PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1615

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

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

12-119. Facilities management

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

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

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

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

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

C. The department of education shall select one school that provides instruction in any combination of kindergarten programs and grades one through eight to participate in the pilot program, after review and approval by the state board of education. The department of education shall select a school that has an effective plan that demonstrates commitment to instructional change required to achieve significant performance gains through participation in the pilot program and that demonstrates a financial commitment by submitting a budget that shows the amount of funding that the

school will contribute to the pilot program. The department of education shall distribute monies appropriated for this purpose to the selected school.

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

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

2. To ensure access to one networked computer with broadband internet access, according to standards established by the ~~government information technology agency~~ DEPARTMENT OF ADMINISTRATION, for every pupil in every academic classroom.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

D. The task force shall:

1. Examine e-learning programs in other states.

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

3. Develop innovative e-learning solutions.

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

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

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

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

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

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

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

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

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

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

15-1261. E-rate application; fund

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

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

Sec. 5. Section 23-392, Arizona Revised Statutes, is amended to read:

23-392. Overtime compensation for certain law enforcement or probation officer activities; option; definitions

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

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

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

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

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

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

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

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

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

F. For the purposes of this section:

1. "Person engaged in law enforcement activities":

(a) Means:

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

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

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

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

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

2. "Person engaged in probation officer activities":

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

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

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

23-901. Definitions

In this chapter, unless the context otherwise requires:

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

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

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

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

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

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

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

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

(i) Casual.

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

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

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

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

(f) Any person placed in on-the-job evaluation or in on-the-job training under the department of economic security's temporary assistance for

needy families program or vocational rehabilitation program shall be deemed to be an employee of the department for the purpose of coverage under the state workers' compensation laws only. The basis for computing premium payments and compensation benefits shall be two hundred dollars per month. Any person receiving vocational rehabilitation services under the department of economic security's vocational rehabilitation program whose major evaluation or training activity is academic, whether as an enrolled attending student or by correspondence, or who is confined to a hospital or penal institution, shall not be deemed to be an employee of the department for any purpose. Any dividend which the department's vocational rehabilitation program may be entitled to receive from the state compensation fund because of a favorable loss experience for any policy period shall not revert to the state general fund but shall be applied to the department's current premium obligations for workers' compensation coverage for such program.

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

(h) A working member of a partnership may be deemed to be an employee entitled to the benefits provided by this chapter upon written acceptance, by endorsement, at the discretion of the insurance carrier for the partnership of an application for coverage by the working partner. The basis for computing premium payments and compensation benefits for the working partner

shall be an assumed average monthly wage of not less than six hundred dollars nor more than the maximum wage provided in section 23-1041 and is subject to the discretionary approval of the insurance carrier. Any compensation for permanent partial or permanent total disability payable to the partner shall be computed on the lesser of the assumed monthly wage agreed to by the insurance carrier on the acceptance of the application for coverage or the actual average monthly wage received by the partner at the time of injury.

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

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

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

(l) Volunteer workers of a licensed health care institution may be deemed to be employees and entitled to the benefits provided by this chapter upon written acceptance by the insurance carrier of an application by the

health care institution for coverage of such volunteers. The basis for computing wages for premium payments and compensation benefits for volunteers shall be four hundred dollars per month.

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

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

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

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

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

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

8. "Heart-related or perivascular injury, illness or death" means myocardial infarction, coronary thrombosis or any other similar sudden,

violent or acute process involving the heart or perivascular system, or any death resulting therefrom, and any weakness, disease or other condition of the heart or perivascular system, or any death resulting therefrom.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 7. Heading change

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

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

27-101. Definitions

In this article, unless the context otherwise requires:

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

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

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

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

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

27-101.01. Immunity

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

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

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

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

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

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

27-102. Duties of the department

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

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

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

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

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

5. Maintain a repository of mineral and mining information, including databases, books, periodicals, individual mine files, mine map repository files, mining district data and an archive of mine data. All databases and other archival materials shall be maintained in a secure and retrievable

format and location prescribed by the director to protect and preserve information from damage or destruction.

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

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

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

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

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

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

(a) Education.

