

State of Arizona  
Senate  
Fiftieth Legislature  
First Regular Session  
2011

**CHAPTER 27**  
**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~~  
45 ~~technology agency~~ DEPARTMENT OF ADMINISTRATION, for every pupil in every  
46 academic classroom.

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

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

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

17           Sec. 3. Section 15-1044, Arizona Revised Statutes, is amended to read:  
18 15-1044. Arizona e-learning task force; duties

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

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

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

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

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

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

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

41           7. Two persons who represent higher education and who have expertise  
42 in education technology and twenty-first century learning, one of whom shall  
43 be appointed by the president of the senate and one of whom shall be  
44 appointed by the speaker of the house of representatives.

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

1           9. The superintendent of public instruction or the superintendent's  
2 designee.

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

5           B. The task force shall annually elect a chairperson from among the  
6 members of the task force. The department of education shall provide staff  
7 support for the task force.

8           C. The initial members appointed pursuant to subsection A, paragraphs  
9 1 through 8 shall assign themselves by lot to terms of one, two and three  
10 years in office. All subsequent members appointed pursuant to subsection A,  
11 paragraphs 1 through 8 serve three year terms. The chairperson shall notify  
12 the appointing authority of these terms.

13           D. The task force shall:

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

15           2. Analyze potential methods to implement e-learning programs in this  
16 state.

17           3. Develop innovative e-learning solutions.

18           4. Submit recommendations to the legislature and the state board of  
19 education on the following:

20           (a) The transformation of traditional instruction programs to  
21 e-learning programs.

22           (b) Options to equip teachers with the most effective technology and  
23 training.

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

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

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

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

36           6. Annually report to the legislature regarding e-learning programs  
37 and solutions.

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

42           Sec. 4. Section 15-1261, Arizona Revised Statutes, is amended to read:

43           15-1261. E-rate application; fund

44           A. All school districts and charter schools that are eligible for  
45 e-rate priority one funding as authorized by the telecommunications act of  
46 1996 may apply for funding. Eligible school districts and charter schools

1 may submit applications with assistance of the ~~government information~~  
2 ~~technology agency~~ DEPARTMENT OF ADMINISTRATION.

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

7 Sec. 5. Section 23-392, Arizona Revised Statutes, is amended to read:  
8 23-392. Overtime compensation for certain law enforcement or  
9 probation officer activities; option; definitions

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

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

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

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

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

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

30 C. Paid leave may be considered hours worked for the purpose of  
31 calculating overtime.

32 D. The director of the department of public safety may establish  
33 alternate work periods, in accordance with federal law, for the purpose of  
34 determining overtime compensation for those employees of the air rescue  
35 section of the department of public safety.

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

40 F. For the purposes of this section:

41 1. "Person engaged in law enforcement activities":

42 (a) Means:

43 (i) A law enforcement officer as defined by section 38-1001.

44 (ii) A peace officer as defined by section 41-1701.

1 (iii) Any security personnel responsible for controlling or  
2 maintaining custody of inmates in correctional institutions maintained by  
3 this state or a county, city or town.

4 ~~(iv) A capitol police officer employed pursuant to section 41-794,~~  
5 ~~subsection A.~~

6 (b) Does not include any such person employed in a bona fide executive  
7 or administrative capacity as defined by the employer.

8 2. "Person engaged in probation officer activities":

9 (a) Means a probation officer or surveillance officer who is appointed  
10 pursuant to section 8-203, 12-251 or 12-259.

11 (b) Does not include any such person employed in a bona fide executive  
12 or administrative capacity as defined by the employer.

13 Sec. 6. Section 23-901, Arizona Revised Statutes, is amended to read:  
14 23-901. Definitions

15 In this chapter, unless the context otherwise requires:

16 1. "Award" means the finding or decision of an administrative law  
17 judge or the commission as to the amount of compensation or benefit due an  
18 injured employee or the dependents of a deceased employee.

19 2. "Client" means an individual, association, company, firm,  
20 partnership, corporation or any other legally recognized entity that is  
21 subject to this chapter and that enters into a professional employer  
22 agreement with a professional employer organization.

23 3. "Co-employee" means every person employed by an injured employee's  
24 employer.

25 4. "Commission" means the industrial commission of Arizona.

26 5. "Compensation" means the compensation and benefits provided by this  
27 chapter.

28 6. "Employee", "workman", "worker" and "operative" means:

29 (a) Every person in the service of the state or a county, city, town,  
30 municipal corporation or school district, including regular members of  
31 lawfully constituted police and fire departments of cities and towns, whether  
32 by election, appointment or contract of hire.

33 (b) Every person in the service of any employer subject to this  
34 chapter, including aliens and minors legally or illegally permitted to work  
35 for hire, but not including a person whose employment is both:

36 (i) Casual.

37 (ii) Not in the usual course of the trade, business or occupation of  
38 the employer.

39 (c) Lessees of mining property and their employees and contractors  
40 engaged in the performance of work which is a part of the business conducted  
41 by the lessor and over which the lessor retains supervision or control are  
42 within the meaning of this paragraph employees of the lessor, and are deemed  
43 to be drawing wages as are usually paid employees for similar work. The  
44 lessor may deduct from the proceeds of ores mined by the lessees the premium  
45 required by this chapter to be paid for such employees.

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

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

30 (f) Any person placed in on-the-job evaluation or in on-the-job  
31 training under the department of economic security's temporary assistance for  
32 needy families program or vocational rehabilitation program shall be deemed  
33 to be an employee of the department for the purpose of coverage under the  
34 state workers' compensation laws only. The basis for computing premium  
35 payments and compensation benefits shall be two hundred dollars per month.  
36 Any person receiving vocational rehabilitation services under the department  
37 of economic security's vocational rehabilitation program whose major  
38 evaluation or training activity is academic, whether as an enrolled attending  
39 student or by correspondence, or who is confined to a hospital or penal  
40 institution, shall not be deemed to be an employee of the department for any  
41 purpose. Any dividend which the department's vocational rehabilitation  
42 program may be entitled to receive from the state compensation fund because  
43 of a favorable loss experience for any policy period shall not revert to the  
44 state general fund but shall be applied to the department's current premium  
45 obligations for workers' compensation coverage for such program.

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

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

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

45 (j) A member of the Arizona national guard, Arizona state guard or  
46 unorganized militia shall be deemed a state employee and entitled to coverage

1 under the Arizona workers' compensation law at all times while the member is  
2 receiving the payment of the member's military salary from the state of  
3 Arizona under competent military orders or upon order of the governor.  
4 Compensation benefits shall be based upon the monthly military pay rate to  
5 which the member is entitled at the time of injury, but not less than a  
6 salary of four hundred dollars per month, nor more than the maximum provided  
7 by the workers' compensation law. No Arizona compensation benefits shall  
8 inure to a member compensable under federal law.

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

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

20 (m) Personnel who participate in a search or rescue operation or a  
21 search or rescue training operation that carries a mission identifier  
22 assigned by the division of emergency management as provided in section  
23 35-192.01 and who serve without compensation as volunteer state employees.  
24 The basis for computation of wages for premium purposes and compensation  
25 benefits is the total volunteer man-hours recorded by the division of  
26 emergency management in a given quarter multiplied by the amount determined  
27 by the appropriate risk management formula.

28 (n) Personnel who participate in emergency management training,  
29 exercises or drills that are duly enrolled or registered with the division of  
30 emergency management or any political subdivision as provided in section  
31 26-314, subsection C and who serve without compensation as volunteer state  
32 employees. The basis for computation of wages for premium purposes and  
33 compensation benefits is the total volunteer man-hours recorded by the  
34 division of emergency management or political subdivision during a given  
35 training session, exercise or drill multiplied by the amount determined by  
36 the appropriate risk management formula.

37 (o) Regular members of the Arizona game and fish department reserve,  
38 organized pursuant to section 17-214. The basis for computing wages for  
39 premium payments and compensation benefits for a member of the reserve is the  
40 salary received by game rangers and wildlife managers of the Arizona game and  
41 fish department for their first month of regular duty.

42 (p) Every person employed pursuant to a professional employer  
43 agreement.

44 ~~(q) Members of the department of administration capitol police~~  
45 ~~reserve, organized pursuant to section 41-794, are deemed to be employees.~~  
46 ~~For the purposes of this chapter, the basis for computing wages for premium~~

~~1 payments and compensation benefits for a member of the department of  
2 administration capitol police reserve who is a peace officer shall be the  
3 salary received by officers of the department of administration for their  
4 first month of regular duty as an officer.~~

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

7 8. "Heart-related or perivascular injury, illness or death" means  
8 myocardial infarction, coronary thrombosis or any other similar sudden,  
9 violent or acute process involving the heart or perivascular system, or any  
10 death resulting therefrom, and any weakness, disease or other condition of  
11 the heart or perivascular system, or any death resulting therefrom.

12 9. "Insurance carrier" means the state compensation fund and every  
13 insurance carrier duly authorized by the director of insurance to write  
14 workers' compensation or occupational disease compensation insurance in the  
15 state of Arizona.

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

19 11. "Mental injury, illness or condition" means any mental, emotional,  
20 psychotic or neurotic injury, illness or condition.

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

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

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

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

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

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

39 (a) In which the professional employer organization expressly agrees  
40 to co-employ all or a majority of the employees providing services for the  
41 client. In determining whether the professional employer organization  
42 employs all or a majority of the employees of a client, any person employed  
43 pursuant to the terms of the professional employer agreement after the  
44 initial placement of client employees on the payroll of the professional  
45 employer organization shall be included.

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

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

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

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

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

13 18. "State compensation fund" includes the state compensation fund,  
14 accident benefit fund and occupational disease compensation fund in existence  
15 on January 2, 1969 and shall thereafter include all funds under the  
16 jurisdiction of the board of directors of the state compensation fund which  
17 have been derived from the assessment of premiums, interest, penalties and  
18 investment earnings for the payment of all workers' compensation and  
19 occupational disease compensation benefits.

20 19. "Weakness, disease or other condition of the heart or perivascular  
21 system" means arteriosclerotic heart disease, cerebral vascular disease,  
22 peripheral vascular disease, cardiovascular disease, angina pectoris,  
23 congestive heart trouble, coronary insufficiency, ischemia and all other  
24 similar weaknesses, diseases and conditions, and also previous episodes or  
25 instances of myocardial infarction, coronary thrombosis or any similar  
26 sudden, violent or acute process involving the heart or perivascular system.

