appointed by the  
15 governor. Each state agency local board shall elect a chairman.

16           3. For fire districts organized pursuant to section 48-804, the  
17 secretary-treasurer as chairman, two members elected by secret ballot by  
18 members employed by the fire district and two citizens appointed by the  
19 secretary-treasurer, one of whom is a resident of the fire district and one  
20 of whom has experience in personnel administration but who is not required to  
21 be a resident of the fire district.

22           B. On the taking effect of this system for an employer, the  
23 appointments and elections of local board members shall take place with one  
24 elective and appointive local board member serving a term ending two years  
25 after the effective date of participation for the employer and other local  
26 board members serving a term ending four years after the effective date.  
27 Thereafter, every second year, and as a vacancy occurs, an office shall be  
28 filled for a term of four years in the same manner as previously provided.

29           C. Each local board shall be fully constituted pursuant to subsection  
30 A of this section within sixty days after the employer's effective date of  
31 participation in the system. If the deadline is not met, on the written  
32 request of any member who is covered by the local board or the employer to  
33 the ~~fund-manager~~ BOARD OF TRUSTEES, the ~~fund-manager~~ BOARD OF TRUSTEES may  
34 appoint all vacancies of the local board pursuant to subsection A of this  
35 section and designate whether each appointive position is for a two year or  
36 four year term. If the ~~fund-manager~~ BOARD OF TRUSTEES cannot find  
37 individuals to serve on the local board who meet the requirements of  
38 subsection A of this section, the ~~fund-manager~~ BOARD OF TRUSTEES may appoint  
39 individuals to serve as interim local board members until qualified  
40 individuals are appointed or elected. Each local board shall meet at least  
41 twice a year. Each member of a local board, within ten days after the  
42 member's appointment or election, shall take an oath of office that, so far  
43 as it devolves on the member, the member shall diligently and honestly  
44 administer the affairs of the local board and that the member shall not

1 knowingly violate or willingly permit to be violated any of the provisions of  
2 law applicable to the system.

3 D. Except as limited by subsection E of this section, a local board  
4 shall have such powers as may be necessary to discharge the following duties:

5 1. To decide all questions of eligibility and service credits, and  
6 determine the amount, manner and time of payment of any benefits under the  
7 system.

8 2. To prescribe procedures to be followed by claimants in filing  
9 applications for benefits.

10 3. To make a determination as to the right of any claimant to a  
11 benefit and to afford any claimant or the board of trustees, or both, a right  
12 to a rehearing on the original determination. Unless all parties involved in  
13 a matter presented to the local board for determination otherwise agree, the  
14 local board shall commence a hearing on the matter within ninety days after  
15 the date the matter is presented to the local board for determination. If a  
16 local board fails to commence a hearing as provided in this paragraph, on a  
17 matter presented to the local board for determination, the relief demanded by  
18 the party petitioning the local board is deemed granted and approved by the  
19 local board. The granting and approval of this relief is considered final  
20 and binding unless a timely request for rehearing or appeal is made as  
21 provided in this article, unless the ~~fund-manager~~ BOARD OF TRUSTEES  
22 determines that granting the relief requested would violate the internal  
23 revenue code or threaten to impair the system's status as a qualified plan  
24 under the internal revenue code. If the ~~fund-manager~~ BOARD OF TRUSTEES  
25 determines that granting the requested relief would violate the internal  
26 revenue code or threaten to impair the system's status as a qualified plan,  
27 the ~~fund-manager~~ BOARD OF TRUSTEES may refuse to grant the relief by issuing  
28 a written determination to the local board and the party petitioning the  
29 local board for relief. The decision by the ~~fund-manager~~ BOARD OF TRUSTEES  
30 is subject to judicial review pursuant to title 12, chapter 7, article 6.

31 4. To request and receive from the employers and from members such  
32 information as is necessary for the proper administration of the system and  
33 action on claims for benefits and to forward such information to the board of  
34 trustees.

35 5. To distribute, in such manner as the local board determines to be  
36 appropriate, information explaining the system received from the board of  
37 trustees.

38 6. To furnish the employer, the board of trustees and the legislature,  
39 on request, with such annual reports with respect to the administration of  
40 the system as are reasonable and appropriate.

41 7. To receive and review the actuarial valuation of the system for its  
42 group of members.

43 8. To receive and review reports of the financial condition and of the  
44 receipts and disbursements of the fund from the board of trustees.

45 9. To appoint medical boards as provided in section 38-859.

1           10. To sue and be sued to effectuate the duties and responsibilities  
2 set forth in this article.

3           E. A local board shall have no power to add to, subtract from, modify  
4 or waive any of the terms of the system, change or add to any benefits  
5 provided by the system or waive or fail to apply any requirement of  
6 eligibility for membership or benefits under the system. Notwithstanding any  
7 limitations periods imposed in this article, including subsection D,  
8 paragraph 3 and subsections G and H of this section, if the ~~fund-manager~~  
9 **BOARD OF TRUSTEES** determines a local board decision violates the internal  
10 revenue code or threatens to impair the system's status as a qualified plan  
11 under the internal revenue code, the local board's decision is not final and  
12 binding and the ~~fund-manager~~ **BOARD OF TRUSTEES** may refrain from implementing  
13 or complying with the local board decision.

14           F. A local board, from time to time, shall establish and adopt such  
15 rules as it deems necessary or desirable for its administration. All rules  
16 and decisions of a local board shall be uniformly and consistently applied to  
17 all members in similar circumstances. If a claim or dispute is presented to  
18 a local board for determination but the local board has not yet adopted  
19 uniform rules of procedure for adjudication of the claim or dispute, the  
20 local board shall adopt and use the model uniform rules of local board  
21 procedure that are issued by the board of trustees' fiduciary counsel to  
22 adjudicate the claim or dispute.

23           G. Except as otherwise provided in this article, any action by a  
24 majority vote of the members of a local board that is not inconsistent with  
25 the provisions of the system and the internal revenue code shall be final,  
26 conclusive and binding on all persons affected by it unless a timely  
27 application for a rehearing or appeal is filed as provided in this article.  
28 No later than twenty business days after taking action, the local board shall  
29 submit to the ~~fund-manager~~ **BOARD OF TRUSTEES** the name of the member affected  
30 by its decision, a description of the action taken and an explanation of the  
31 reasons supporting the local board's action. The ~~fund-manager~~ **BOARD OF**  
32 **TRUSTEES** may not implement and comply with any local board action that does  
33 not comply with the internal revenue code or that threatens to jeopardize the  
34 system's status as a qualified plan under the internal revenue code.

35           H. A claimant or the board of trustees may apply for a rehearing  
36 before the local board within the time periods prescribed in this subsection,  
37 except that if a decision of a local board violates the internal revenue code  
38 or threatens to jeopardize the system's status as a qualified plan under the  
39 internal revenue code, no limitation period for the ~~fund-manager~~ **BOARD OF**  
40 **TRUSTEES** to seek a rehearing of a local board decision applies. An  
41 application for a rehearing shall be filed in writing with a member of the  
42 local board or its secretary within sixty days after:

43           1. The applicant-claimant receives notification of the local board's  
44 original action by certified mail, by attending the meeting at which the

1 action is taken or by receiving benefits from the system pursuant to the  
2 local board's original action, whichever occurs first.

3 2. The applicant-board of trustees receives notification of the local  
4 board's original action as prescribed by subsection G of this section by  
5 certified mail.

6 I. A hearing before a local board on a matter remanded from the  
7 superior court is not subject to a rehearing before the local board.

8 J. Decisions of local boards are subject to judicial review pursuant  
9 to title 12, chapter 7, article 6.

10 K. When making a ruling, determination or calculation, the local board  
11 shall be entitled to rely on information furnished by the employer, the board  
12 of trustees, independent legal counsel or the actuary for the system.

13 L. Each member of a local board is entitled to one vote. A majority  
14 are necessary for a decision by the members of a local board at any meeting  
15 of the local board.

16 M. The local board shall adopt such bylaws as it deems desirable. The  
17 local board shall elect a secretary who may, but need not, be a member of the  
18 local board. The secretary of the local board shall keep a record and  
19 prepare minutes of all meetings, forward the minutes to the board of trustees  
20 within forty-five days after each meeting and forward all necessary  
21 communications to the board of trustees.