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

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

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

Sec. 11. Repeal

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

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

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

A. The Arizona geological survey is established with offices located in proximity to the university of Arizona in Tucson. The governor shall appoint a state geologist, pursuant to section 38-211, to be the administrative head of the Arizona geological survey and to serve at the pleasure of the governor. The state geologist shall be registered as a

geologist by the state board of technical registration, a graduate of an accredited institution and otherwise qualified by education and experience to direct the research and information functions of the Arizona geological survey.

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

C. The state geologist may:

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

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

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

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

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

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

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

A. The state geologist shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

28-3513. Administrative charges

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

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

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

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

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

F. If the immobilizing or impounding agency is:

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

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

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

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

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

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

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

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

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

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

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

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

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

7. All federal monies that are received by the department of economic security for family assistance benefits and medical eligibility as a result of efficiencies developed by the department of economic security and that would otherwise revert to the state general fund pursuant to section 35-190

shall be retained for use by the department of economic security in accordance with the terms and conditions imposed by the federal funding source in an account or accounts established or authorized by the state treasurer.

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

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

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

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

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

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

F. Nothing in this section or any other section precludes the use of monies kept in funds separate from the general fund, the interest from which accrues to the general fund, for payment of claims against the general fund,

provided sufficient monies remain available for payment of claims against such funds.

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

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

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

J. Except for the department of revenue for tax payments, agencies or authorized agents on behalf of state agencies that accept credit cards shall deduct any applicable discount fee and processing fee associated with the transaction amount before depositing the net amount in the appropriate state fund. No other reduction is permitted against the transaction amount. The net amount deposited in the appropriate state fund shall be considered as the full deposit required by law of monies received by the agency or the authorized agent. Payment of any applicable discount fee and processing fee shall be accounted for in the annual report submitted to the governor's

office of strategic planning and budgeting in accordance with section 41-1273. The transaction amount of any credit card transaction shall not be reduced by any discount fee or processing fee in an amount in excess of the merchant card settlement fees reflected in the state banking contract with the state treasurer's office.

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

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

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

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

L. Each state agency or its authorized agent shall:

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

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

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

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

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

O. When the percentage of electronic transactions first exceeds at least thirty per cent of a state agency's total transactions, the state agency shall perform a cost benefit report, including costs of convenience

fees, the amount of revenue generated and any realized cost savings. The state agency shall submit the cost benefit report to the joint legislative budget committee within six months after reaching the thirty per cent threshold.

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

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

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

Sec. 16. Section 36-2926, Arizona Revised Statutes, is amended to read:

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

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

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

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

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

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

Sec. 17. Section 37-904, Arizona Revised Statutes, is amended to read:

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

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

1. State land commissioner.

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

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

3. STATE GEOLOGIST.

4. Director of the Arizona state parks board.

5. Director of the department of transportation.

6. Deputy state forester.

7. Director of water resources.

8. Director of the Arizona game and fish department.

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

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

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

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

D. The board:

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

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

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

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

Sec. 18. Section 38-842, Arizona Revised Statutes, is amended to read:

38-842. Definitions

In this article, unless the context otherwise requires:

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

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

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

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

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

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

7. "Average monthly benefit compensation" means the result obtained by dividing the total compensation paid to an employee during a considered period by the number of months, including fractional months, in which such compensation was received. The considered period shall be the three consecutive years within the last twenty completed years of credited service that yield the highest average. In the computation under this paragraph, a

period of nonpaid or partially paid industrial leave shall be considered based on the compensation the employee would have received in the employee's job classification if the employee was not on industrial leave.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Is under eighteen years of age.

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

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

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

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

(b) Municipal fire fighters.

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

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

(e) State fire fighters.

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

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

(h) Police officers who are certified peace officers and fire fighters of a nonprofit corporation operating a public airport pursuant to sections 28-8423 and 28-8424. A police officer shall be designated pursuant to section 28-8426 to aid and supplement state and local law enforcement agencies and a fire fighter's sole duty shall be to perform fire fighting services, including services required by federal regulations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28. "Employers" means:

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

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

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

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

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

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

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

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

(a) Who is either a paid municipal police officer, a paid fire fighter, a law enforcement officer who is employed by this state including the director thereof, a state fire fighter who is primarily assigned to fire fighting duties, a fire fighter or police officer of a nonprofit corporation operating a public airport pursuant to sections 28-8423 and 28-8424, all ranks designated by the Arizona law enforcement merit system council, a state

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

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

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

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

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

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

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

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

that the domestic relations order is a plan approved domestic relations order.