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

29 Sec. 7. Heading change

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

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

34 27-101. Definitions

35 In this article, unless the context otherwise requires:

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

37 ~~2. 1. "Department" means the department of mines and mineral~~  
38 ~~resources~~ ARIZONA GEOLOGICAL SURVEY.

39 ~~3. 2. "Director" means the director of the department~~ STATE  
40 GEOLOGIST.

41 ~~4. 3. "Minerals" includes metals and metallic and nonmetallic~~  
42 minerals, except oil and gas.

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

45 27-101.01. Immunity

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

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

3 ~~1. Through technical and educational processes, including field~~  
4 ~~investigations, public seminars, publications, conferences and mineral~~  
5 ~~displays.~~

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

9 ~~C.~~ Any claim or action against the department, ~~the board of governors~~  
10 ~~or any member of the board or~~ the director or any other officer, employee or  
11 volunteer of the department in the person's official capacity must be brought  
12 against the state of Arizona and not against the department, ~~board, board~~  
13 ~~member,~~ director or officer, employee or volunteer individually.

14 Sec. 10. Section 27-102, Arizona Revised Statutes, is amended to read:  
15 27-102. Duties of the department

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

18 1. Promote the development of the mineral resources and industry of  
19 this state.

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

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

24 4. Conduct studies of the properties and claims of companies and  
25 individuals to assist in the exploration and development of mineral  
26 resources.

27 5. Maintain a repository of mineral and mining information, including  
28 databases, books, periodicals, individual mine files, mine map repository  
29 files, mining district data and an archive of mine data. All databases and  
30 other archival materials shall be maintained in a secure and retrievable  
31 format and location prescribed by the director to protect and preserve  
32 information from damage or destruction.

33 6. Provide quality mining data, evaluation and assistance relating to  
34 promoting mineral development to the legislature, federal, state and local  
35 governmental agencies and the public.

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

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

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

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

1 11. Assist federal, state and local governmental agencies and  
2 instrumentalities, economic development organizations and gem and mineral  
3 organizations in matters relating to:

4 (a) Education.

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

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

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

12 Sec. 11. Repeal

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

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

16 27-151. Arizona geological survey; state geologist; powers;  
17 definition

18 A. The Arizona geological survey is established with offices located  
19 in proximity to the university of Arizona in Tucson. The governor shall  
20 appoint a state geologist, pursuant to section 38-211, to be the  
21 administrative head of the Arizona geological survey and to serve at the  
22 pleasure of the governor. The state geologist shall be registered as a  
23 geologist by the state board of technical registration, a graduate of an  
24 accredited institution and otherwise qualified by education and experience to  
25 direct the research and information functions of the Arizona geological  
26 survey.

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

31 C. The state geologist may:

32 1. Retain the services of faculty members or students, and shall have  
33 reasonable access to the data and other resources, of the university of  
34 Arizona or any other state university in this state to conduct or supervise  
35 research, experimentation or other related work of the Arizona geological  
36 survey.

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

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

44 D. The expenses of the Arizona geological survey shall be paid by  
45 annual appropriation from the state general fund and as otherwise provided by  
46 this article AND ARTICLE 1 OF THIS CHAPTER.

1 E. For THE purposes of this article, "mineral resources" means all  
2 metallic, nonmetallic and energy resources, including coal, oil, natural gas,  
3 geothermal resources, carbon dioxide and helium.

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

6 27-152.02. Powers and duties of state geologist; fund

7 A. The state geologist shall:

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

10 2. Prescribe the number and professional disciplines of the technical  
11 staff and their office and laboratory associates.

12 3. Direct the work of the Arizona geological survey and the  
13 formulation of its program and policies.

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

16 5. Purchase or lease necessary office and laboratory equipment and  
17 acquire facilities from the state or lease necessary office and laboratory  
18 space.

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

25 7. Accept from the federal, state and local governments or their  
26 agencies monies made available to this state for the purposes of this  
27 article.

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

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

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

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

42 C. A geological survey fund is established for the purposes provided  
43 in this article consisting of appropriations and all monies received pursuant  
44 to ARTICLE 1 OF THIS CHAPTER, this section and sections 27-152.01, 27-153 and  
45 27-515. Monies shall be separately accounted for and used as a continuing  
46 appropriation by the state geologist for the purposes provided from each

1 source. Monies in the fund are exempt from the provisions of section 35-190  
2 relating to lapsing of appropriations.

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

5 28-3513. Administrative charges

6 A. The immobilizing or impounding agency shall establish procedures  
7 for immobilization hearings or poststorage hearings, for the release of  
8 properly immobilized or impounded vehicles and for imposition of a charge for  
9 administrative costs relating to the removal, immobilization, impoundment,  
10 storage or release of a vehicle. The immobilizing or impounding agency may  
11 waive the administrative charges.

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

16 C. The immobilizing or impounding agency shall collect any  
17 administrative charges at the time of the release of the vehicle unless the  
18 vehicle is stolen and the theft was reported to the appropriate law  
19 enforcement agency. If the vehicle is stolen and the theft was reported to  
20 the appropriate law enforcement agency, the operator of the vehicle at the  
21 time of immobilization or impoundment is responsible for all towing,  
22 immobilization, storage and administrative charges.

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

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

28 F. If the immobilizing or impounding agency is:

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

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

37 3. The department of public safety, the administrative charges  
38 collected pursuant to this section shall be deposited, pursuant to sections  
39 35-146 and 35-147, in the Arizona highway patrol fund established by section  
40 41-1752.

41 4. The capitol police, the administrative charges collected pursuant  
42 to this section shall be deposited, pursuant to sections 35-146 and 35-147,  
43 in the capitol police administrative towing fund established by section  
44 ~~41-795~~ 41-1725.

45 Sec. 15. Section 35-142, Arizona Revised Statutes, is amended to read:

1           35-142. Monies kept in funds separate from state general fund:  
2                           receipt and withdrawal

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

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

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

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

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

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

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

30          7. All federal monies that are received by the department of economic  
31 security for family assistance benefits and medical eligibility as a result  
32 of efficiencies developed by the department of economic security and that  
33 would otherwise revert to the state general fund pursuant to section 35-190  
34 shall be retained for use by the department of economic security in  
35 accordance with the terms and conditions imposed by the federal funding  
36 source in an account or accounts established or authorized by the state  
37 treasurer.

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

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

45          B. No money shall be received or held by the state treasurer except as  
46 authorized by law, and in every instance the treasurer shall issue a receipt

1 for money received and shall record the transaction in the statewide  
2 accounting system. No money shall be withdrawn from the treasury except on  
3 the warrant or electronic funds transfer voucher of the department of  
4 administration.

5 C. All federal monies granted and paid to the state by the federal  
6 government shall be accounted for in the accounts or funds of the state in  
7 the necessary detail to meet federal and state accounting, budgetary and  
8 auditing requirements, and all appropriations for matching such federal  
9 monies shall be transferred from the general fund to such separate funds as  
10 needed, except as otherwise required by the federal government.

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

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

22 F. Nothing in this section or any other section precludes the use of  
23 monies kept in funds separate from the general fund, the interest from which  
24 accrues to the general fund, for payment of claims against the general fund,  
25 provided sufficient monies remain available for payment of claims against  
26 such funds.

27 G. The department of administration may issue warrants for qualified  
28 expenditures of federal program monies before they are deposited in the state  
29 treasury. The receipt of federal monies shall be timed to coincide, as  
30 closely as administratively feasible, with the redemption of warrants by the  
31 state treasurer. The department of administration shall limit expenditures  
32 to the amount that has been made available for the use under the grant award  
33 by the federal government. The state agency initiating the expenditures is  
34 responsible for ensuring that expenditures qualify for coverage under the  
35 guidelines of the federal grant award.

36 H. The department of administration shall establish the policies and  
37 procedures for all state agencies for drawing federal monies. When the  
38 established method results in federal monies being held by this state, the  
39 department of administration may use the interest earned on the monies to pay  
40 the federal government for any related interest liability. If an interest  
41 liability is incurred due to a state agency varying from the established  
42 policies and procedures, the department of administration shall charge the  
43 appropriate agency account or fund. Interest payment charges to agencies  
44 shall be reported by the department of administration to the joint  
45 legislative budget committee on or before March 1. Any federal interest  
46 liability owed to this state as a result of the delayed federal disbursements

1 shall be used to offset this state's interest liability to the federal  
2 government. Any remaining interest earnings shall be deposited in the state  
3 general fund.

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

8 J. Except for the department of revenue for tax payments, agencies or  
9 authorized agents on behalf of state agencies that accept credit cards shall  
10 deduct any applicable discount fee and processing fee associated with the  
11 transaction amount before depositing the net amount in the appropriate state  
12 fund. No other reduction is permitted against the transaction amount. The  
13 net amount deposited in the appropriate state fund shall be considered as the  
14 full deposit required by law of monies received by the agency or the  
15 authorized agent. Payment of any applicable discount fee and processing fee  
16 shall be accounted for in the annual report submitted to the governor's  
17 office of strategic planning and budgeting in accordance with section  
18 41-1273. The transaction amount of any credit card transaction shall not be  
19 reduced by any discount fee or processing fee in an amount in excess of the  
20 merchant card settlement fees reflected in the state banking contract with  
21 the state treasurer's office.

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

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

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

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

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

37 1. Deduct the amount of the convenience fee before depositing the  
38 transaction amount or the transaction amount reduced by the discount fee or  
39 the processing fee, or both, into the appropriate state fund.

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

42 3. Deduct the amount of the discount fee or the processing fee, or  
43 both, from the transaction amount before depositing the net amount into the  
44 appropriate state fund.

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

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

8 O. When the percentage of electronic transactions first exceeds at  
9 least thirty per cent of a state agency's total transactions, the state  
10 agency shall perform a cost benefit report, including costs of convenience  
11 fees, the amount of revenue generated and any realized cost savings. The  
12 state agency shall submit the cost benefit report to the joint legislative  
13 budget committee within six months after reaching the thirty per cent  
14 threshold.

15 P. State agencies shall report the number of transactions, the number  
16 of electronic transactions, the total dollar amount of transactions  
17 processed, the total dollar amount of any discount fee, the total dollar  
18 amount of any processing fee and the total dollar amount of any convenience  
19 fee charged, deducted or paid pursuant to subsections J and K of this section  
20 annually by October 1 to the governor, the ~~government information technology~~  
21 ~~agency~~ DEPARTMENT OF ADMINISTRATION and the joint legislative budget  
22 committee.