22 N. The fees of the medical board and of the local board's independent  
23 legal counsel and all other expenses of the local board necessary for the  
24 administration of the system shall be paid by the employer and not the ~~fund~~  
25 ~~manager~~ BOARD OF TRUSTEES or system at such rates and in such amounts as the  
26 local board shall approve. Legal counsel that is employed by the local board  
27 is independent of the employer and any employee organization or member and  
28 owes its duty of loyalty only to the local board in connection with its  
29 representation of the local board.

30 O. The local board shall issue directions to the board of trustees  
31 concerning all benefits that are to be paid from the employer's account  
32 pursuant to the provisions of the fund. The local board shall keep on file,  
33 in such manner as it may deem convenient or proper, all reports from the  
34 board of trustees and the actuary.

35 P. The local board and the individual members of the local board shall  
36 be indemnified from the assets of the employer for any judgment against the  
37 local board or its members, including attorney fees and costs, arising from  
38 any act, or failure to act, made in good faith pursuant to the provisions of  
39 the system, including expenses reasonably incurred in the defense of any  
40 claim relating to the act or failure to act.

41 Sec. 27. Section 41-121, Arizona Revised Statutes, is amended to read:

42 41-121. Duties

43 A. The secretary of state shall:

- 1           1. Receive bills and resolutions from the legislature, and perform  
2 such other duties as devolve upon the secretary of state by resolution of the  
3 two houses or either of them.
- 4           2. Keep a register of and attest the official acts of the governor.
- 5           3. Act as custodian of the great seal of this state.
- 6           4. Affix the great seal, with the secretary of state's attestation, to  
7 public instruments to which the official signature of the governor is  
8 attached.
- 9           5. File in the secretary of state's office receipts for all books  
10 distributed by the secretary of state and direct the county recorder of each  
11 county to do the same.
- 12           6. Certify to the governor the names of those persons who have  
13 received at any election the highest number of votes for any office, the  
14 incumbent of which is commissioned by the governor.
- 15           7. Publish slip laws of each act of the legislature promptly upon  
16 passage and approval of such act, make such acts available to interested  
17 persons for a reasonable fee to compensate for the cost of printing and  
18 provide each house of the legislature and the legislative council with a  
19 certified copy of each bill or resolution, showing the chapter or resolution  
20 number of each, as each is filed in the secretary of state's office.
- 21           8. Keep a fee book of fees and compensation of whatever kind and  
22 nature earned, collected or charged by the secretary of state, with the date,  
23 the name of the payer and the nature of the service in each case. The fee  
24 book shall be verified annually by the secretary of state's affidavit entered  
25 in the fee book.
- 26           9. Perform other duties imposed on the secretary of state by law.
- 27           10. Report to the governor on January 2 each year, and at such other  
28 times as provided by law, a detailed account of the secretary of state's  
29 official actions taken since the secretary of state's previous report  
30 together with a detailed statement of the manner in which all appropriations  
31 for the secretary of state's office have been expended.
- 32           11. Transfer all noncurrent or inactive books, records, deeds and other  
33 papers otherwise required to be filed with or retained by the secretary of  
34 state to the custody of the Arizona state library, archives and public  
35 records.
- 36           12. Make available to the public, without charge, title 33, chapters 10  
37 and 11 on the secretary of state's website.
- 38           13. Accept, and approve for use, electronic and digital signatures that  
39 comply with section 41-132, for documents filed with and by all state  
40 agencies, boards and commissions. In consultation with ~~the government~~  
41 ~~information technology agency~~, the department of administration and the state  
42 treasurer, the secretary of state shall adopt rules pursuant to chapter 6 of  
43 this title establishing policies and procedures for the use of electronic and  
44 digital signatures by all state agencies, boards and commissions for  
45 documents filed with and by all state agencies, boards and commissions.

1 14. Meet at least annually with personnel from the federal voting  
2 assistance office of the United States department of defense and with county  
3 recorders and other county election officials in this state to coordinate the  
4 delivery and return of registrations, ballot requests, voted ballots and  
5 other election materials to and from absent uniformed and overseas citizens.

6 B. The secretary of state may refuse to perform a service or refuse a  
7 filing based on a reasonable belief that the service or filing is being  
8 requested for an unlawful, illegitimate, false or fraudulent purpose or is  
9 being requested or submitted in bad faith or for the purpose of harassing or  
10 defrauding a person or entity. This subsection does not apply to election  
11 filings.

12 Sec. 28. Section 41-790, Arizona Revised Statutes, is amended to read:

13 41-790. Definitions

14 In this article, unless the context otherwise requires:

15 1. "Building renewal" means major activities that involve the repair  
16 or reworking of a building and the supporting infrastructure that will result  
17 in maintaining a building's expected useful life. Building renewal does not  
18 include new building additions, new infrastructure additions, landscaping and  
19 area beautification, routine maintenance or demolition and removal of a  
20 building.

21 2. "Building system" means a group of buildings ~~which~~ THAT together  
22 constitute a single unit for purposes of planning, land acquisition,  
23 construction or building renewal.

24 3. "Capital projects" means buildings, structures, facilities and  
25 areas constructed for the use or benefit of this state.

26 4. "Infrastructure" means nonbuilding improvements that directly  
27 support operating a facility that is listed in the annual building system  
28 such as utility delivery systems, roadway systems, external lighting systems,  
29 irrigation systems, sidewalks and parking lots.

30 5. "Land acquisition" means the procurement of real property by gift,  
31 grant, purchase, lease purchase, condemnation or other lawful means.

32 6. "SECURITY" MEANS SECURITY SERVICES RELATED TO BUILDING OPERATION  
33 AND MAINTENANCE FUNCTIONS PROVIDED BY THE DEPARTMENT.

34 ~~6-~~ 7. "State capitol building" means:

35 (a) The original 1898 statehouse known as the state capitol museum.

36 (b) The 1919 state capitol wing and the 1938 state capitol justice  
37 addition known jointly as the legislative services wing.

38 (c) The house of representatives wing.

39 (d) The senate wing.

40 (e) The west wing known as the state capitol executive tower.

41 Sec. 29. Section 41-791, Arizona Revised Statutes, is amended to read:

42 41-791. Powers and duties relating to public buildings  
43 maintenance; compensation of personnel

44 A. The department is responsible for the direction and control of  
45 public buildings maintenance as prescribed in this article.

1 B. The department is responsible for the allocation of space,  
2 operation, alteration, renovation and security of the following buildings:

- 3 1. The state capitol executive tower of the state capitol building.  
4 2. The state office buildings in Tucson.  
5 3. All other buildings owned or leased by the state and located near  
6 the state capitol building and the state office buildings in Tucson, except  
7 for:

8 (a) Buildings occupied, operated and maintained by the following state  
9 agencies:

- 10 (i) The department of transportation.  
11 (ii) The Arizona power authority.  
12 (iii) The state compensation fund.

13 (b) The state capitol museum, the legislative services wing, ~~AND THE~~  
14 house of representatives and senate wings of the state capitol building ~~and~~  
15 ~~the public records retention center subject to section 41-1304.~~

16 (c) The department of economic security facilities purchased with  
17 federal funding assistance and exclusively and continuously operated and  
18 maintained for its own occupancy.

19 (d) The Arizona courts building.

20 C. The department is responsible for the maintenance of the following  
21 buildings and grounds:

- 22 1. The entire state capitol building and the grounds adjacent to it.  
23 2. The state office buildings in Tucson and the grounds adjacent to  
24 them.  
25 3. Other buildings and grounds owned or leased by the state if the  
26 function is not otherwise assigned, except for the interior of the Arizona  
27 courts building.

28 D. The director may establish rules for the operation, maintenance and  
29 security of buildings and grounds under ~~his~~ THE DIRECTOR'S jurisdiction.

30 E. The department shall:

- 31 1. Employ engineers and maintenance and operations personnel as  
32 required, including a buildings manager for the state office buildings in  
33 Tucson.  
34 2. Determine the hours of duty and assignment of personnel.

35 F. All personnel employed under this article are eligible to receive  
36 compensation as determined under section 38-611.

37 Sec. 30. Section 41-792.01, Arizona Revised Statutes, is amended to  
38 read:

39 41-792.01. Capital outlay stabilization fund; authorization for  
40 collection of rental; basis of payment;  
41 distribution of monies collected; transfer of  
42 payment; lease-purchase building operating and  
43 maintenance fund; exceptions; definition

44 A. The capital outlay stabilization fund is established which shall  
45 consist of monies paid into it in accordance with subsections D and F of this

1 section and legislative appropriations to the account. All monies in the  
2 fund are exempt from the provisions of section 35-190 relating to lapsing of  
3 appropriations.