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

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

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

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

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

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

40. "Regularly assigned to hazardous duty" means regularly assigned to duties of the type normally expected of municipal police officers, municipal or state fire fighters, eligible fire district fire fighters, state highway patrol officers, county sheriffs and deputies, fish and game wardens, fire fighters and police officers of a nonprofit corporation operating a public airport pursuant to sections 28-8423 and 28-8424, police officers who are appointed by the Arizona board of regents or a community college district governing board, state attorney general investigators who are certified peace officers, county attorney investigators who are certified peace officers, ~~police officers who are appointed by the department of administration and who are certified peace officers,~~ department of liquor licenses and control investigators who are certified peace officers, Arizona department of agriculture officers who are certified peace officers, Arizona state parks board rangers and managers who are certified peace officers, county park rangers who are certified peace officers, police officers who are certified peace officers and who are employed by an Indian reservation police agency or fire fighters who are employed by an Indian reservation fire fighting agency. Those individuals who are assigned solely to support duties such as secretaries, stenographers, clerical personnel, clerks, cooks, maintenance

personnel, mechanics and dispatchers are not assigned to hazardous duty regardless of their position classification title. Since the normal duties of those jobs described in this paragraph are constantly changing, questions as to whether a person is or was previously regularly assigned to hazardous duty shall be resolved by the local board on a case-by-case basis. Resolutions by local boards are subject to rehearing and appeal.

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

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

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

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

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

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

Sec. 19. Section 38-847, Arizona Revised Statutes, is amended to read:

38-847. Local boards

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

H. A claimant or the board of trustees may apply for a rehearing before the local board within the time periods prescribed in this subsection, except that if a decision of a local board violates the internal revenue code or threatens to jeopardize the system's status as a qualified plan under the internal revenue code, no limitation period for the ~~fund manager~~ BOARD OF TRUSTEES to seek a rehearing of a local board decision applies. An

application for a rehearing shall be filed in writing with a member of the local board or its secretary within sixty days after:

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

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

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

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

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

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

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

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

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

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

Sec. 20. Section 41-121, Arizona Revised Statutes, is amended to read:

41-121. Duties

A. The secretary of state shall:

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

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

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

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

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

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

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

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

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

10. Report to the governor on January 2 each year, and at such other times as provided by law, a detailed account of the secretary of state's official actions taken since the secretary of state's previous report

together with a detailed statement of the manner in which all appropriations for the secretary of state's office have been expended.

11. Transfer all noncurrent or inactive books, records, deeds and other papers otherwise required to be filed with or retained by the secretary of state to the custody of the Arizona state library, archives and public records.

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

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

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

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

Sec. 21. Section 41-790, Arizona Revised Statutes, is amended to read:

41-790. Definitions

In this article, unless the context otherwise requires:

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

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

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

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

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

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

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

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

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

(c) The house of representatives wing.

(d) The senate wing.

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

Sec. 22. Section 41-791, Arizona Revised Statutes, is amended to read:

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

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

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

1. The state capitol executive tower of the state capitol building.

2. The state office buildings in Tucson.

3. All other buildings owned or leased by the state and located near the state capitol building and the state office buildings in Tucson, except for:

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

(i) The department of transportation.

(ii) The Arizona power authority.

(iii) The state compensation fund.

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

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

(d) The Arizona courts building.

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

1. The entire state capitol building and the grounds adjacent to it.

2. The state office buildings in Tucson and the grounds adjacent to them.

3. Other buildings and grounds owned or leased by the state if the function is not otherwise assigned, except for the interior of the Arizona courts building.

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

E. The department shall:

1. Employ engineers and maintenance and operations personnel as required, including a buildings manager for the state office buildings in Tucson.

2. Determine the hours of duty and assignment of personnel.

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

Sec. 23. Section 41-792.01, Arizona Revised Statutes, is amended to read:

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

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

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

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

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

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

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

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

H. THE DEPARTMENT SHALL NOT CHARGE RENTAL OR TENANT IMPROVEMENT LABOR COSTS AS PRESCRIBED IN SUBSECTION D, E OR F OF THIS SECTION FOR ANY BUILDINGS OPERATED BY THE SECRETARY OF STATE PRIMARILY FOR THE PURPOSE OF STORING, MANAGING OR PRESERVING A LARGE AMOUNT OF PUBLIC RECORDS OR ARCHIVAL MATERIAL.