23 Q. Nothing in this section or any other provision of law authorizes  
24 any state agency, authorized agent of any state agency or budget unit to  
25 establish a bank account for any government monies. All monies received by  
26 or on behalf of this state shall be deposited with and in the custody of the  
27 state treasurer or in an account that is authorized by the state treasurer  
28 pursuant to this section. This subsection does not apply to monies received  
29 and any accounts established and maintained by the director of the Arizona  
30 state retirement system or the administrator of the public safety personnel  
31 retirement system, the corrections officer retirement plan and the elected  
32 officials' retirement plan.

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

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

37 36-271. Definitions

38 In this article, unless the context otherwise requires:

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

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

41 ~~2-~~ 3. "Disease" means a condition or disorder that causes the human  
42 body to deviate from its normal or healthy state and ~~which condition or~~  
43 ~~disorder~~ THAT has no known general cure or adequate medically accepted  
44 treatment.

45 ~~3-~~ 4. "Medically accepted treatment" means a methodology or protocol  
46 recognized by the American medical association, the American college of

1 surgeons or the national cancer institute or taught by an approved school of  
2 medicine as defined in section 32-1401 as a treatment that results in the  
3 restoration of the human body to a normal or healthy state.

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

5 36-272. Biomedical research commission; members; terms;  
6 appointment; compensation; meetings

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

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

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

17 3. Three members representing the general public.

18 **B. THE COMMISSION SHALL ADVISE THE DEPARTMENT REGARDING WAYS TO**  
19 **ADVANCE RESEARCH IN THIS STATE RELATING TO:**

20 1. **THE CAUSES, EPIDEMIOLOGY AND DIAGNOSIS OF DISEASES.**

21 2. **THE FORMULATION OF CURES FOR DISEASES.**

22 3. **THE DEVELOPMENT OF MEDICALLY ACCEPTED TREATMENT AND PREVENTION OF**  
23 **DISEASES, INCLUDING THE DISCOVERY AND DEVELOPMENT OF NEW DRUGS.**

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

26 ~~C.~~ D. Commission members are eligible to receive compensation in the  
27 amount of two hundred dollars per day for every day of actual service in the  
28 business of the commission and are eligible for reimbursement of expenses  
29 necessarily and properly incurred in attending commission meetings.

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

33 E. The commission shall meet at least quarterly at the call of the  
34 chairperson. The commission shall also meet at the call of either three  
35 commission members or two commission members and the commission's executive  
36 director. The commission shall elect a chairperson and cochairperson from  
37 among its membership annually at its first quarterly meeting.

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

39 36-273. Powers and duties

40 A. The ~~commission~~ **DEPARTMENT** may:

41 1. Use monies in the disease control research fund established  
42 pursuant to section 36-274 to contract with individuals, organizations,  
43 corporations and institutions, public or private, in this state for any  
44 projects or services that, ~~in the commission's determination,~~ **THE DEPARTMENT**  
45 **DETERMINES** may advance research into the causes, the epidemiology and  
46 diagnosis, the formulation of cures, the medically accepted treatment or the

1 prevention of diseases, including new drug discovery and development. Public  
2 monies in the disease control research fund shall not be used for capital  
3 construction projects.

4 2. Enter into research and development agreements, royalty agreements,  
5 development agreements, licensing agreements and profit sharing agreements  
6 concerning the research, development and production of new products developed  
7 or to be developed through ~~commission~~ DEPARTMENT funded research.

8 3. Accept or receive monies from any source, including restricted or  
9 unrestricted gifts and contributions from individuals, foundations,  
10 corporations and other organizations and institutions.

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

13 5. Request cooperation from any state agency for the purposes of this  
14 article.

15 6. Provide information and technical assistance to other jurisdictions  
16 and agencies.

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

18 1. ~~Establish a committee to~~ Review and evaluate proposals or requests  
19 for projects or services ~~and recommend to the commission the allocation of~~  
20 ~~available monies.~~

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

24 3. Prepare and submit a report on or before January 15 of each year to  
25 the governor, the president of the senate AND the speaker of the house of  
26 representatives, ~~the secretary of state and the director of the Arizona state~~  
27 ~~library, archives and public records. The report shall describe the~~  
28 ~~activities of the commission,~~ THAT DESCRIBES the projects or services  
29 proposed to the ~~commission~~ DEPARTMENT PURSUANT TO THIS ARTICLE, the projects  
30 or services for which the ~~commission~~ DEPARTMENT has awarded a contract and  
31 the amount of monies necessary for each proposal, the cost of each proposal  
32 for which a contract was awarded, the names and addresses of the recipients  
33 of each contract and the purpose for which each contract was made. **THE**  
34 **DEPARTMENT SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE.**

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

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

37 A. The disease control research fund is established consisting of  
38 monies received from the state lottery fund pursuant to section 5-522,  
39 subsection C, monies appropriated by the legislature and any gifts,  
40 contributions or other monies received by the ~~commission~~ DEPARTMENT from any  
41 source **TO CARRY OUT THE PURPOSES OF THIS ARTICLE**, except monies from the  
42 health research fund established by section 36-275. The ~~commission~~ DEPARTMENT  
43 shall administer the disease control research fund.

44 B. The ~~commission~~ DEPARTMENT may expend monies in the disease control  
45 research fund for projects or services pursuant to section 36-273 and for

1 expenses incurred by the ~~commission~~ DEPARTMENT in carrying out the purposes  
2 of this article, including filing applications and maintaining patents.

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

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

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

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

14 36-275. Health research fund

15 A. The health research fund is established. Notwithstanding any law  
16 to the contrary, the ~~commission~~ DEPARTMENT shall deposit, pursuant to  
17 sections 35-146 and 35-147, all monies it administers pursuant to section  
18 36-773 into the health research fund. The ~~commission~~ DEPARTMENT shall  
19 administer the fund.

20 B. Except as provided by section 36-276, the ~~commission~~ DEPARTMENT  
21 shall only expend monies in the health research fund for research on the  
22 prevention and treatment of tobacco related disease and addiction and  
23 research into the causes, epidemiology and diagnosis of diseases, the  
24 formulation of cures, the medically accepted treatment or the prevention of  
25 diseases including new drug discovery and development, and may include  
26 behavioral studies and attitude assessments, and for expenses incurred by the  
27 ~~commission~~ DEPARTMENT in carrying out the purposes described in section  
28 36-773.

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

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

32 36-276. Biotechnology research; appropriation; purpose; audit;  
33 reversion

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

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

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

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

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

11 Sec. 22. Section 36-773, Arizona Revised Statutes, is amended to read:  
12 36-773. Health research account

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

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

18 C. Monies that are deposited in the health research account shall only  
19 be used to supplement monies that are appropriated by the legislature for  
20 health research purposes and shall not be used to supplant those appropriated  
21 monies.

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

24 36-2926. Use of cost savings; preparation of budget  
25 recommendations; cooperation of other agencies

26 A. The administration shall use the cost savings generated from  
27 agreements entered into pursuant to section 36-2925 to supplement monies that  
28 are appropriated by the legislature. The administration shall use the cost  
29 savings to:

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

34 2. IMPLEMENT technology projects to upgrade hardware or software used  
35 by the administration in the operation of the system.

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

40 C. The department of administration ~~and the government information  
41 technology agency~~ shall assist the administration in developing and operating  
42 employee recruitment and retention programs specified in subsection A of this  
43 section.

44 Sec. 24. Section 37-904, Arizona Revised Statutes, is amended to read:  
45 37-904. Public lands board of review; members; powers and  
46 duties; staff and officers; service of process

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

- 3           1. State land commissioner.
- 4           2. Director of ~~the department of health services division of air and~~  
5 ~~water~~ ENVIRONMENTAL quality.
- 6           ~~3. Director of the department of mines and mineral resources.~~
- 7           3. STATE GEOLOGIST.
- 8           4. Director of the Arizona state parks board.
- 9           5. Director of the department of transportation.
- 10          6. Deputy state forester.
- 11          7. Director of water resources.
- 12          8. Director of the Arizona game and fish department.
- 13          9. As provided in subsection F, the chairman of the board of  
14 supervisors of a county in which public lands are located.
- 15          10. One county supervisor, appointed by the governor to serve at the  
16 pleasure of the governor.

17           B. The board shall elect one of its members to serve as chairman. The  
18 chairman shall call meetings of the board and prescribe the time and place of  
19 each meeting.

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

23           D. The board:

- 24           1. Shall review and approve or disapprove all rules and regulations  
25 proposed by the commissioner under this chapter.
- 26           2. May review any decision of the commissioner relating to public  
27 lands under this chapter and affirm, modify or reverse the decision.

28           E. The state land department shall provide the administrative staff  
29 and offices needed by the board, and the state land commissioner shall be  
30 deemed the clerk of the board upon which notices of appeal and other process  
31 shall be served.

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

35           Sec. 25. Section 38-842, Arizona Revised Statutes, is amended to read:  
36 38-842. Definitions

37           In this article, unless the context otherwise requires:

38           1. "Accidental disability" means a physical or mental condition that  
39 the local board finds totally and permanently prevents an employee from  
40 performing a reasonable range of duties within the employee's job  
41 classification and that was incurred in the performance of the employee's  
42 duty.

43           2. "Accumulated contributions" means, for each member, the sum of the  
44 amount of the member's aggregate contributions made to the fund and the  
45 amount, if any, attributable to the employee's contributions before the  
46 member's effective date under another public retirement system, other than

1 the federal social security act, and transferred to the fund minus the  
2 benefits paid to or on behalf of the member.

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

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

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

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

12 7. "Average monthly benefit compensation" means the result obtained by  
13 dividing the total compensation paid to an employee during a considered  
14 period by the number of months, including fractional months, in which such  
15 compensation was received. The considered period shall be the three  
16 consecutive years within the last twenty completed years of credited service  
17 that yield the highest average. In the computation under this paragraph, a  
18 period of nonpaid or partially paid industrial leave shall be considered  
19 based on the compensation the employee would have received in the employee's  
20 job classification if the employee was not on industrial leave.