4 B. The director shall make a recommendation for the allocation of a  
5 varying sum to the capital outlay stabilization fund each year. No part of  
6 the fund may be expended without specific appropriation from the legislature.

7 C. Each state department and each state agency when using space under  
8 the jurisdiction of the department as prescribed in section 41-791 or when  
9 using space in a building owned by or leased to the state shall pay rental  
10 and tenant improvement labor costs as prescribed in subsection D, E or F of  
11 this section.

12 D. The rental rates authorized for agencies occupying state owned  
13 buildings shall be determined by the joint committee on capital review after  
14 recommendation by the director before July 1 of each even-numbered year. The  
15 rental is payable whether the state department or state agency is funded in  
16 whole or in part by state monies. The department of administration shall  
17 transfer the entire amount of the rental fee assessed on a state agency from  
18 the agency account into the capital outlay stabilization fund promptly at the  
19 start of each fiscal year. During the remainder of the fiscal year, the  
20 department of administration shall calculate pro rata adjustments to the  
21 rental fee on a monthly basis to reflect any changes in the occupancy of  
22 state owned buildings. The department of administration shall transfer the  
23 amount of the rental fee adjustment assessed on a state agency from the  
24 agency account into the capital outlay stabilization fund. The rental fee  
25 authorized for state agencies occupying state owned buildings is the greater  
26 of the amount included in each agency's annual operating budget as reported  
27 by the staff of the joint legislative budget committee or the pro rata  
28 adjusted amount based on actual occupancy. The director of the department of  
29 administration, upon recommendation of the joint committee on capital review,  
30 may authorize an exemption for periods of one year or more at a time for a  
31 state agency from the full payment account transfer requirements of this  
32 subsection if the agency can demonstrate a practice of making full payment of  
33 rent on a different basis necessitated by its cash flow. If a state agency  
34 does not have the financial resources for state owned space, or does not  
35 occupy or vacates state owned space after the beginning of the fiscal year,  
36 the director of the department of administration, on recommendation of the  
37 joint committee on capital review, may authorize a whole or partial exemption  
38 from payment of the rental fee. The department of administration shall  
39 report quarterly to the director of the joint legislative budget committee on  
40 the status of rental fee collections and adjustments.

41 E. The rental authorized for state agencies occupying state leased  
42 buildings shall be the greater of the amount included in each agency's annual  
43 operating budget as reported by the staff of the joint legislative budget  
44 committee or the pro rata adjusted amount based on actual occupancy. The  
45 rental amount shall include the amount necessary to pay the lease or

1 lease-purchase obligation and may include the amount necessary to pay  
2 operating costs associated with the lease-purchase buildings. The rental is  
3 payable whether the state department or state agency is funded in whole or in  
4 part by state monies. At the start of each fiscal year, the department of  
5 administration shall transfer the entire amount of the rental fee assessed on  
6 a state agency from the agency account into the department of  
7 administration's funds established for the purposes of this subsection. The  
8 department shall transfer from the applicable state agency budgets to the  
9 lease-purchase building operating and maintenance fund established in  
10 subsection ~~H~~ I of this section amounts necessary to pay all operating costs  
11 associated with a lease-purchase building in the amounts reported by the  
12 staff of the joint legislative budget committee. During the remainder of the  
13 fiscal year, the department of administration shall calculate pro rata  
14 adjustments to the rental fee on a monthly basis to reflect any changes in  
15 the occupancy of state leased buildings. The director of the department of  
16 administration, on recommendation of the joint committee on capital review,  
17 may authorize an exemption for a state agency from the full payment account  
18 transfer requirements of this subsection for one year periods or longer  
19 periods if the agency can demonstrate a practice of making full payment of  
20 rent on a different basis necessitated by its cash flow. If a state agency  
21 does not have the financial resources for state leased space, or does not  
22 occupy or vacates state leased space after the beginning of the fiscal year,  
23 the director of the department of administration, on recommendation of the  
24 joint committee on capital review, may authorize a whole or partial exemption  
25 from payment of the rental fee.

26 F. The department shall charge state agencies for the full costs of  
27 labor services it provides to accomplish tenant improvement projects within a  
28 building owned by or leased to the state. Charges for this labor shall be  
29 deposited in the capital outlay stabilization fund.

30 G. State universities, community colleges and the department of  
31 transportation are exempt from the provisions of this section, except when  
32 these state agencies are using space under the jurisdiction of the department  
33 of administration.

34 H. THE DEPARTMENT SHALL NOT BEGIN TO CHARGE RENTAL OR TENANT  
35 IMPROVEMENT LABOR COSTS AS PRESCRIBED IN SUBSECTION D, E OR F OF THIS SECTION  
36 UNTIL JULY 1, 2012 FOR ANY BUILDINGS OPERATED BY THE SECRETARY OF STATE  
37 PRIMARILY FOR THE PURPOSE OF STORING, MANAGING OR PRESERVING A LARGE AMOUNT  
38 OF PUBLIC RECORDS OR ARCHIVAL MATERIAL.

39 ~~H~~ I. The lease-purchase building operating and maintenance fund is  
40 established consisting of monies transferred into it in accordance with  
41 subsection E of this section. All monies in the fund are exempt from the  
42 provisions of section 35-190 relating to lapsing of appropriations. Monies  
43 in the fund are subject to legislative appropriation.

1 ~~I~~ J. For the purposes of this section, "state department" or "state  
2 agency" means any department or agency of the executive or judicial branch of  
3 state government.

4 Sec. 31. Repeal

5 Sections 41-794 and 41-795, Arizona Revised Statutes, are repealed.

6 Sec. 32. Section 41-796, Arizona Revised Statutes, is amended to read:

7 41-796. Regulation of traffic and parking; monetary penalties;  
8 hearing; state traffic and parking control fund;  
9 definition

10 A. The department of administration may adopt and administratively  
11 enforce rules for the control of vehicles on state property with respect only  
12 to the following:

13 1. Maximum speed of vehicles.

14 2. Direction of travel.

15 3. Place, method and time of parking.

16 4. Nonparking areas.

17 5. Designation of special parking areas for state employees and the  
18 general public.

19 6. Prohibiting parking in vehicle emissions control areas as defined  
20 in section 49-541 of those vehicles which fail to comply with section 49-542.

21 B. The department shall adopt and administratively enforce rules  
22 requiring the designation of preferential parking areas, such as reserved,  
23 close-in or covered parking, to state employees with offices in vehicle  
24 emissions control areas as defined in section 49-541 who are car pool  
25 operators as defined in section 28-4032 or who drive vehicles powered by  
26 alternative fuel as defined in section 1-215.

27 C. The department may prescribe and collect reasonable monetary  
28 penalties for violations of the rules adopted pursuant to subsection A of  
29 this section.

30 D. The department shall:

31 1. Cause signs, markings and notices to be posted on the property for  
32 the regulation of vehicles.

33 2. Maintain parking lots and structures.

34 E. ~~Police personnel shall be authorized to issue a notice to appear  
35 for an alleged violation in the form adopted by the department directing a  
36 person accused of violating a rule for control of vehicles on state property  
37 adopted pursuant to this section to appear at a designated place to contest  
38 the allegation of violation or to admit the violation and pay a penalty.~~

39 ~~Upon~~ ON THE failure of a person ~~served with a notice under~~ WHO IS ISSUED A  
40 CITATION FOR A VIOLATION OF A RULE ADOPTED PURSUANT TO this section to  
41 appear, the administrative law judge may proceed to determine whether a  
42 violation has occurred and, if so, the penalty to be imposed.

43 F. Penalties ~~which~~ THAT are imposed pursuant to this section and ~~which~~  
44 THAT are not paid within the time prescribed by the administrative law judge  
45 may be collected by an action filed with the justice court.

1 G. A state traffic and parking control fund is established consisting  
2 of monetary penalties collected pursuant to this section. The department  
3 shall administer the fund. Monies in the fund are continuously appropriated  
4 and are exempt from the provisions of section 35-190 relating to lapsing of  
5 appropriations.

6 H. All monetary penalties collected by the department for violations  
7 of the rules adopted pursuant to subsection A of this section shall be  
8 deposited in the state traffic and parking control fund.