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

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

Sec. 24. Repeal

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

Sec. 25. Section 41-796, Arizona Revised Statutes, is amended to read:

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

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

1. Maximum speed of vehicles.

2. Direction of travel.

3. Place, method and time of parking.

4. Nonparking areas.

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

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

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

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

D. The department shall:

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

2. Maintain parking lots and structures.

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

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

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

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

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

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

Sec. 26. Section 41-827.01, Arizona Revised Statutes, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

B. The advisory council shall:

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

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

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

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

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

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

Sec. 27. Section 41-1304, Arizona Revised Statutes, is amended to read:

41-1304. Powers and duties

A. The legislative council shall:

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

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

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

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

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

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

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

8. Prepare and issue styles and forms for drafting bills, amendments and other legislative measures for the use of the legislature, state officers and persons interested in drafting amendments and bills or measures for

introduction in the legislature. The styles and forms for drafting amendments shall be developed and adopted in consultation and cooperation with the senate and the house of representatives.

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

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

Sec. 28. Section 41-1304.05, Arizona Revised Statutes, is amended to read:

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

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

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

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

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

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

~~5.~~ 4. Except as provided in subsections B and C of this section, the grounds adjacent to the state capitol museum, the legislative services wing, the house of representatives wing and the senate wing and comprising the area east of the state capitol executive tower with a northern boundary of west Adams street, an eastern boundary of Seventeenth avenue and a southern boundary of west Jefferson street in Phoenix, Arizona.

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

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

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

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

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

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

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

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

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

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

A. The director of the department shall:

1. Be the administrative head of the department.

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

3. EXCEPT AS PROVIDED IN SECTIONS 12-119, 41-1304 AND 41-1304.05, EMPLOY OFFICERS AND OTHER PERSONNEL AS THE DIRECTOR DEEMS NECESSARY FOR THE PROTECTION AND SECURITY OF THE STATE BUILDINGS AND GROUNDS IN THE GOVERNMENTAL MALL DESCRIBED IN SECTION 41-1362, STATE OFFICE BUILDINGS IN TUCSON AND PERSONS WHO ARE ON ANY OF THOSE PROPERTIES. DEPARTMENT OFFICERS

MAY MAKE ARRESTS AND ISSUE CITATIONS FOR CRIMES OR TRAFFIC OFFENSES AND FOR ANY VIOLATION OF A RULE ADOPTED UNDER SECTION 41-796. FOR THE PURPOSES OF THIS PARAGRAPH, SECURITY DOES NOT MEAN SECURITY SERVICES RELATED TO BUILDING OPERATION AND MAINTENANCE FUNCTIONS PROVIDED BY THE DEPARTMENT OF ADMINISTRATION.

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

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

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

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

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

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

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

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

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

B. The director may:

1. Issue commissions to officers of the department.

2. Request the cooperation of the utilities, communication media and public and private agencies and any sheriff or other peace officer in any county or municipality, within the limits of their respective jurisdictions

when necessary, to aid and assist in the performance of any duty imposed by this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 30. Title 41, chapter 12, article 2, Arizona Revised Statutes, is amended by adding section 41-1725, to read:

41-1725. Capitol police administrative towing fund

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

Sec. 31. Section 41-1804, Arizona Revised Statutes, is amended to read:

41-1804. Guidelines committee; duties

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

B. The committee shall:

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

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

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

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

Sec. 32. Section 41-2513, Arizona Revised Statutes, is amended to read:

41-2513. Authority to contract for certain services

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

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

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

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

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

Sec. 33. Section 41-3012.07, Arizona Revised Statutes, is amended to read:

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

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

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

Sec. 34. Section 41-3016.06, Arizona Revised Statutes, is amended to read:

41-3016.06. Department of administration; termination July 1, 2016

A. The department of administration terminates on July 1, 2016.

B. Title 41, chapter 4, articles 1, 2, 3, 5 and 7 AND CHAPTER 32 are repealed on January 1, 2017.

Sec. 35. Repeal

Sections 41-3016.17 and 41-3016.21, Arizona Revised Statutes, are repealed.

Sec. 36. Heading change

The chapter heading of title 41, chapter 32, Arizona Revised Statutes, is changed from "GOVERNMENT INFORMATION TECHNOLOGY AGENCY" to "GOVERNMENT INFORMATION TECHNOLOGY".