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

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

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

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

31 12. "Compensation" means, for the purpose of computing retirement  
32 benefits, base salary, overtime pay, shift differential pay, military  
33 differential wage pay and holiday pay paid to an employee by the employer on  
34 a regular monthly, semimonthly or biweekly payroll basis and longevity pay  
35 paid to an employee at least every six months for which contributions are  
36 made to the system pursuant to section 38-843, subsection D. Compensation  
37 does not include, for the purpose of computing retirement benefits, payment  
38 for unused sick leave, payment in lieu of vacation, payment for compensatory  
39 time or payment for any fringe benefits. In addition, compensation does not  
40 include, for the purpose of computing retirement benefits, payments made  
41 directly or indirectly by the employer to the employee for work performed for  
42 a third party on a contracted basis or any other type of agreement under  
43 which the third party pays or reimburses the employer for the work performed  
44 by the employee for that third party, except for third party contracts  
45 between public agencies for law enforcement, criminal, traffic and crime  
46 suppression activities training OR FIRE, wildfire, emergency medical or

1 emergency management activities or where the employer supervises the  
2 employee's performance of law enforcement, criminal, traffic and crime  
3 suppression activities, ~~training,~~ OR fire, wildfire, emergency medical or  
4 emergency management ~~services~~ ACTIVITIES. For the purposes of this  
5 paragraph, "base salary" means the amount of compensation each employee is  
6 regularly paid for personal services rendered to an employer before the  
7 addition of any extra monies, including overtime pay, shift differential pay,  
8 holiday pay, longevity pay, fringe benefit pay and similar extra payments.

9 13. "Credited service" means the member's total period of service  
10 before the member's effective date of participation, plus those compensated  
11 periods of the member's service thereafter for which the member made  
12 contributions to the fund.

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

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

21 16. "Determination" means a written document that indicates to a  
22 participant and alternate payee whether a domestic relations order qualifies  
23 as a plan approved domestic relations order.

24 17. "Determination period" means the ninety-day period in which the  
25 system must review a domestic relations order that is submitted by a  
26 participant or alternate payee to determine whether the domestic relations  
27 order qualifies as a plan approved domestic relations order, calculated from  
28 the time the system mails a notice of receipt to the participant and  
29 alternate payee.

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

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

35 20. "Domestic relations order" means an order of a court of this state  
36 that is made pursuant to the domestic relations laws of this state and that  
37 creates or recognizes the existence of an alternate payee's right to, or  
38 assigns to an alternate payee the right to, receive a portion of the benefits  
39 payable to a participant.

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

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

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

- 3           (a) Is under eighteen years of age.  
4           (b) Is at least eighteen years of age and under twenty-three years of  
5 age only during any period that the child is a full-time student.  
6           (c) Is under a disability that began before the child attained  
7 twenty-three years of age and remains a dependent of the surviving spouse or  
8 guardian.

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

- 11           (a) Municipal police officers who are certified peace officers.  
12           (b) Municipal fire fighters.  
13           (c) Paid full-time fire fighters employed directly by a fire district  
14 organized pursuant to section 48-803 or 48-804 with three or more full-time  
15 fire fighters, but not including fire fighters employed by a fire district  
16 pursuant to a contract with a corporation.  
17           (d) State highway patrol officers who are certified peace officers.  
18           (e) State fire fighters.  
19           (f) County sheriffs and deputies who are certified peace officers.  
20           (g) Game and fish wardens who are certified peace officers.  
21           (h) Police officers who are certified peace officers and fire fighters  
22 of a nonprofit corporation operating a public airport pursuant to sections  
23 28-8423 and 28-8424. A police officer shall be designated pursuant to  
24 section 28-8426 to aid and supplement state and local law enforcement  
25 agencies and a fire fighter's sole duty shall be to perform fire fighting  
26 services, including services required by federal regulations.  
27           (i) Police officers who are certified peace officers and who are  
28 appointed by the Arizona board of regents.  
29           (j) Police officers who are certified peace officers and who are  
30 appointed by a community college district governing board.  
31           (k) State attorney general investigators who are certified peace  
32 officers.  
33           (l) County attorney investigators who are certified peace officers.  
34           (m) Police officers who are certified peace officers and who are  
35 employed by an Indian reservation police agency.  
36           (n) Fire fighters who are employed by an Indian reservation fire  
37 fighting agency.  
38           ~~(o) Police officers who are certified peace officers and who are~~  
39 ~~appointed by the department of administration.~~  
40           ~~(p)~~ (o) Department of liquor licenses and control investigators who  
41 are certified peace officers.  
42           ~~(q)~~ (p) Arizona department of agriculture officers who are certified  
43 peace officers.  
44           ~~(r)~~ (q) Arizona state parks board rangers and managers who are  
45 certified peace officers.  
46           ~~(s)~~ (r) County park rangers who are certified peace officers.

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

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

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

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

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

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

13           (f) An eligible deferred compensation plan described in section 457(b)  
14 of the internal revenue code that is maintained by a state, a political  
15 subdivision of a state or any agency or instrumentality of a state or a  
16 political subdivision of a state and that agrees to separately account for  
17 amounts transferred into the eligible deferred compensation plan from this  
18 plan.

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

21           (a) Any distribution that is one of a series of substantially equal  
22 periodic payments made not less frequently than annually for the life or life  
23 expectancy of the member or the joint lives or joint life expectancies of the  
24 member and the member's beneficiary or for a specified period of ten years or  
25 more.

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

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

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

36           28. "Employers" means:

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

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

45           (c) The state highway patrol covered under the state highway patrol  
46 retirement system.

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

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

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

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

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

16 (a) Who is either a paid municipal police officer, a paid fire  
17 fighter, a law enforcement officer who is employed by this state including  
18 the director thereof, a state fire fighter who is primarily assigned to fire  
19 fighting duties, a fire fighter or police officer of a nonprofit corporation  
20 operating a public airport pursuant to sections 28-8423 and 28-8424, all  
21 ranks designated by the Arizona law enforcement merit system council, a state  
22 attorney general investigator who is a certified peace officer, a county  
23 attorney investigator who is a certified peace officer, ~~a police officer who  
24 is appointed by the department of administration and who is a certified peace  
25 officer,~~ a department of liquor licenses and control investigator who is a  
26 certified peace officer, an Arizona department of agriculture officer who is  
27 a certified peace officer, an Arizona state parks board ranger or manager who  
28 is a certified peace officer, a county park ranger who is a certified peace  
29 officer, a person who is a certified peace officer and who is employed by an  
30 Indian reservation police agency, a fire fighter who is employed by an Indian  
31 reservation fire fighting agency or an employee included in a group  
32 designated as eligible employees under a joinder agreement entered into by  
33 their employer after July 1, 1968 and who is or was regularly assigned to  
34 hazardous duty.

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

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

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

43 (e) Who, if economic conditions exist, is required to take furlough  
44 days or reduce the hours of ~~their~~ THE EMPLOYEE'S normal work week below forty  
45 hours but not less than thirty hours per pay cycle, and maintain ~~their~~ THE

1 EMPLOYEE'S active member status within the system as long as the hour change  
2 does not extend beyond twelve consecutive months.

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

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

11 33. "Notice of receipt" means a written document that is issued by the  
12 system to a participant and alternate payee and that states that the system  
13 has received a domestic relations order and a request for a determination  
14 that the domestic relations order is a plan approved domestic relations  
15 order.

16 34. "Ordinary disability" means a physical condition that the local  
17 board determines will prevent an employee totally and permanently from  
18 performing a reasonable range of duties within the employee's department or a  
19 mental condition that the local board determines will prevent an employee  
20 totally and permanently from engaging in any substantial gainful activity.

21 35. "Participant" means a member who is subject to a domestic relations  
22 order.

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

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

28 38. "Personal representative" means the personal representative of a  
29 deceased alternate payee.

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

33 40. "Regularly assigned to hazardous duty" means regularly assigned to  
34 duties of the type normally expected of municipal police officers, municipal  
35 or state fire fighters, eligible fire district fire fighters, state highway  
36 patrol officers, county sheriffs and deputies, fish and game wardens, fire  
37 fighters and police officers of a nonprofit corporation operating a public  
38 airport pursuant to sections 28-8423 and 28-8424, police officers who are  
39 appointed by the Arizona board of regents or a community college district  
40 governing board, state attorney general investigators who are certified peace  
41 officers, county attorney investigators who are certified peace officers,  
42 ~~police officers who are appointed by the department of administration and who~~  
43 ~~are certified peace officers,~~ department of liquor licenses and control  
44 investigators who are certified peace officers, Arizona department of  
45 agriculture officers who are certified peace officers, Arizona state parks  
46 board rangers and managers who are certified peace officers, county park

1 rangers who are certified peace officers, police officers who are certified  
2 peace officers and who are employed by an Indian reservation police agency or  
3 fire fighters who are employed by an Indian reservation fire fighting agency.  
4 Those individuals who are assigned solely to support duties such as  
5 secretaries, stenographers, clerical personnel, clerks, cooks, maintenance  
6 personnel, mechanics and dispatchers are not assigned to hazardous duty  
7 regardless of their position classification title. Since the normal duties of  
8 those jobs described in this paragraph are constantly changing, questions as  
9 to whether a person is or was previously regularly assigned to hazardous duty  
10 shall be resolved by the local board on a case-by-case basis. Resolutions by  
11 local boards are subject to rehearing and appeal.

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

16 42. "Segregated funds" means the amount of benefits that would  
17 currently be payable to an alternate payee pursuant to a domestic relations  
18 order under review by the system, or a domestic relations order submitted to  
19 the system that failed to qualify as a plan approved domestic relations  
20 order, if the domestic relations order were determined to be a plan approved  
21 domestic relations order.

22 43. "Service" means the last period of continuous employment of an  
23 employee by the employers before the employee's retirement, except that if  
24 such period includes employment during which the employee would not have  
25 qualified as a member had the system then been effective, such as employment  
26 as a volunteer fire fighter, then only twenty-five per cent of such  
27 noncovered employment shall be considered as service. Any absence that is  
28 authorized by an employer shall not be considered as interrupting continuity  
29 of employment if the employee returns within the period of authorized  
30 absence. Transfers between employers also shall not be considered as  
31 interrupting continuity of employment. Any period during which a member is  
32 receiving sick leave payments or a temporary disability pension shall be  
33 considered as service. Notwithstanding any other provision of this  
34 paragraph, any period during which a person was employed as a full-time paid  
35 fire fighter for a corporation that contracted with an employer to provide  
36 firefighting services on behalf of the employer shall be considered as  
37 service if the employer has elected at its option to treat part or all of the  
38 period the firefighter worked for the company as service in its applicable  
39 joinder agreement. Any reference in this system to the number of years of  
40 service of an employee shall be deemed to include fractional portions of a  
41 year.