9 I. Except as provided in section 41-1092.08, subsection H, a person  
10 who has received a final administrative ruling concerning a penalty imposed  
11 on the person as a result of a violation of a rule adopted pursuant to this  
12 section may have that ruling reviewed by the superior court in the county in  
13 which the institution involved is located pursuant to title 12, chapter 7,  
14 article 6.

15 J. ~~As used in~~ FOR THE PURPOSES OF this section, "state property" means  
16 property ~~which~~ THAT is the responsibility of the department under section  
17 41-791 and property ~~which~~ THAT is the responsibility of the speaker of the  
18 house of representatives or the president of the senate under section  
19 41-1304.05.

20 Sec. 33. Section 41-827.01, Arizona Revised Statutes, is amended to  
21 read:

22 41-827.01. Centennial and mining and mineral museum advisory  
23 council; membership; duties; terms; compensation

24 A. The centennial and mining and mineral museum advisory council is  
25 established consisting of the following members who, except for the members  
26 designated pursuant to paragraphs 1, ~~AND~~ 2 ~~and~~ 3 of this subsection, are  
27 appointed by the governor:

28 1. The executive director of the Arizona historical society or the  
29 director's designee.

30 ~~2. The chairman of the department of mines and mineral resources board~~  
31 ~~of governors.~~

32 ~~3.~~ 2. The ~~director of the department of mines and mineral resources~~  
33 STATE GEOLOGIST or the ~~director's~~ STATE GEOLOGIST'S designee.

34 ~~4.~~ 3. Two members representing the livestock industry.

35 ~~5.~~ 4. Two members representing the mining industry.

36 ~~6.~~ 5. Two members representing the agriculture industry.

37 ~~7.~~ 6. Two members representing tourism and other climate-related  
38 industries.

39 ~~8.~~ 7. Two members representing the specialty crops industry.

40 ~~9.~~ 8. One member who is a natural resources education professional.

41 ~~10.~~ 9. One member representing a natural resources foundation.

42 ~~11.~~ 10. Two members representing the public.

43 B. The advisory council shall:

44 1. Select a chairperson and vice-chairperson from among its members.

1           2. Hold regular meetings and additional meetings at the call of the  
2 chairperson or a majority of its members.

3           3. Provide oversight and advice to the director of the Arizona  
4 historical society regarding the centennial museum that houses the mining and  
5 mineral museum and assist in promoting the mission of the centennial museum.  
6 The director shall accept the recommendations of the advisory council if the  
7 director finds them to be practicable and in the best interest of the museum.

8           4. Establish a subcommittee ~~consisting of three members of the~~  
9 ~~department of mines and mineral resources board of governors~~ to provide  
10 assistance and advice in the areas of educational programming, the hiring and  
11 retention of a curator and oversight of mineral collections. The advisory  
12 council may establish subcommittees to act in an advisory capacity on other  
13 matters relevant to the museum and the advisory council's duties.

14           C. The initial members appointed pursuant to subsection A, paragraphs  
15 ~~4- 3~~ through ~~11~~ 10 shall assign themselves by lot to three, four and five  
16 year terms of office. All subsequent members serve five year terms of  
17 office. A member may continue to serve until the member's successor is  
18 appointed and assumes office.

19           D. Members of the advisory council are not eligible to receive  
20 compensation but are eligible for reimbursement of expenses pursuant to title  
21 38, chapter 4, article 2. The advisory council is a public body for purposes  
22 of title 38, chapter 3, article 3.1.

23           Sec. 34. Section 41-1304, Arizona Revised Statutes, is amended to  
24 read:

25           41-1304. Powers and duties

26           A. The legislative council shall:

27           1. Provide bill drafting, research and other services to the  
28 legislature deemed necessary or advisable by the council to improve the  
29 quality of legislation and to ensure full participation by the legislative  
30 branch in determining and reviewing policy and the administration of state  
31 affairs.

32           2. Adopt rules and formulate policies for the administration of this  
33 article and for the conduct of the affairs of the council.

34           3. Appoint ~~such~~ clerical, stenographic, technical and professional  
35 assistants deemed necessary or advisable to carry out the provisions of this  
36 article, ~~and~~ fix their compensation and prescribe their powers and duties.

37           4. Consult with state departments or officers engaged in carrying out  
38 construction programs authorized by law, and investigate the conduct of the  
39 programs, with particular reference to the plans for and type of  
40 construction.

41           5. Maintain a legislative reference library, containing legal,  
42 statistical and descriptive data and authoritative philosophical and  
43 scientific treatises on current and potential legislative subjects.

44           6. Procure information at the request of members of the legislature or  
45 state officers on any legislative subject.



1           2. The allocation of space and control of the parking lot area  
2 adjacent to the house of representatives wing, the parking lot area with a  
3 southern boundary of west Adams street, an eastern boundary of Seventeenth  
4 avenue and a northern boundary of west Monroe street in Phoenix, Arizona and  
5 comprised of one hundred five parking spaces and the southeast portion of the  
6 parking lot area with a southern boundary of west Monroe street and an  
7 eastern boundary of Seventeenth avenue in Phoenix, Arizona and comprised of  
8 fifty parking spaces.

9           C. The president of the state senate is responsible for the following:

10           1. The allocation of space, operation, alteration, renovation and  
11 control of the senate wing of the state capitol building.

12           2. The allocation of space and control of the parking lot area  
13 adjacent to the senate wing and the southwest portion of the parking lot area  
14 of the Wesley Bolin memorial plaza east of the state capitol building and  
15 comprised of one hundred twenty parking spaces.

16           D. The director of the department of administration is responsible for  
17 the maintenance of the entire state capitol building ~~and the public records~~  
18 ~~retention center subject to section 41-1304.~~

19           E. FOR THE PURPOSES OF THIS SECTION, "CONTROL" INCLUDES SECURITY  
20 SERVICES.

21           Sec. 36. Section 41-1713, Arizona Revised Statutes, is amended to  
22 read:

23           41-1713. Powers and duties of director; authentication of  
24 records

25           A. The director of the department shall:

26           1. Be the administrative head of the department.

27           2. Subject to the merit system rules, appoint, suspend, demote,  
28 promote or dismiss all other classified employees of the department ~~upon~~ ON  
29 the recommendation of their respective division superintendent. The director  
30 shall determine and furnish the law enforcement merit system council  
31 established by section 41-1830.11 with a table of organization. The  
32 superintendent of each division shall serve at the concurrent pleasure of the  
33 director and the governor.

34           3. EXCEPT AS PROVIDED IN SECTIONS 12-119, 41-1304 AND 41-1304.05,  
35 EMPLOY OFFICERS AND OTHER PERSONNEL AS THE DIRECTOR DEEMS NECESSARY FOR THE  
36 PROTECTION AND SECURITY OF THE STATE BUILDINGS AND GROUNDS IN THE  
37 GOVERNMENTAL MALL DESCRIBED IN SECTION 41-1362, STATE OFFICE BUILDINGS IN  
38 TUCSON AND PERSONS WHO ARE ON ANY OF THOSE PROPERTIES. DEPARTMENT OFFICERS  
39 MAY MAKE ARRESTS AND ISSUE CITATIONS FOR CRIMES OR TRAFFIC OFFENSES AND FOR  
40 ANY VIOLATION OF A RULE ADOPTED UNDER SECTION 41-796. FOR THE PURPOSES OF  
41 THIS PARAGRAPH, SECURITY DOES NOT MEAN SECURITY SERVICES RELATED TO BUILDING  
42 OPERATION AND MAINTENANCE FUNCTIONS PROVIDED BY THE DEPARTMENT OF  
43 ADMINISTRATION.

44           ~~3-~~ 4. Make rules necessary for the operation of the department.

1           ~~4.~~ 5. Annually submit a report of the work of the department to the  
2 governor and the legislature, or more often if requested by the governor or  
3 the legislature.

4           ~~5.~~ 6. Appoint a deputy director with the approval of the governor.

5           ~~6.~~ 7. Adopt an official seal that contains the words "department of  
6 public safety" encircling the seal of this state as part of its design.

7           ~~7.~~ 8. Investigate, on receipt, credible evidence that a licensee or  
8 registrant has been arrested for, charged with or convicted of an offense  
9 that would preclude the person from holding a license or registration  
10 certificate issued pursuant to title 32, chapter 26.

11           ~~8.~~ 9. Cooperate with the Arizona-Mexico commission in the governor's  
12 office and with researchers at universities in this state to collect data and  
13 conduct projects in the United States and Mexico on issues that are within  
14 the scope of the department's duties and that relate to quality of life,  
15 trade and economic development in this state in a manner that will help the  
16 Arizona-Mexico commission to assess and enhance the economic competitiveness  
17 of this state and of the Arizona-Mexico region.