Sec. 37. Section 41-3501, Arizona Revised Statutes, is amended to read:

41-3501. Definitions

In this chapter, unless the context otherwise requires:

~~1. "Agency" means the government information technology agency.~~

~~2.~~ 1. "Budget unit" means a department, commission, board, institution or other agency of the state receiving, expending or disbursing state funds or incurring obligations of the state including the Arizona board of regents but excluding the universities under the jurisdiction of the Arizona board of regents, the community college districts and the legislative or judicial branches.

~~3.~~ 2. "Committee" means the information technology authorization committee.

3. "DEPARTMENT" MEANS THE DEPARTMENT OF ADMINISTRATION.

4. "Director" means the director of the ~~agency~~ DEPARTMENT.

5. "Disaster recovery" means the measures required to mitigate the loss of information technology capability.

6. "Information technology" means all computerized and auxiliary automated information processing, telecommunications and related technology, including hardware, software, vendor support and related services, equipment and projects.

Sec. 38. Section 41-3502, Arizona Revised Statutes, is amended to read:

41-3502. Government information technology

~~A.~~ The DEPARTMENT IS RESPONSIBLE FOR government information technology ~~agency is established~~ FUNCTIONS AS PRESCRIBED IN THIS CHAPTER.

~~B. The governor shall appoint a director of the agency pursuant to section 38-211 to serve at the pleasure of the governor.~~

~~C. The director is eligible to receive compensation as determined under section 38-611.~~

Sec. 39. Section 41-3503, Arizona Revised Statutes, is amended to read:

41-3503. Powers and duties of director

IN REGARD TO GOVERNMENT INFORMATION TECHNOLOGY, the director shall:

1. ~~Serve as~~ APPOINT A chief information officer for information technology.

2. Establish minimum qualifications for each position authorized for the ~~agency~~ DEPARTMENT FOR GOVERNMENT INFORMATION TECHNOLOGY. The qualifications shall be subject to the review of the information technology authorization committee.

3. Employ, determine the conditions of employment and prescribe the duties and powers of administrative, professional, technical, secretarial, clerical and other persons as may be necessary in the performance of the department's duties and contract for the services of outside advisors, consultants and aides as may be reasonably necessary. Employees of the ~~agency~~ DEPARTMENT are exempt from chapter 4, article 5 of this title but shall meet the minimum qualifications established pursuant to this section.

Sec. 40. Section 41-3504, Arizona Revised Statutes, is amended to read:

41-3504. Powers and duties of the department; violation; classification

A. ~~For budget units,~~ The ~~agency~~ DEPARTMENT shall:

1. Develop, implement and maintain a coordinated statewide plan for information technology. This includes:

(a) Adopting statewide technical, coordination and security standards for information technology.

(b) Serving as statewide coordinator for information technology resources.

(c) Developing a statewide disaster recovery plan.

(d) Developing a list of approved ~~agency~~ DEPARTMENT projects by priority category.

(e) Developing a detailed list of information technology assets owned, leased or employed by this state.

(f) Evaluating and either approving or disapproving budget unit information technology plans. Budget units shall submit information technology plans that include quality assurance plans and disaster recovery plans to the ~~agency~~ DEPARTMENT each year on or before September 1. The legislative and judicial departments of state government shall submit information technology plans for information purposes.

(g) Evaluating specific information technology projects relating to the approved budget unit and statewide information technology plans. The ~~agency~~ DEPARTMENT shall approve or reject projects with total costs of at least twenty-five thousand dollars but not more than one million dollars and may establish conditional approval criteria including procurement purchase authority. If the total project costs exceed one million dollars the ~~agency~~ DEPARTMENT shall evaluate the project and make recommendations to the committee. Beginning on June 1, 1998, as part of a budget request for an information technology project that has total costs of at least twenty-five thousand dollars, a budget unit shall indicate the status of review by the ~~agency~~ DEPARTMENT. Projects shall not be artificially divided to avoid review by the ~~agency~~ DEPARTMENT.