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

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

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

5           Sec. 26. Section 38-847, Arizona Revised Statutes, is amended to read:  
6           38-847. Local boards

7           A. The administration of the system and responsibility for making the  
8 provisions of the system effective for each employer are vested in a local  
9 board. The department of public safety, the Arizona game and fish  
10 department, the department of emergency and military affairs, the university  
11 of Arizona, Arizona state university, northern Arizona university, each  
12 county sheriff's office, each county attorney's office, each county parks  
13 department, each municipal fire department, each eligible fire district, each  
14 community college district, each municipal police department, the department  
15 of law, ~~the department of administration~~, the department of liquor licenses  
16 and control, the Arizona department of agriculture, the Arizona state parks  
17 board, each Indian reservation police agency and each Indian reservation fire  
18 fighting agency shall have a local board. A nonprofit corporation operating  
19 pursuant to sections 28-8423 and 28-8424 shall have one local board for all  
20 of its members. Each local board shall be constituted as follows:

21           1. For political subdivisions or Indian tribes, the mayor or chief  
22 elected official or a designee of the mayor or chief elected official  
23 approved by the respective governing body as chairman, two members elected by  
24 secret ballot by members employed by the appropriate employer and two  
25 citizens, one of whom shall be the head of the merit system, or the head's  
26 designee from among the other members of the merit system, if it exists for  
27 the group of members, appointed by the mayor or chief elected official and  
28 with the approval of the governing body of the city or the governing body of  
29 the employer. The appointed two citizens shall serve on both local boards in  
30 a city or Indian tribes where both fire and police department employees are  
31 members.

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

36           3. For fire districts organized pursuant to section 48-804, the  
37 secretary-treasurer as chairman, two members elected by secret ballot by  
38 members employed by the fire district and two citizens appointed by the  
39 secretary-treasurer, one of whom is a resident of the fire district and one  
40 of whom has experience in personnel administration but who is not required to  
41 be a resident of the fire district.

42           B. On the taking effect of this system for an employer, the  
43 appointments and elections of local board members shall take place with one  
44 elective and appointive local board member serving a term ending two years  
45 after the effective date of participation for the employer and other local  
46 board members serving a term ending four years after the effective date.

1 Thereafter, every second year, and as a vacancy occurs, an office shall be  
2 filled for a term of four years in the same manner as previously provided.

3 C. Each local board shall be fully constituted pursuant to subsection  
4 A of this section within sixty days after the employer's effective date of  
5 participation in the system. If the deadline is not met, on the written  
6 request of any member who is covered by the local board or the employer to  
7 the ~~fund-manager~~ BOARD OF TRUSTEES, the ~~fund-manager~~ BOARD OF TRUSTEES may  
8 appoint all vacancies of the local board pursuant to subsection A of this  
9 section and designate whether each appointive position is for a two year or  
10 four year term. If the ~~fund-manager~~ BOARD OF TRUSTEES cannot find  
11 individuals to serve on the local board who meet the requirements of  
12 subsection A of this section, the ~~fund-manager~~ BOARD OF TRUSTEES may appoint  
13 individuals to serve as interim local board members until qualified  
14 individuals are appointed or elected. Each local board shall meet at least  
15 twice a year. Each member of a local board, within ten days after the  
16 member's appointment or election, shall take an oath of office that, so far  
17 as it devolves on the member, the member shall diligently and honestly  
18 administer the affairs of the local board and that the member shall not  
19 knowingly violate or willingly permit to be violated any of the provisions of  
20 law applicable to the system.

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

23 1. To decide all questions of eligibility and service credits, and  
24 determine the amount, manner and time of payment of any benefits under the  
25 system.

26 2. To prescribe procedures to be followed by claimants in filing  
27 applications for benefits.

28 3. To make a determination as to the right of any claimant to a  
29 benefit and to afford any claimant or the board of trustees, or both, a right  
30 to a rehearing on the original determination. Unless all parties involved in  
31 a matter presented to the local board for determination otherwise agree, the  
32 local board shall commence a hearing on the matter within ninety days after  
33 the date the matter is presented to the local board for determination. If a  
34 local board fails to commence a hearing as provided in this paragraph, on a  
35 matter presented to the local board for determination, the relief demanded by  
36 the party petitioning the local board is deemed granted and approved by the  
37 local board. The granting and approval of this relief is considered final  
38 and binding unless a timely request for rehearing or appeal is made as  
39 provided in this article, unless the ~~fund-manager~~ BOARD OF TRUSTEES  
40 determines that granting the relief requested would violate the internal  
41 revenue code or threaten to impair the system's status as a qualified plan  
42 under the internal revenue code. If the ~~fund-manager~~ BOARD OF TRUSTEES  
43 determines that granting the requested relief would violate the internal  
44 revenue code or threaten to impair the system's status as a qualified plan,  
45 the ~~fund-manager~~ BOARD OF TRUSTEES may refuse to grant the relief by issuing  
46 a written determination to the local board and the party petitioning the

1 local board for relief. The decision by the ~~fund-manager~~ BOARD OF TRUSTEES  
2 is subject to judicial review pursuant to title 12, chapter 7, article 6.

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

7 5. To distribute, in such manner as the local board determines to be  
8 appropriate, information explaining the system received from the board of  
9 trustees.

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

13 7. To receive and review the actuarial valuation of the system for its  
14 group of members.

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

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

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

20 E. A local board shall have no power to add to, subtract from, modify  
21 or waive any of the terms of the system, change or add to any benefits  
22 provided by the system or waive or fail to apply any requirement of  
23 eligibility for membership or benefits under the system. Notwithstanding any  
24 limitations periods imposed in this article, including subsection D,  
25 paragraph 3 and subsections G and H of this section, if the ~~fund-manager~~  
26 BOARD OF TRUSTEES determines a local board decision violates the internal  
27 revenue code or threatens to impair the system's status as a qualified plan  
28 under the internal revenue code, the local board's decision is not final and  
29 binding and the ~~fund-manager~~ BOARD OF TRUSTEES may refrain from implementing  
30 or complying with the local board decision.

31 F. A local board, from time to time, shall establish and adopt such  
32 rules as it deems necessary or desirable for its administration. All rules  
33 and decisions of a local board shall be uniformly and consistently applied to  
34 all members in similar circumstances. If a claim or dispute is presented to  
35 a local board for determination but the local board has not yet adopted  
36 uniform rules of procedure for adjudication of the claim or dispute, the  
37 local board shall adopt and use the model uniform rules of local board  
38 procedure that are issued by the board of trustees' fiduciary counsel to  
39 adjudicate the claim or dispute.

40 G. Except as otherwise provided in this article, any action by a  
41 majority vote of the members of a local board that is not inconsistent with  
42 the provisions of the system and the internal revenue code shall be final,  
43 conclusive and binding on all persons affected by it unless a timely  
44 application for a rehearing or appeal is filed as provided in this article.  
45 No later than twenty business days after taking action, the local board shall  
46 submit to the ~~fund-manager~~ BOARD OF TRUSTEES the name of the member affected

1 by its decision, a description of the action taken and an explanation of the  
2 reasons supporting the local board's action. The ~~fund-manager~~ BOARD OF  
3 TRUSTEES may not implement and comply with any local board action that does  
4 not comply with the internal revenue code or that threatens to jeopardize the  
5 system's status as a qualified plan under the internal revenue code.

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

14 1. The applicant-claimant receives notification of the local board's  
15 original action by certified mail, by attending the meeting at which the  
16 action is taken or by receiving benefits from the system pursuant to the  
17 local board's original action, whichever occurs first.

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

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

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

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

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

31 M. The local board shall adopt such bylaws as it deems desirable. The  
32 local board shall elect a secretary who may, but need not, be a member of the  
33 local board. The secretary of the local board shall keep a record and  
34 prepare minutes of all meetings, forward the minutes to the board of trustees  
35 within forty-five days after each meeting and forward all necessary  
36 communications to the board of trustees.

37 N. The fees of the medical board and of the local board's independent  
38 legal counsel and all other expenses of the local board necessary for the  
39 administration of the system shall be paid by the employer and not the ~~fund~~  
40 ~~manager~~ BOARD OF TRUSTEES or system at such rates and in such amounts as the  
41 local board shall approve. Legal counsel that is employed by the local board  
42 is independent of the employer and any employee organization or member and  
43 owes its duty of loyalty only to the local board in connection with its  
44 representation of the local board.

45 O. The local board shall issue directions to the board of trustees  
46 concerning all benefits that are to be paid from the employer's account

1 pursuant to the provisions of the fund. The local board shall keep on file,  
2 in such manner as it may deem convenient or proper, all reports from the  
3 board of trustees and the actuary.

4 P. The local board and the individual members of the local board shall  
5 be indemnified from the assets of the employer for any judgment against the  
6 local board or its members, including attorney fees and costs, arising from  
7 any act, or failure to act, made in good faith pursuant to the provisions of  
8 the system, including expenses reasonably incurred in the defense of any  
9 claim relating to the act or failure to act.

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

11 41-121. Duties

12 A. The secretary of state shall:

13 1. Receive bills and resolutions from the legislature, and perform  
14 such other duties as devolve upon the secretary of state by resolution of the  
15 two houses or either of them.

16 2. Keep a register of and attest the official acts of the governor.

17 3. Act as custodian of the great seal of this state.

18 4. Affix the great seal, with the secretary of state's attestation, to  
19 public instruments to which the official signature of the governor is  
20 attached.

21 5. File in the secretary of state's office receipts for all books  
22 distributed by the secretary of state and direct the county recorder of each  
23 county to do the same.

24 6. Certify to the governor the names of those persons who have  
25 received at any election the highest number of votes for any office, the  
26 incumbent of which is commissioned by the governor.

27 7. Publish slip laws of each act of the legislature promptly upon  
28 passage and approval of such act, make such acts available to interested  
29 persons for a reasonable fee to compensate for the cost of printing and  
30 provide each house of the legislature and the legislative council with a  
31 certified copy of each bill or resolution, showing the chapter or resolution  
32 number of each, as each is filed in the secretary of state's office.