18           ~~9.~~ 10. Adopt and administer the breath, blood or other bodily  
19 substances test rules pursuant to title 28, chapter 4.

20           ~~10.~~ 11. Develop procedures to exchange information with the department  
21 of transportation for any purpose related to sections 28-1324, 28-1325,  
22 28-1326, 28-1462 and 28-3318.

23           ~~11.~~ 12. Collaborate with the state forester in presentations to  
24 legislative committees on issues associated with wildfire prevention,  
25 suppression and emergency management as provided by section 37-622,  
26 subsection B.

27           B. The director may:

28           1. Issue commissions to officers of the department.

29           2. Request the cooperation of the utilities, communication media and  
30 public and private agencies and any sheriff or other peace officer in any  
31 county or municipality, within the limits of their respective jurisdictions  
32 when necessary, to aid and assist in the performance of any duty imposed by  
33 this chapter.

34           3. Cooperate with any public or private agency or person to receive or  
35 give necessary assistance and may contract for such assistance subject to  
36 legislative appropriation controls.

37           4. Utilize the advice of the board and cooperate with sheriffs, local  
38 police and peace officers within the state for the prevention and discovery  
39 of crimes, the apprehension of criminals and the promotion of public safety.

40           5. Acquire in the name of the state, either in fee or lesser estate or  
41 interest, all real or any personal property that the director considers  
42 necessary for the department's use, by purchase, donation, dedication,  
43 exchange or other lawful means. All acquisitions of personal property  
44 pursuant to this paragraph shall be made as prescribed in chapter 23 of this  
45 title unless otherwise provided by law.

1           6. Dispose of any property, real or personal, or any right, title or  
2 interest in the property, when the director determines that the property is  
3 no longer needed or necessary for the department's use. Disposition of  
4 personal property shall be as prescribed in chapter 23 of this title. The  
5 real property shall be sold by public auction or competitive bidding after  
6 notice published in a daily newspaper of general circulation, not less than  
7 three times, two weeks before the sale and subject to the approval of the  
8 director of the department of administration. When real property is sold, it  
9 shall not be sold for less than the appraised value as established by a  
10 competent real estate appraiser. Any monies derived from the disposal of  
11 real or personal property shall be deposited, pursuant to sections 35-146 and  
12 35-147, in the Arizona highway patrol fund as authorized by section 41-1752,  
13 subsection B, paragraph 6.

14           7. Sell, lend or lease personal property directly to any state, county  
15 or local law enforcement agency. Personal property may be sold or leased at  
16 a predetermined price without competitive bidding. Any state, county or  
17 local law enforcement agency receiving personal property may not resell or  
18 lease the property to any person or organization except for educational  
19 purposes.

20           8. Dispose of surplus property by transferring the property to the  
21 department of administration for disposition to another state budget unit or  
22 political subdivision if the state budget unit or political subdivision is  
23 not a law enforcement agency.

24           9. Lease or rent personal property directly to any state law  
25 enforcement officer for the purpose of traffic safety, traffic control or  
26 other law enforcement related activity.

27           10. Sell for one dollar, without public bidding, the department issued  
28 handgun or shotgun to a department officer on duty related retirement  
29 pursuant to title 38, chapter 5, article 4. Any monies derived from the sale  
30 of the handgun or shotgun to the retiring department officer shall be  
31 deposited, pursuant to sections 35-146 and 35-147, in the Arizona highway  
32 patrol fund as authorized by section 41-1752, subsection B, paragraph 6.

33           11. Conduct state criminal history records checks for the purpose of  
34 updating and verifying the status of current licensees or registrants who  
35 have a license or certificate issued pursuant to title 32, chapter 26. The  
36 director shall investigate, on receipt, credible evidence that a licensee or  
37 registrant has been arrested for, charged with or convicted of an offense  
38 that would preclude the person from holding a registration certificate issued  
39 pursuant to title 32, chapter 26.

40           12. Grant a maximum of two thousand eighty hours of industrial injury  
41 leave to any sworn department employee who is injured in the course of the  
42 employee's duty, any civilian department employee who is injured in the  
43 course of performing or assisting in law enforcement or hazardous duties or  
44 any civilian department employee who was injured as a sworn department  
45 employee rehired after August 9, 2001 and would have been eligible pursuant

1 to this paragraph and whose work-related injury prevents the employee from  
2 performing the normal duties of that employee's classification. This  
3 industrial injury leave is in addition to any vacation or sick leave earned  
4 or granted to the employee and does not affect the employee's eligibility for  
5 any other benefits, including workers' compensation. The employee is not  
6 eligible for payment pursuant to section 38-615 of industrial injury leave  
7 that is granted pursuant to this paragraph. Subject to approval by the law  
8 enforcement merit system council, the director shall adopt rules and  
9 procedures regarding industrial injury leave hours granted pursuant to this  
10 paragraph.

11 13. Sell at current replacement cost, without public bidding, the  
12 department issued badge of authority to an officer of the department ~~upon~~ ON  
13 the officer's promotion or separation from the department. Any monies  
14 derived from the sale of the badge to an officer shall be deposited, pursuant  
15 to sections 35-146 and 35-147, in the department of public safety  
16 administration fund to offset replacement costs.

17 C. The director and any employees of the department that the director  
18 designates in writing may use the seal adopted pursuant to subsection A,  
19 paragraph ~~6- 7~~ of this section to fully authenticate any department records  
20 and copies of these records. These authenticated records or authenticated  
21 copies of records shall be judicially noticed and shall be received in  
22 evidence by the courts of this state without any further proof of their  
23 authenticity.

24 Sec. 37. Title 41, chapter 12, article 2, Arizona Revised Statutes, is  
25 amended by adding section 41-1725, to read:

26 41-1725. Capitol police administrative towing fund

27 THE CAPITOL POLICE ADMINISTRATIVE TOWING FUND IS ESTABLISHED CONSISTING  
28 OF MONIES DEPOSITED PURSUANT TO SECTION 28-3513. THE DEPARTMENT SHALL  
29 ADMINISTER THE FUND. THE MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED  
30 AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF  
31 APPROPRIATIONS. THE MONIES IN THE FUND MAY BE USED BY THE CAPITOL POLICE FOR  
32 LAW ENFORCEMENT PURPOSES.

33 Sec. 38. Section 41-1804, Arizona Revised Statutes, is amended to  
34 read:

35 41-1804. Guidelines committee; duties

36 A. The department of public safety, in consultation with the  
37 department of emergency and military affairs, ~~government-information~~  
38 ~~technology-agency~~ DEPARTMENT OF ADMINISTRATION, department of health  
39 services, department of agriculture, Arizona radiation regulatory agency,  
40 department of environmental quality, state department of corrections, Arizona  
41 fire chiefs' association, Arizona police chiefs' association, Arizona  
42 sheriffs' associations, Arizona association of counties, Arizona league of  
43 cities and towns and representatives from every Indian tribal nation, shall  
44 convene a consulting committee to establish guidelines related to the  
45 critical infrastructure information system.

1 B. The committee shall:

2 1. Develop the type of information to be included in the critical  
3 infrastructure information system.

4 2. Develop critical infrastructure information technology standards to  
5 be used by all entities participating in the statewide critical  
6 infrastructure information system.

7 3. Determine the order in which critical infrastructure shall be added  
8 to the system when funding is received.

9 4. Develop guidelines on how the information shall be made available.  
10 These guidelines shall include detailed procedures and security measures to  
11 ensure that the information is only made available to the government or a  
12 private entity that either owns the critical infrastructure or is responding  
13 to an incident involving the critical infrastructure.

14 Sec. 39. Section 41-2513, Arizona Revised Statutes, is amended to  
15 read:

16 41-2513. Authority to contract for certain services

17 A. For the purpose of procuring the services of clergy, certified  
18 public accountants, legal counsel pursuant to section 41-192, subsection E,  
19 physicians or dentists as defined by the laws of this state, any state  
20 governmental unit may act as a purchasing agency and contract on its own  
21 behalf for such services, subject to this chapter and rules adopted by the  
22 director.

23 B. In accordance with the provisions of section 41-192, subsection E  
24 and notwithstanding any contrary statute, no contract for the services of  
25 legal counsel may be awarded without the approval of the attorney general.