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

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

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

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

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

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

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

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

10. Provide staff support to the committee.

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

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

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

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

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

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

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

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

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

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

41-3505. Information technology fund

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

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

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

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

Sec. 42. Section 41-3506, Arizona Revised Statutes, is amended to read:

41-3506. State web portal fund; exemption

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

1. Monies appropriated to the fund by the legislature.

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

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

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

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

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

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

Sec. 43. Section 41-3507, Arizona Revised Statutes, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

Sec. 44. Section 41-3508, Arizona Revised Statutes, is amended to read:

41-3508. Statewide e-rate program fund

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

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

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

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

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

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

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

Sec. 45. Section 41-3521, Arizona Revised Statutes, is amended to read:

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

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

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

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

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

4. One local government member and one federal government member who are appointed by the governor and who shall serve as advisory members.

5. Two members who are directors of state agencies and who are appointed by the governor.

6. The administrative director of the courts or the director's designee.

7. The director of the ~~government information technology agency. The director~~ DEPARTMENT OF ADMINISTRATION OR THE DIRECTOR'S DESIGNEE, WHO shall be the chairperson of the committee but for all other purposes shall serve as an advisory member.

8. Two members from either private industry or state government who are appointed by the governor.

9. The staff director of the joint legislative budget committee, or the staff director's designee, who shall serve as an advisory member.

B. Committee members who are from private industry serve two year terms. The other members serve at the pleasure of their appointing officers.

C. For all budget units and the legislative and judicial branches of state government, the committee shall:

1. Review established statewide information technology standards and the statewide information technology plan.

2. Review the minimum qualifications established by the director for each position authorized for the ~~agency~~ DEPARTMENT FOR INFORMATION TECHNOLOGY.

3. Approve or disapprove all proposed information technology projects, including project changes and contract amendments, that exceed a total cost of one million dollars, excluding public monies from county, municipal and other political subdivision sources that are not deposited in a state fund. As part of a budget request for an information technology project that has total costs of more than one million dollars, a budget unit and the legislative and judicial branches of state government shall indicate the status of review by the committee. Projects shall not be artificially divided to avoid review by the committee.

4. Develop a report format that incorporates the life cycle analysis prescribed by section 41-2553 for use in submitting project requests to the committee.

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 46. Section 41-3542, Arizona Revised Statutes, is amended to read:

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

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

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

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

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

4. The development of a timeline for project activities.

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

6. Providing support for the state interoperability executive committee.

7. Establishing committees and work groups as necessary.

B. The ~~agency~~ DEPARTMENT may:

1. Employ personnel as required with available monies.

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

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

4. Enter into agreements to carry out the purposes of this article.

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

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

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

Sec. 47. Section 44-7041, Arizona Revised Statutes, is amended to read:

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

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

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

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

Sec. 48. Section 44-7042, Arizona Revised Statutes, is amended to read:

44-7042. Sending and accepting electronic records

A. Except as otherwise provided in section 44-7012, subsection E, each governmental agency shall determine if, and the extent to which, the governmental agency will send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate, communicate, store, process, use and rely on electronic records and electronic signatures. State agencies shall comply with the appropriate

standards and policies adopted or established by the ~~government information technology agency~~ DEPARTMENT OF ADMINISTRATION pursuant to title 41, chapter 32 and the secretary of state pursuant to section 41-132.

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

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

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

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

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

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

Sec. 49. Termination of department of administration local board; transfer of personnel, records and equipment; transfer of retirement assets; study

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

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

this subsection shall not be upgraded at the time of transfer unless the legislature approves the upgrade.

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

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

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

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

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

Sec. 50. Succession; government information technology agency

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

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

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

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

E. All certificates, licenses, registrations, permits and other indicia of qualification and authority that were issued by the government

information technology agency retain their validity for the duration of their terms of validity as provided by law.

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

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

Sec. 51. Succession; department of mines and mineral resources

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

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

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

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

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

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

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

1 Sec. 52. Mines and mineral resources fund; transfers
2 Of the monies in the mines and mineral resources fund established by
3 section 27-111, Arizona Revised Statutes, on the effective date of this act:
4 1. $32,200 is transferred to the permanent Arizona historical society
5 revolving fund established by section 41-826, Arizona Revised Statutes.
6 2. The remainder of the monies is transferred to the geological survey
7 fund established by section 27-152.02, Arizona Revised Statutes.
8 Sec. 53. Retroactivity
9 This act applies retroactively to from and after June 30, 2011."
10 Amend title to conform

JOHN KAVANAGH

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03/29/2011
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C: meb