33 8. Keep a fee book of fees and compensation of whatever kind and  
34 nature earned, collected or charged by the secretary of state, with the date,  
35 the name of the payer and the nature of the service in each case. The fee  
36 book shall be verified annually by the secretary of state's affidavit entered  
37 in the fee book.

38 9. Perform other duties imposed on the secretary of state by law.

39 10. Report to the governor on January 2 each year, and at such other  
40 times as provided by law, a detailed account of the secretary of state's  
41 official actions taken since the secretary of state's previous report  
42 together with a detailed statement of the manner in which all appropriations  
43 for the secretary of state's office have been expended.

44 11. Transfer all noncurrent or inactive books, records, deeds and other  
45 papers otherwise required to be filed with or retained by the secretary of

1 state to the custody of the Arizona state library, archives and public  
2 records.

3 12. Make available to the public, without charge, title 33, chapters 10  
4 and 11 on the secretary of state's website.

5 13. Accept, and approve for use, electronic and digital signatures that  
6 comply with section 41-132, for documents filed with and by all state  
7 agencies, boards and commissions. In consultation with ~~the government~~  
8 ~~information technology agency~~, the department of administration and the state  
9 treasurer, the secretary of state shall adopt rules pursuant to chapter 6 of  
10 this title establishing policies and procedures for the use of electronic and  
11 digital signatures by all state agencies, boards and commissions for  
12 documents filed with and by all state agencies, boards and commissions.

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

18 B. The secretary of state may refuse to perform a service or refuse a  
19 filing based on a reasonable belief that the service or filing is being  
20 requested for an unlawful, illegitimate, false or fraudulent purpose or is  
21 being requested or submitted in bad faith or for the purpose of harassing or  
22 defrauding a person or entity. This subsection does not apply to election  
23 filings.

24 Sec. 28. Section 41-790, Arizona Revised Statutes, is amended to read:  
25 41-790. Definitions

26 In this article, unless the context otherwise requires:

27 1. "Building renewal" means major activities that involve the repair  
28 or reworking of a building and the supporting infrastructure that will result  
29 in maintaining a building's expected useful life. Building renewal does not  
30 include new building additions, new infrastructure additions, landscaping and  
31 area beautification, routine maintenance or demolition and removal of a  
32 building.

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

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

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

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

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

46 ~~6-~~ 7. "State capitol building" means:

- 1 (a) The original 1898 statehouse known as the state capitol museum.
- 2 (b) The 1919 state capitol wing and the 1938 state capitol justice
- 3 addition known jointly as the legislative services wing.
- 4 (c) The house of representatives wing.
- 5 (d) The senate wing.
- 6 (e) The west wing known as the state capitol executive tower.

7 Sec. 29. Section 41-791, Arizona Revised Statutes, is amended to read:  
8 41-791. Powers and duties relating to public buildings  
9 maintenance; compensation of personnel

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

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

- 14 1. The state capitol executive tower of the state capitol building.
- 15 2. The state office buildings in Tucson.
- 16 3. All other buildings owned or leased by the state and located near
- 17 the state capitol building and the state office buildings in Tucson, except
- 18 for:

19 (a) Buildings occupied, operated and maintained by the following state  
20 agencies:

- 21 (i) The department of transportation.
- 22 (ii) The Arizona power authority.
- 23 (iii) The state compensation fund.

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

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

30 (d) The Arizona courts building.

31 C. The department is responsible for the maintenance of the following  
32 buildings and grounds:

- 33 1. The entire state capitol building and the grounds adjacent to it.
- 34 2. The state office buildings in Tucson and the grounds adjacent to
- 35 them.
- 36 3. Other buildings and grounds owned or leased by the state if the
- 37 function is not otherwise assigned, except for the interior of the Arizona
- 38 courts building.

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

41 E. The department shall:

- 42 1. Employ engineers and maintenance and operations personnel as
- 43 required, including a buildings manager for the state office buildings in
- 44 Tucson.
- 45 2. Determine the hours of duty and assignment of personnel.

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

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

5 41-792.01. Capital outlay stabilization fund; authorization for  
6 collection of rental; basis of payment;  
7 distribution of monies collected; transfer of  
8 payment; lease-purchase building operating and  
9 maintenance fund; exceptions; definition

10 A. The capital outlay stabilization fund is established which shall  
11 consist of monies paid into it in accordance with subsections D and F of this  
12 section and legislative appropriations to the account. All monies in the  
13 fund are exempt from the provisions of section 35-190 relating to lapsing of  
14 appropriations.

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

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

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

1 the director of the department of administration, on recommendation of the  
2 joint committee on capital review, may authorize a whole or partial exemption  
3 from payment of the rental fee. The department of administration shall  
4 report quarterly to the director of the joint legislative budget committee on  
5 the status of rental fee collections and adjustments.

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

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

40 G. State universities, community colleges and the department of  
41 transportation are exempt from the provisions of this section, except when  
42 these state agencies are using space under the jurisdiction of the department  
43 of administration.

44 H. THE DEPARTMENT SHALL NOT BEGIN TO CHARGE RENTAL OR TENANT  
45 IMPROVEMENT LABOR COSTS AS PRESCRIBED IN SUBSECTION D, E OR F OF THIS SECTION  
46 UNTIL JULY 1, 2012 FOR ANY BUILDINGS OPERATED BY THE SECRETARY OF STATE

1 PRIMARILY FOR THE PURPOSE OF STORING, MANAGING OR PRESERVING A LARGE AMOUNT  
2 OF PUBLIC RECORDS OR ARCHIVAL MATERIAL.

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

8 ~~I.~~ J. For the purposes of this section, "state department" or "state  
9 agency" means any department or agency of the executive or judicial branch of  
10 state government.

11 Sec. 31. Repeal

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

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

14 41-796. Regulation of traffic and parking; monetary penalties;  
15 hearing; state traffic and parking control fund;  
16 definition

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

20 1. Maximum speed of vehicles.

21 2. Direction of travel.

22 3. Place, method and time of parking.

23 4. Nonparking areas.

24 5. Designation of special parking areas for state employees and the  
25 general public.

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

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

34 C. The department may prescribe and collect reasonable monetary  
35 penalties for violations of the rules adopted pursuant to subsection A of  
36 this section.

37 D. The department shall:

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

40 2. Maintain parking lots and structures.

1 E. ~~Police personnel shall be authorized to issue a notice to appear~~  
2 ~~for an alleged violation in the form adopted by the department directing a~~  
3 ~~person accused of violating a rule for control of vehicles on state property~~  
4 ~~adopted pursuant to this section to appear at a designated place to contest~~  
5 ~~the allegation of violation or to admit the violation and pay a penalty.~~  
6 ~~Upon~~ ON THE failure of a person ~~served with a notice under~~ WHO IS ISSUED A  
7 CITATION FOR A VIOLATION OF A RULE ADOPTED PURSUANT TO this section to  
8 appear, the administrative law judge may proceed to determine whether a  
9 violation has occurred and, if so, the penalty to be imposed.

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

13 G. A state traffic and parking control fund is established consisting  
14 of monetary penalties collected pursuant to this section. The department  
15 shall administer the fund. Monies in the fund are continuously appropriated  
16 and are exempt from the provisions of section 35-190 relating to lapsing of  
17 appropriations.

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

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

27 J. ~~As used in~~ FOR THE PURPOSES OF this section, "state property" means  
28 property ~~which~~ THAT is the responsibility of the department under section  
29 41-791 and property ~~which~~ THAT is the responsibility of the speaker of the  
30 house of representatives or the president of the senate under section  
31 41-1304.05.

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

34 41-827.01. Centennial and mining and mineral museum advisory  
35 council; membership; duties; terms; compensation

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

40 1. The executive director of the Arizona historical society or the  
41 director's designee.

42 ~~2. The chairman of the department of mines and mineral resources board~~  
43 ~~of governors.~~

44 ~~3.~~ 2. The ~~director of the department of mines and mineral resources~~  
45 STATE GEOLOGIST or the ~~director's~~ STATE GEOLOGIST'S designee.

46 ~~4.~~ 3. Two members representing the livestock industry.

- 1           ~~5.~~ 4. Two members representing the mining industry.  
2           ~~6.~~ 5. Two members representing the agriculture industry.  
3           ~~7.~~ 6. Two members representing tourism and other climate-related  
4 industries.  
5           ~~8.~~ 7. Two members representing the specialty crops industry.  
6           ~~9.~~ 8. One member who is a natural resources education professional.  
7           ~~10.~~ 9. One member representing a natural resources foundation.  
8           ~~11.~~ 10. Two members representing the public.  
9           B. The advisory council shall:  
10           1. Select a chairperson and vice-chairperson from among its members.  
11           2. Hold regular meetings and additional meetings at the call of the  
12 chairperson or a majority of its members.  
13           3. Provide oversight and advice to the director of the Arizona  
14 historical society regarding the centennial museum that houses the mining and  
15 mineral museum and assist in promoting the mission of the centennial museum.  
16 The director shall accept the recommendations of the advisory council if the  
17 director finds them to be practicable and in the best interest of the museum.  
18           4. Establish a subcommittee ~~consisting of three members of the~~  
19 ~~department of mines and mineral resources board of governors~~ to provide  
20 assistance and advice in the areas of educational programming, the hiring and  
21 retention of a curator and oversight of mineral collections. The advisory  
22 council may establish subcommittees to act in an advisory capacity on other  
23 matters relevant to the museum and the advisory council's duties.  
24           C. The initial members appointed pursuant to subsection A, paragraphs  
25 ~~4- 3~~ through ~~11~~ 10 shall assign themselves by lot to three, four and five  
26 year terms of office. All subsequent members serve five year terms of  
27 office. A member may continue to serve until the member's successor is  
28 appointed and assumes office.  
29           D. Members of the advisory council are not eligible to receive  
30 compensation but are eligible for reimbursement of expenses pursuant to title  
31 38, chapter 4, article 2. The advisory council is a public body for purposes  
32 of title 38, chapter 3, article 3.1.  
33           Sec. 34. Section 41-1304, Arizona Revised Statutes, is amended to  
34 read:  
35           41-1304. Powers and duties  
36           A. The legislative council shall:  
37           1. Provide bill drafting, research and other services to the  
38 legislature deemed necessary or advisable by the council to improve the  
39 quality of legislation and to ensure full participation by the legislative  
40 branch in determining and reviewing policy and the administration of state  
41 affairs.  
42           2. Adopt rules and formulate policies for the administration of this  
43 article and for the conduct of the affairs of the council.  
44           3. Appoint ~~such~~ clerical, stenographic, technical and professional  
45 assistants deemed necessary or advisable to carry out the provisions of this  
46 article, ~~and~~ fix their compensation and prescribe their powers and duties.