26 C. The auditor general shall approve state agency contracting for  
27 financial and compliance auditing services except if specific statutory  
28 authority is otherwise provided. The auditor general shall ensure that such  
29 contract audits are conducted in accordance with generally accepted  
30 governmental auditing standards. An audit shall not be accepted until it has  
31 been approved by the auditor general.

32 D. The ~~government information technology agency established by section~~  
33 ~~41-3502~~ DEPARTMENT may approve all information technology purchases exceeding  
34 twenty-five thousand dollars for a budget unit as defined in section 41-3501.  
35 Purchases shall not be artificially divided to avoid review.

36 E. Payment for any services, including those services described in  
37 subsections A, B and C of this section, procured under this chapter shall not  
38 be made unless pursuant to a fully approved written contract.

39 Sec. 40. Section 41-3012.07, Arizona Revised Statutes, is amended to  
40 read:

41 41-3012.07. Arizona geological survey; termination July 1, 2012

42 A. The Arizona geological survey terminates on July 1, 2012.

43 B. Title 27, chapter 1, ~~article~~ ARTICLES 1 AND 4 ~~is~~ ARE repealed on  
44 January 1, 2013.





1 DEPARTMENT shall evaluate the project and make recommendations to the  
2 committee. Beginning on June 1, 1998, as part of a budget request for an  
3 information technology project that has total costs of at least twenty-five  
4 thousand dollars, a budget unit shall indicate the status of review by the  
5 ~~agency~~ DEPARTMENT. Projects shall not be artificially divided to avoid  
6 review by the ~~agency~~ DEPARTMENT.

7 2. Require that budget units incorporate life cycle analysis  
8 prescribed by section 41-2553 into the information technology planning,  
9 budgeting and procurement processes.

10 3. Require that budget units demonstrate expertise to carry out  
11 information technology plans, either by employing staff or contracting for  
12 outside services.

13 4. Monitor information technology projects that the ~~agency~~ DEPARTMENT  
14 considers to be major or critical, including expenditure and activity reports  
15 and periodic review.

16 5. Temporarily suspend the expenditure of monies if the ~~agency~~  
17 DEPARTMENT determines that the information technology project is at risk of  
18 failing to achieve its intended results or does not comply with the  
19 requirements of this section.

20 6. Continuously study emergent technology and evaluate its impact on  
21 this state's system.

22 7. Advise each budget unit as necessary and report to the committee on  
23 an annual basis.

24 8. Provide to budget units, information technology consulting services  
25 it deems necessary, either directly or by procuring outside consulting  
26 services.

27 9. Maintain all otherwise confidential information received from a  
28 budget unit pursuant to this section as confidential.

29 10. Provide staff support to the committee.

30 11. Subject to section 35-149, accept, spend and account for grants,  
31 monies and direct payments from public or private sources and other grants of  
32 monies or property for the conduct of programs that it deems consistent with  
33 the ~~overall~~ GOVERNMENT INFORMATION TECHNOLOGY purposes and objectives of the  
34 ~~agency~~ DEPARTMENT.

35 12. Adopt rules it deems necessary or desirable to further the  
36 GOVERNMENT INFORMATION TECHNOLOGY objectives and programs of the ~~agency~~  
37 DEPARTMENT.

38 13. Formulate policies, plans and programs to effectuate the GOVERNMENT  
39 INFORMATION TECHNOLOGY purposes of the ~~agency~~ DEPARTMENT.

40 14. Advise and make recommendations to the governor and the legislature  
41 on all matters concerning its objectives.

42 15. Contract and enter into interagency and intergovernmental  
43 agreements pursuant to title 11, chapter 7, article 3 with any public or  
44 private party.

45 16. Have an official seal that shall be judicially noticed.

1 B. The ~~agency~~ DEPARTMENT shall advise the judicial and legislative  
2 branches of state government concerning information technology.

3 C. The ~~agency~~ DEPARTMENT may examine all books, papers, records and  
4 documents in the office of any budget unit and may require any state officer  
5 of the budget unit to furnish information or statements necessary to carry  
6 out the provisions of this chapter.

7 D. The director, any member of the director's staff or any employee  
8 who knowingly divulges or makes known in any manner not permitted by law any  
9 particulars of any confidential record, document or information is guilty of  
10 a class 5 felony.

11 Sec. 48. Section 41-3505, Arizona Revised Statutes, is amended to  
12 read:

13 41-3505. Information technology fund

14 A. The information technology fund is established for use by the  
15 ~~agency~~ DEPARTMENT and the committee. Monies in the fund are subject to  
16 legislative appropriation.

17 B. ~~Beginning January 1, 1997,~~ State service agencies subject to  
18 section 41-764, ~~and, beginning July 1, 1997,~~ all budget units and the  
19 legislative and judicial branches of state government, shall contribute a pro  
20 rata share of the overall cost of information technology services provided by  
21 the ~~agency~~ DEPARTMENT or committee. The pro rata share is payable by payroll  
22 fund source, and the resultant amount shall be deposited in the information  
23 technology fund. ~~Beginning July 1, 2008,~~ For all budget units and the  
24 legislative and judicial branches of state government, the pro rata share  
25 shall be .20 per cent of the total payroll. Total payroll includes all fund  
26 sources including the state general fund, federal monies, special revenue  
27 funds, intergovernmental revenue monies, trust funds and other payroll fund  
28 sources.

29 C. A claim for the pro rata share percentage payment shall be  
30 submitted according to the fund source, with the accompanying payroll, to the  
31 department of administration for deposit in the information technology fund.

32 D. Notwithstanding section 35-190, monies in the information  
33 technology fund do not revert to the state general fund at the end of each  
34 fiscal year.

35 Sec. 49. Section 41-3506, Arizona Revised Statutes, is amended to  
36 read:

37 41-3506. State web portal fund; exemption

38 A. The state web portal fund is established and is subject to  
39 legislative appropriation. The ~~government information technology agency~~  
40 DEPARTMENT shall administer the fund. The state web portal fund shall  
41 consist of:

- 42 1. Monies appropriated to the fund by the legislature.
- 43 2. Any web portal usage fees collected under any agreement between  
44 this state and an independent contractor providing services for the common

1 web portal less the contractor's price of maintaining and operating the web  
2 portal.

3 3. Monies received from private grants or donations if designated for  
4 the fund by the grantor or donor.

5 4. Monies received from the federal government by grant or otherwise  
6 to assist this state in providing any common web portal projects.

7 B. Monies in the state web portal fund may be used for improving or  
8 expanding this state's information technology services and projects,  
9 including the common web portal.

10 C. If the state chooses to use an independent contractor to provide  
11 services for the state web portal, the selection of the independent  
12 contractor may be made using a competitive bid process.

13 D. Monies in the state web portal fund are exempt from the provisions  
14 of section 35-190 relating to lapsing of appropriations.

15 Sec. 50. Section 41-3507, Arizona Revised Statutes, is amended to  
16 read:

17 41-3507. Statewide information security and privacy office;  
18 duties; suspension of budget unit's information  
19 infrastructure

20 A. The statewide information security and privacy office is  
21 established in the ~~government information technology agency~~ DEPARTMENT. The  
22 statewide information security and privacy office shall serve as the  
23 strategic planning, facilitation and coordination office for information  
24 technology security in this state. Individual budget units shall continue to  
25 maintain operational responsibility for information technology security.

26 B. The director shall appoint a statewide chief information security  
27 officer to manage the statewide information security and privacy office. The  
28 statewide chief information security officer shall report to the director  
29 pursuant to section 41-3503.

30 C. The statewide information security and privacy office shall  
31 develop, implement, maintain and ensure compliance by each budget unit with a  
32 coordinated statewide assurance plan for information security and privacy.  
33 The statewide information security and privacy office shall:

34 1. Direct information security and privacy protection compliance  
35 reviews with each budget unit to ensure compliance with standards and  
36 effectiveness of security assurance plans as necessary.

37 2. Identify information security and privacy protection risks in each  
38 budget unit and direct agencies to adopt risk mitigation strategies, methods  
39 and procedures to lessen these risks.

40 3. Monitor and report compliance of each budget unit with state  
41 information security and privacy protection policies, standards and  
42 procedures.

43 4. Coordinate statewide information security and privacy protection  
44 awareness and training programs.

1           5. Develop other strategies as necessary to protect this state's  
2 information technology infrastructure and the data that is stored on or  
3 transmitted by such infrastructure.

4           D. The statewide information security and privacy office may  
5 temporarily suspend operation of information infrastructure that is owned,  
6 leased, outsourced or shared in order to isolate the source of, or stop the  
7 spread of, an information security breach or other similar incident. A  
8 budget unit shall comply with directives to temporarily discontinue or  
9 suspend operations of information infrastructure.

10          E. Each budget unit and its contractors shall identify and report  
11 security incidents to the statewide information security and privacy office  
12 immediately on discovery and deploy mitigation strategies as directed.

13          Sec. 51. Section 41-3508, Arizona Revised Statutes, is amended to  
14 read:

15           41-3508. Statewide e-rate program fund

16          A. The statewide e-rate program fund is established. The ~~government~~  
17 ~~information technology agency~~ DEPARTMENT shall administer the fund. The  
18 statewide e-rate program fund shall consist of:

19           1. Monies received pursuant to the e-rate program under the  
20 telecommunications act of 1996 or other grants to assist this state in  
21 improving broadband internet and telecommunications access for public schools  
22 and libraries in this state.

23           2. Monies received as a result of an intergovernmental agreement  
24 between the ~~government information technology agency~~ DEPARTMENT and other  
25 political subdivisions of this state.

26           3. Monies received from private grants or donations if designated for  
27 the fund by the grantor or donor.

28          B. Monies in the fund shall be used to assist public school districts,  
29 charter schools and libraries to submit applications for funding pursuant to  
30 subsection C and to fulfill the terms of an intergovernmental agreement or  
31 private contract pursuant to subsection D.

32          C. The ~~government information technology agency~~ DEPARTMENT shall  
33 develop policies and procedures for the e-rate application for public school  
34 districts, charter schools and libraries in this state, including providing  
35 technical assistance.

36          D. The ~~government information technology agency~~ DEPARTMENT may enter  
37 into contracts with private organizations and intergovernmental agreements  
38 with other state agencies and political subdivisions of this state to  
39 administer the statewide e-rate program.

40          Sec. 52. Section 41-3521, Arizona Revised Statutes, is amended to  
41 read:

42           41-3521. Information technology authorization committee;  
43           members; terms; duties; compensation; definition

44          A. The information technology authorization committee is established  
45 consisting of the following ~~fifteen~~ members:

- 1           1. One member of the house of representatives who is appointed by the  
2 speaker of the house of representatives and who shall serve as an advisory  
3 member.
- 4           2. One member of the senate who is appointed by the president of the  
5 senate and who shall serve as an advisory member.
- 6           3. Four members from private industry who are appointed by the  
7 governor pursuant to section 38-211 and who are knowledgeable in information  
8 technology.
- 9           4. One local government member and one federal government member who  
10 are appointed by the governor and who shall serve as advisory members.
- 11           5. Two members who are directors of state agencies and who are  
12 appointed by the governor.
- 13           6. The administrative director of the courts or the director's  
14 designee.
- 15           7. The director of the ~~government information technology agency.~~ ~~The~~  
16 ~~director~~ DEPARTMENT OF ADMINISTRATION OR THE DIRECTOR'S DESIGNEE, WHO shall  
17 be the chairperson of the committee but for all other purposes shall serve as  
18 an advisory member.
- 19           8. Two members from either private industry or state government who  
20 are appointed by the governor.
- 21           9. The staff director of the joint legislative budget committee, or  
22 the staff director's designee, who shall serve as an advisory member.
- 23           B. Committee members who are from private industry serve two year  
24 terms. The other members serve at the pleasure of their appointing officers.
- 25           C. For all budget units and the legislative and judicial branches of  
26 state government, the committee shall:
  - 27           1. Review established statewide information technology standards and  
28 the statewide information technology plan.
  - 29           2. Review the minimum qualifications established by the director for  
30 each position authorized for the ~~agency~~ DEPARTMENT FOR INFORMATION  
31 TECHNOLOGY.
  - 32           3. Approve or disapprove all proposed information technology projects,  
33 including project changes and contract amendments, that exceed a total cost  
34 of one million dollars, excluding public monies from county, municipal and  
35 other political subdivision sources that are not deposited in a state  
36 fund. As part of a budget request for an information technology project that  
37 has total costs of more than one million dollars, a budget unit and the  
38 legislative and judicial branches of state government shall indicate the  
39 status of review by the committee. Projects shall not be artificially  
40 divided to avoid review by the committee.
  - 41           4. Develop a report format that incorporates the life cycle analysis  
42 prescribed by section 41-2553 for use in submitting project requests to the  
43 committee.

1           5. Require expenditure and activity reports from a budget unit or the  
2 legislative or judicial branches of state government on implementing  
3 information technology projects approved by the committee.

4           6. Conduct periodic reviews on the progress of implementing  
5 information technology projects approved by the committee.

6           7. Monitor information technology projects that the committee  
7 considers to be major or critical.

8           8. Temporarily suspend the expenditure of monies if the committee  
9 determines that the information technology project is at risk of failing to  
10 achieve its intended results or does not comply with the requirements of this  
11 chapter.

12           9. Hear and decide appeals made by budget units regarding the ~~agency's~~  
13 ~~DEPARTMENT'S~~ rejection of their proposed information technology plans or  
14 projects.

15           10. Report to the governor, the speaker of the house of  
16 representatives, the president of the senate, the secretary of state and the  
17 director of the Arizona state library, archives and public records at least  
18 annually on all matters concerning its objectives. This includes:

19           (a) Its review of the statewide information technology plan developed  
20 by the ~~agency~~ DEPARTMENT.

21           (b) The findings and conclusions of its periodic reviews.

22           (c) Its recommendations on desirable legislation relating to  
23 information technology.

24           11. Adopt rules it deems necessary or desirable to further the  
25 objectives and programs of the committee.

26           D. The committee shall meet at the call of the chairperson.

27           E. Members of the committee are not eligible to receive compensation  
28 but are eligible to receive reimbursement for expenses pursuant to title 38,  
29 chapter 4, article 2.

30           F. For the purposes of this section, "advisory member" means a member  
31 who gives advice to the other members of the committee at committee meetings  
32 but who is not eligible to vote and is not a member for purposes of  
33 determining whether a quorum is present.

34           Sec. 53. Section 41-3542, Arizona Revised Statutes, is amended to  
35 read:

36           41-3542. Advisory commission; powers and duties; report

37           A. The Arizona public safety communications advisory commission shall  
38 make recommendations to the ~~agency~~ DEPARTMENT regarding the development and  
39 maintenance of work plans to outline areas of work to be performed and  
40 appropriate schedules for at least the following:

41           1. The development of a standard based system that provides  
42 interoperability of public safety agencies' communications statewide.

43           2. The promotion of the development and use of standard based systems.

44           3. The identification of priorities and essential tasks determined by  
45 the advisory commission.

- 1           4. The development of a timeline for project activities.  
2           5. Completion of a survey of existing and planned efforts statewide  
3 and benchmark against similar efforts nationally.  
4           6. Providing support for the state interoperability executive  
5 committee.  
6           7. Establishing committees and work groups as necessary.  
7           B. The ~~agency~~ DEPARTMENT may:  
8           1. Employ personnel as required with available monies.  
9           2. Enter into contracts to assess, design, construct and use public  
10 safety communications systems.  
11           3. Accept grants, fees and other monies for use by the agency and the  
12 advisory commission.  
13           4. Enter into agreements to carry out the purposes of this article.  
14           5. Request cooperation from any state agency for the purposes of this  
15 article.  
16           C. The department of public safety shall consult with the director of  
17 the ~~government information technology agency~~ DEPARTMENT OF ADMINISTRATION or  
18 the director's designee on an ongoing basis. The director ~~of the government~~  
19 ~~information technology agency~~ shall submit a quarterly report to the joint  
20 legislative budget committee for review regarding expenditures and progress  
21 of the commission, including a review of staff operations and preparation of  
22 requests for proposals for system detail and concept work.  
23           D. The commission shall annually submit a report of its activities and  
24 recommendations to the governor, the speaker of the house of representatives  
25 and the president of the senate on or before December 1 and shall provide a  
26 copy of the report to the secretary of state ~~and the director of the Arizona~~  
27 ~~state library, archives and public records~~.  
28           Sec. 54. Section 44-7041, Arizona Revised Statutes, is amended to  
29 read:  
30           44-7041. Creation; retention; conversion of written records  
31           A. Each governmental agency shall determine if, and the extent to  
32 which, the governmental agency will create and retain electronic records and  
33 convert written records to electronic records. Any governmental agency that  
34 is subject to the management, preservation, determination of value and  
35 disposition of records requirements prescribed in sections 41-1345,  
36 41-1345.01 and 41-1346 through 41-1351 and the permanent public records  
37 requirements prescribed in section 39-101 shall comply with those  
38 requirements.  
39           B. State agencies shall comply with the standards adopted by the  
40 ~~government information technology agency~~ DEPARTMENT OF ADMINISTRATION  
41 pursuant to title 41, chapter 32.  
42           C. All governmental agencies shall comply with the policies that are  
43 established by the secretary of state pursuant to section 41-132 and that  
44 apply to the use of electronic signatures.