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

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

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

10          7. Prepare or revise bills and other legislative measures for members  
11 or committees of the legislature and, on request of a member of the  
12 legislature, for state officers and agencies.

13          8. Prepare and issue styles and forms for drafting bills, amendments  
14 and other legislative measures for the use of the legislature, state officers  
15 and persons interested in drafting amendments and bills or measures for  
16 introduction in the legislature. The styles and forms for drafting  
17 amendments shall be developed and adopted in consultation and cooperation  
18 with the senate and the house of representatives.

19          9. Prepare and file with the secretary of state, not later than sixty  
20 days preceding the regular primary election, an analysis of the provisions of  
21 each ballot proposal of a measure or proposed amendment.

22          B. The legislative council may purchase, lease and otherwise acquire  
23 land and buildings and make improvements to land and buildings it acquires or  
24 uses for the purpose of providing suitable facilities for the use of the  
25 legislative department. The council may obtain operational, ~~AND~~ maintenance  
26 ~~and security~~ assistance for any legislative facilities without charge from  
27 the department of administration, ~~MAY OBTAIN SECURITY ASSISTANCE FROM THE~~  
28 ~~DEPARTMENT OF PUBLIC SAFETY,~~ may employ personnel to discharge ~~such~~  
29 ~~OPERATIONAL, MAINTENANCE AND SECURITY~~ functions or may contract for outside  
30 services payable from council appropriations.

31          Sec. 35. Section 41-1304.05, Arizona Revised Statutes, is amended to  
32 read:

33          41-1304.05. State capitol building areas and other facilities;  
34 jurisdiction; maintenance; definition

35          A. The legislative council is responsible for the allocation of space,  
36 operation, alteration, renovation and control of the following:

37           1. The original 1898 statehouse area of the state capitol building  
38 known as the state capitol museum.

39           2. The 1919 wing and the 1938 justice addition of the state capitol  
40 building known jointly as the legislative services wing.

41           ~~3. The public records retention center and the grounds adjacent to it.~~

42           ~~4.~~ 3. Any other facility acquired for legislative use and placed  
43 under legislative council jurisdiction and the grounds adjacent to it.

44           ~~5.~~ 4. Except as provided in subsections B and C of this section, the  
45 grounds adjacent to the state capitol museum, the legislative services wing,  
46 the house of representatives wing and the senate wing and comprising the area

1 east of the state capitol executive tower with a northern boundary of west  
2 Adams street, an eastern boundary of Seventeenth avenue and a southern  
3 boundary of west Jefferson street in Phoenix, Arizona.

4 B. The speaker of the state house of representatives is responsible  
5 for the following:

6 1. The allocation of space, operation, alteration, renovation and  
7 control of the house of representatives wing of the state capitol building.

8 2. The allocation of space and control of the parking lot area  
9 adjacent to the house of representatives wing, the parking lot area with a  
10 southern boundary of west Adams street, an eastern boundary of Seventeenth  
11 avenue and a northern boundary of west Monroe street in Phoenix, Arizona and  
12 comprised of one hundred five parking spaces and the southeast portion of the  
13 parking lot area with a southern boundary of west Monroe street and an  
14 eastern boundary of Seventeenth avenue in Phoenix, Arizona and comprised of  
15 fifty parking spaces.

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

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

19 2. The allocation of space and control of the parking lot area  
20 adjacent to the senate wing and the southwest portion of the parking lot area  
21 of the Wesley Bolin memorial plaza east of the state capitol building and  
22 comprised of one hundred twenty parking spaces.

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

26 E. FOR THE PURPOSES OF THIS SECTION, "CONTROL" INCLUDES SECURITY  
27 SERVICES.

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

30 41-1713. Powers and duties of director; authentication of  
31 records

32 A. The director of the department shall:

33 1. Be the administrative head of the department.

34 2. Subject to the merit system rules, appoint, suspend, demote,  
35 promote or dismiss all other classified employees of the department ~~upon~~ ON  
36 the recommendation of their respective division superintendent. The director  
37 shall determine and furnish the law enforcement merit system council  
38 established by section 41-1830.11 with a table of organization. The  
39 superintendent of each division shall serve at the concurrent pleasure of the  
40 director and the governor.

41 3. EXCEPT AS PROVIDED IN SECTIONS 12-119, 41-1304 AND 41-1304.05,  
42 EMPLOY OFFICERS AND OTHER PERSONNEL AS THE DIRECTOR DEEMS NECESSARY FOR THE  
43 PROTECTION AND SECURITY OF THE STATE BUILDINGS AND GROUNDS IN THE  
44 GOVERNMENTAL MALL DESCRIBED IN SECTION 41-1362, STATE OFFICE BUILDINGS IN  
45 TUCSON AND PERSONS WHO ARE ON ANY OF THOSE PROPERTIES. DEPARTMENT OFFICERS  
46 MAY MAKE ARRESTS AND ISSUE CITATIONS FOR CRIMES OR TRAFFIC OFFENSES AND FOR

1 ANY VIOLATION OF A RULE ADOPTED UNDER SECTION 41-796. FOR THE PURPOSES OF  
2 THIS PARAGRAPH, SECURITY DOES NOT MEAN SECURITY SERVICES RELATED TO BUILDING  
3 OPERATION AND MAINTENANCE FUNCTIONS PROVIDED BY THE DEPARTMENT OF  
4 ADMINISTRATION.

5 ~~3.~~ 4. Make rules necessary for the operation of the department.

6 ~~4.~~ 5. Annually submit a report of the work of the department to the  
7 governor and the legislature, or more often if requested by the governor or  
8 the legislature.

9 ~~5.~~ 6. Appoint a deputy director with the approval of the governor.

10 ~~6.~~ 7. Adopt an official seal that contains the words "department of  
11 public safety" encircling the seal of this state as part of its design.

12 ~~7.~~ 8. Investigate, on receipt, credible evidence that a licensee or  
13 registrant has been arrested for, charged with or convicted of an offense  
14 that would preclude the person from holding a license or registration  
15 certificate issued pursuant to title 32, chapter 26.

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

23 ~~9.~~ 10. Adopt and administer the breath, blood or other bodily  
24 substances test rules pursuant to title 28, chapter 4.

25 ~~10.~~ 11. Develop procedures to exchange information with the department  
26 of transportation for any purpose related to sections 28-1324, 28-1325,  
27 28-1326, 28-1462 and 28-3318.

28 ~~11.~~ 12. Collaborate with the state forester in presentations to  
29 legislative committees on issues associated with wildfire prevention,  
30 suppression and emergency management as provided by section 37-622,  
31 subsection B.

32 B. The director may:

33 1. Issue commissions to officers of the department.

34 2. Request the cooperation of the utilities, communication media and  
35 public and private agencies and any sheriff or other peace officer in any  
36 county or municipality, within the limits of their respective jurisdictions  
37 when necessary, to aid and assist in the performance of any duty imposed by  
38 this chapter.

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

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

45 5. Acquire in the name of the state, either in fee or lesser estate or  
46 interest, all real or any personal property that the director considers

1 necessary for the department's use, by purchase, donation, dedication,  
2 exchange or other lawful means. All acquisitions of personal property  
3 pursuant to this paragraph shall be made as prescribed in chapter 23 of this  
4 title unless otherwise provided by law.

5 6. Dispose of any property, real or personal, or any right, title or  
6 interest in the property, when the director determines that the property is  
7 no longer needed or necessary for the department's use. Disposition of  
8 personal property shall be as prescribed in chapter 23 of this title. The  
9 real property shall be sold by public auction or competitive bidding after  
10 notice published in a daily newspaper of general circulation, not less than  
11 three times, two weeks before the sale and subject to the approval of the  
12 director of the department of administration. When real property is sold, it  
13 shall not be sold for less than the appraised value as established by a  
14 competent real estate appraiser. Any monies derived from the disposal of  
15 real or personal property shall be deposited, pursuant to sections 35-146 and  
16 35-147, in the Arizona highway patrol fund as authorized by section 41-1752,  
17 subsection B, paragraph 6.

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

24 8. Dispose of surplus property by transferring the property to the  
25 department of administration for disposition to another state budget unit or  
26 political subdivision if the state budget unit or political subdivision is  
27 not a law enforcement agency.

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

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

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

44 12. Grant a maximum of two thousand eighty hours of industrial injury  
45 leave to any sworn department employee who is injured in the course of the  
46 employee's duty, any civilian department employee who is injured in the

1 course of performing or assisting in law enforcement or hazardous duties or  
2 any civilian department employee who was injured as a sworn department  
3 employee rehired after August 9, 2001 and would have been eligible pursuant  
4 to this paragraph and whose work-related injury prevents the employee from  
5 performing the normal duties of that employee's classification. This  
6 industrial injury leave is in addition to any vacation or sick leave earned  
7 or granted to the employee and does not affect the employee's eligibility for  
8 any other benefits, including workers' compensation. The employee is not  
9 eligible for payment pursuant to section 38-615 of industrial injury leave  
10 that is granted pursuant to this paragraph. Subject to approval by the law  
11 enforcement merit system council, the director shall adopt rules and  
12 procedures regarding industrial injury leave hours granted pursuant to this  
13 paragraph.

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

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

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

29 41-1725. Capitol police administrative towing fund

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

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

38 41-1804. Guidelines committee; duties

39 A. The department of public safety, in consultation with the  
40 department of emergency and military affairs, ~~government information~~  
41 ~~technology agency~~ DEPARTMENT OF ADMINISTRATION, department of health  
42 services, department of agriculture, Arizona radiation regulatory agency,  
43 department of environmental quality, state department of corrections, Arizona  
44 fire chiefs' association, Arizona police chiefs' association, Arizona  
45 sheriffs' associations, Arizona association of counties, Arizona league of  
46 cities and towns and representatives from every Indian tribal nation, shall

1 convene a consulting committee to establish guidelines related to the  
2 critical infrastructure information system.

3 B. The committee shall:

4 1. Develop the type of information to be included in the critical  
5 infrastructure information system.