1           Sec. 55. Section 44-7042, Arizona Revised Statutes, is amended to  
2 read:

3           44-7042. Sending and accepting electronic records

4           A. Except as otherwise provided in section 44-7012, subsection E, each  
5 governmental agency shall determine if, and the extent to which, the  
6 governmental agency will send and accept electronic records and electronic  
7 signatures to and from other persons and otherwise create, generate,  
8 communicate, store, process, use and rely on electronic records and  
9 electronic signatures. State agencies shall comply with the appropriate  
10 standards and policies adopted or established by the ~~government information~~  
11 ~~technology agency~~ DEPARTMENT OF ADMINISTRATION pursuant to title 41, chapter  
12 32 and the secretary of state pursuant to section 41-132.

13           B. To the extent that a governmental agency uses electronic records  
14 and electronic signatures pursuant to subsection A of this section, the  
15 governmental agency after giving due consideration to security may specify:

16           1. The manner and format in which the electronic records must be  
17 created, generated, sent, communicated, received and stored and the systems  
18 established for those purposes.

19           2. If electronic records must be signed by electronic means, the type  
20 of electronic signature required, the manner and format in which the  
21 electronic signature must be affixed to the electronic record and the  
22 identity of or criteria that must be met by any third party used by a person  
23 filing a document to facilitate the process.

24           3. Control processes and procedures as appropriate to ensure adequate  
25 preservation, disposition, integrity, security, confidentiality and ability  
26 to perform audits of electronic records.

27           4. Any other required attributes for electronic records that are  
28 specified for corresponding nonelectronic records or that are reasonably  
29 necessary under the circumstances.

30           C. Except as otherwise provided in section 44-7012, subsection E, this  
31 chapter does not require a governmental agency to use or allow the use of  
32 electronic records or electronic signatures.

33           Sec. 56. Termination of department of administration local  
34 board; transfer of personnel, records and equipment;  
35 transfer of retirement assets; study

36           A. The department of administration public safety personnel retirement  
37 system local board is terminated. The department of administration shall  
38 transfer the records of employees who are currently members of the public  
39 safety personnel retirement system to the department of public safety public  
40 safety personnel retirement system local board.

41           B. All equipment, records, furnishings, vehicles and other property,  
42 all data and investigative findings and all appropriated and nonappropriated  
43 monies that remain unexpended and unencumbered on the effective date of this  
44 act that relate to the capitol police are transferred from the department of  
45 administration to the department of public safety. All equipment, records,

1 furnishings, vehicles and other property that are transferred pursuant to  
2 this subsection shall not be upgraded at the time of transfer unless the  
3 legislature approves the upgrade.

4 C. All personnel who are under the state personnel system and employed  
5 by the department of administration as capitol police officers and sergeants  
6 are transferred to the following department of public safety positions:

7 1. Capitol police officers shall become department of public safety  
8 capitol police with an annual salary equivalent to the entry level salary of  
9 a department of public safety officer.

10 2. Capitol police sergeants shall each become a department of public  
11 safety capitol police sergeant with an annual salary equivalent to the  
12 sergeant I classification in the department of public safety.

13 D. All personnel who are under the state personnel system and employed  
14 by the department of administration as capitol police personnel and that are  
15 not officers and sergeants are transferred to the department of public safety  
16 to equivalent classifications or new classifications as approved by the law  
17 enforcement merit system council.

18 E. The administrator of the public safety personnel retirement system  
19 shall transfer the assets in the public safety personnel retirement system  
20 department of administration account to the public safety personnel  
21 retirement system department of public safety account.

22 Sec. 57. Succession; government information technology agency

23 A. As provided by this act, the department of administration succeeds  
24 to the authority, powers, duties and responsibilities of the government  
25 information technology agency.

26 B. This act does not alter the effect of any actions that were taken  
27 or impair the valid obligations of the government information technology  
28 agency in existence before the effective date of this act.

29 C. Administrative rules and orders that were adopted by the government  
30 information technology agency continue in effect until superseded by  
31 administrative action by the department of administration.

32 D. All administrative matters, contracts and judicial and  
33 quasi-judicial actions, whether completed, pending or in process, of the  
34 government information technology agency on the effective date of this act  
35 are transferred to and retain the same status with the department of  
36 administration.

37 E. All certificates, licenses, registrations, permits and other  
38 indicia of qualification and authority that were issued by the government  
39 information technology agency retain their validity for the duration of their  
40 terms of validity as provided by law.

41 F. All equipment, records, furnishings and other property, all data  
42 and investigative findings and all appropriated monies that remain unexpended  
43 and unencumbered on the effective date of this act of the government  
44 information technology agency are transferred to the department of  
45 administration.

1 G. All personnel who are under the state personnel system and employed  
2 by the government information technology agency are transferred to comparable  
3 positions and pay classifications in the respective administrative units of  
4 the department of administration on the effective date of this act.

5 Sec. 58. Succession; department of mines and mineral resources

6 A. As provided by this act, the Arizona geological survey succeeds to  
7 the authority, powers, duties and responsibilities of the department of mines  
8 and mineral resources.

9 B. This act does not alter the effect of any actions that were taken  
10 or impair the valid obligations of the department of mines and mineral  
11 resources in existence before the effective date of this act.

12 C. Administrative rules and orders that were adopted by the department  
13 of mines and mineral resources continue in effect until superseded by  
14 administrative action by the Arizona geological survey.

15 D. All administrative matters, contracts and judicial and  
16 quasi-judicial actions, whether completed, pending or in process, of the  
17 department of mines and mineral resources on the effective date of this act  
18 are transferred to and retain the same status with the Arizona geological  
19 survey.

20 E. All certificates, licenses, registrations, permits and other  
21 indicia of qualification and authority that were issued by the department of  
22 mines and mineral resources retain their validity for the duration of their  
23 terms of validity as provided by law.

24 F. All equipment, records, furnishings and other property, all data  
25 and investigative findings and all appropriated monies that remain unexpended  
26 and unencumbered on the effective date of this act of the department of mines  
27 and mineral resources are transferred to the Arizona geological survey.

28 G. All personnel who are under the state personnel system and employed  
29 by the department of mines and mineral resources are transferred to  
30 comparable positions and pay classifications in the respective administrative  
31 units of the Arizona geological survey on the effective date of this act.

32 Sec. 59. Transfer of powers; Arizona biomedical research  
33 commission

34 A. The department of health services succeeds to the powers of the  
35 Arizona biomedical research commission.

36 B. This act does not alter the effect of any actions that were taken  
37 or impair the valid obligations of the Arizona biomedical research commission  
38 in existence before the effective date of this act.

39 C. Administrative rules and orders that were adopted by the Arizona  
40 biomedical research commission continue in effect until superseded by  
41 administrative action by the department of health services.

42 D. All administrative matters, contracts and judicial and  
43 quasi-judicial actions, whether completed, pending or in process, of the  
44 Arizona biomedical research commission before the effective date of this act

1 are transferred to and retain the same status with the department of health  
2 services.

3 E. All equipment, records, furnishings and other property, all data  
4 and investigative findings and all appropriated monies that remain unexpended  
5 and unencumbered before the effective date of this act of the Arizona  
6 biomedical research commission are transferred to the department of health  
7 services.

8 Sec. 60. Mines and mineral resources fund; transfers

9 Of the monies in the mines and mineral resources fund established by  
10 section 27-111, Arizona Revised Statutes, on the effective date of this act:

11 1. \$32,200 is transferred to the permanent Arizona historical society  
12 revolving fund established by section 41-826, Arizona Revised Statutes.

13 2. The remainder of the monies is transferred to the geological survey  
14 fund established by section 27-152.02, Arizona Revised Statutes.

15 Sec. 61. Retroactivity

16 This act applies retroactively to from and after June 30, 2011.