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

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

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

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

18 41-2513. Authority to contract for certain services

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

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

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

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

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

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

43 41-3012.07. Arizona geological survey; termination July 1, 2012

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

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





1 thousand dollars, a budget unit shall indicate the status of review by the  
2 ~~agency~~ DEPARTMENT. Projects shall not be artificially divided to avoid  
3 review by the ~~agency~~ DEPARTMENT.

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

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

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

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

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

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

21 8. Provide to budget units, information technology consulting services  
22 it deems necessary, either directly or by procuring outside consulting  
23 services.

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

26 10. Provide staff support to the committee.

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

32 12. Adopt rules it deems necessary or desirable to further the  
33 GOVERNMENT INFORMATION TECHNOLOGY objectives and programs of the ~~agency~~  
34 DEPARTMENT.

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

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

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

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

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

45 C. The ~~agency~~ DEPARTMENT may examine all books, papers, records and  
46 documents in the office of any budget unit and may require any state officer

1 of the budget unit to furnish information or statements necessary to carry  
2 out the provisions of this chapter.

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

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

9 41-3505. Information technology fund

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

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

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

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

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

33 41-3506. State web portal fund; exemption

34 A. The state web portal fund is established and is subject to  
35 legislative appropriation. The ~~government information technology agency~~  
36 DEPARTMENT shall administer the fund. The state web portal fund shall  
37 consist of:

38 1. Monies appropriated to the fund by the legislature.

39 2. Any web portal usage fees collected under any agreement between  
40 this state and an independent contractor providing services for the common  
41 web portal less the contractor's price of maintaining and operating the web  
42 portal.

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

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

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

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

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

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

11 41-3507. Statewide information security and privacy office;  
12 duties; suspension of budget unit's information  
13 infrastructure

14 A. The statewide information security and privacy office is  
15 established in the ~~government information technology agency~~ DEPARTMENT. The  
16 statewide information security and privacy office shall serve as the  
17 strategic planning, facilitation and coordination office for information  
18 technology security in this state. Individual budget units shall continue to  
19 maintain operational responsibility for information technology security.

20 B. The director shall appoint a statewide chief information security  
21 officer to manage the statewide information security and privacy office. The  
22 statewide chief information security officer shall report to the director  
23 pursuant to section 41-3503.

24 C. The statewide information security and privacy office shall  
25 develop, implement, maintain and ensure compliance by each budget unit with a  
26 coordinated statewide assurance plan for information security and privacy.  
27 The statewide information security and privacy office shall:

28 1. Direct information security and privacy protection compliance  
29 reviews with each budget unit to ensure compliance with standards and  
30 effectiveness of security assurance plans as necessary.

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

34 3. Monitor and report compliance of each budget unit with state  
35 information security and privacy protection policies, standards and  
36 procedures.

37 4. Coordinate statewide information security and privacy protection  
38 awareness and training programs.

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

42 D. The statewide information security and privacy office may  
43 temporarily suspend operation of information infrastructure that is owned,  
44 leased, outsourced or shared in order to isolate the source of, or stop the  
45 spread of, an information security breach or other similar incident. A

1 budget unit shall comply with directives to temporarily discontinue or  
2 suspend operations of information infrastructure.

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

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

8 41-3508. Statewide e-rate program fund

9 A. The statewide e-rate program fund is established. The ~~government~~  
10 ~~information technology agency~~ DEPARTMENT shall administer the fund. The  
11 statewide e-rate program fund shall consist of:

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

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

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

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

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

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

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

35 41-3521. Information technology authorization committee;  
36 members; terms; duties; compensation; definition

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

39 1. One member of the house of representatives who is appointed by the  
40 speaker of the house of representatives and who shall serve as an advisory  
41 member.

42 2. One member of the senate who is appointed by the president of the  
43 senate and who shall serve as an advisory member.

44 3. Four members from private industry who are appointed by the  
45 governor pursuant to section 38-211 and who are knowledgeable in information  
46 technology.

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

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

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

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

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

11           (c) Its recommendations on desirable legislation relating to  
12 information technology.

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

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

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

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

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

25           41-3542. Advisory commission; powers and duties; report

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

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

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

33           3. The identification of priorities and essential tasks determined by  
34 the advisory commission.

35           4. The development of a timeline for project activities.

36           5. Completion of a survey of existing and planned efforts statewide  
37 and benchmark against similar efforts nationally.

38           6. Providing support for the state interoperability executive  
39 committee.

40           7. Establishing committees and work groups as necessary.

41           B. The ~~agency~~ DEPARTMENT may:

42           1. Employ personnel as required with available monies.

43           2. Enter into contracts to assess, design, construct and use public  
44 safety communications systems.

45           3. Accept grants, fees and other monies for use by the agency and the  
46 advisory commission.

1           4. Enter into agreements to carry out the purposes of this article.  
2           5. Request cooperation from any state agency for the purposes of this  
3 article.

4           C. The department of public safety shall consult with the director of  
5 the ~~government information technology agency~~ DEPARTMENT OF ADMINISTRATION or  
6 the director's designee on an ongoing basis. The director ~~of the government~~  
7 ~~information technology agency~~ shall submit a quarterly report to the joint  
8 legislative budget committee for review regarding expenditures and progress  
9 of the commission, including a review of staff operations and preparation of  
10 requests for proposals for system detail and concept work.

11           D. The commission shall annually submit a report of its activities and  
12 recommendations to the governor, the speaker of the house of representatives  
13 and the president of the senate on or before December 1 and shall provide a  
14 copy of the report to the secretary of state ~~and the director of the Arizona~~  
15 ~~state library, archives and public records.~~

16           Sec. 54. Section 44-7041, Arizona Revised Statutes, is amended to  
17 read:

18           44-7041. Creation; retention; conversion of written records

19           A. Each governmental agency shall determine if, and the extent to  
20 which, the governmental agency will create and retain electronic records and  
21 convert written records to electronic records. Any governmental agency that  
22 is subject to the management, preservation, determination of value and  
23 disposition of records requirements prescribed in sections 41-1345,  
24 41-1345.01 and 41-1346 through 41-1351 and the permanent public records  
25 requirements prescribed in section 39-101 shall comply with those  
26 requirements.

27           B. State agencies shall comply with the standards adopted by the  
28 ~~government information technology agency~~ DEPARTMENT OF ADMINISTRATION  
29 pursuant to title 41, chapter 32.

30           C. All governmental agencies shall comply with the policies that are  
31 established by the secretary of state pursuant to section 41-132 and that  
32 apply to the use of electronic signatures.

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

35           44-7042. Sending and accepting electronic records

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

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

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

7 2. If electronic records must be signed by electronic means, the type  
8 of electronic signature required, the manner and format in which the  
9 electronic signature must be affixed to the electronic record and the  
10 identity of or criteria that must be met by any third party used by a person  
11 filing a document to facilitate the process.

12 3. Control processes and procedures as appropriate to ensure adequate  
13 preservation, disposition, integrity, security, confidentiality and ability  
14 to perform audits of electronic records.

15 4. Any other required attributes for electronic records that are  
16 specified for corresponding nonelectronic records or that are reasonably  
17 necessary under the circumstances.

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

21 Sec. 56. Termination of department of administration local  
22 board; transfer of personnel, records and equipment;  
23 transfer of retirement assets; study

24 A. The department of administration public safety personnel retirement  
25 system local board is terminated. The department of administration shall  
26 transfer the records of employees who are currently members of the public  
27 safety personnel retirement system to the department of public safety public  
28 safety personnel retirement system local board.

29 B. All equipment, records, furnishings, vehicles and other property,  
30 all data and investigative findings and all appropriated and nonappropriated  
31 monies that remain unexpended and unencumbered on the effective date of this  
32 act that relate to the capitol police are transferred from the department of  
33 administration to the department of public safety. All equipment, records,  
34 furnishings, vehicles and other property that are transferred pursuant to  
35 this subsection shall not be upgraded at the time of transfer unless the  
36 legislature approves the upgrade.

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

40 1. Capitol police officers shall become department of public safety  
41 capitol police with an annual salary equivalent to the entry level salary of  
42 a department of public safety officer.

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

1 D. All personnel who are under the state personnel system and employed  
2 by the department of administration as capitol police personnel and that are  
3 not officers and sergeants are transferred to the department of public safety  
4 to equivalent classifications or new classifications as approved by the law  
5 enforcement merit system council.

6 E. The administrator of the public safety personnel retirement system  
7 shall transfer the assets in the public safety personnel retirement system  
8 department of administration account to the public safety personnel  
9 retirement system department of public safety account.

10 Sec. 57. Succession; government information technology agency

11 A. As provided by this act, the department of administration succeeds  
12 to the authority, powers, duties and responsibilities of the government  
13 information technology agency.

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

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

20 D. All administrative matters, contracts and judicial and  
21 quasi-judicial actions, whether completed, pending or in process, of the  
22 government information technology agency on the effective date of this act  
23 are transferred to and retain the same status with the department of  
24 administration.

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

29 F. All equipment, records, furnishings and other property, all data  
30 and investigative findings and all appropriated monies that remain unexpended  
31 and unencumbered on the effective date of this act of the government  
32 information technology agency are transferred to the department of  
33 administration.

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

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

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

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

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

4 D. All administrative matters, contracts and judicial and  
5 quasi-judicial actions, whether completed, pending or in process, of the  
6 department of mines and mineral resources on the effective date of this act  
7 are transferred to and retain the same status with the Arizona geological  
8 survey.

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

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

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

21 Sec. 59. Transfer of powers; Arizona biomedical research  
22 commission

23 A. The department of health services succeeds to the powers of the  
24 Arizona biomedical research commission.

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

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

31 D. All administrative matters, contracts and judicial and  
32 quasi-judicial actions, whether completed, pending or in process, of the  
33 Arizona biomedical research commission before the effective date of this act  
34 are transferred to and retain the same status with the department of health  
35 services.

36 E. All equipment, records, furnishings and other property, all data  
37 and investigative findings and all appropriated monies that remain unexpended  
38 and unencumbered before the effective date of this act of the Arizona  
39 biomedical research commission are transferred to the department of health  
40 services.

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

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

44 1. \$32,200 is transferred to the permanent Arizona historical society  
45 revolving fund established by section 41-826, Arizona Revised Statutes.

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

3           Sec. 61. Retroactivity

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

APPROVED BY THE GOVERNOR APRIL 6, 2011.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 7, 2011.