

State of Arizona  
House of Representatives  
Fifty-first Legislature  
First Regular Session  
2013

**CHAPTER 143**  
**HOUSE BILL 2396**

AN ACT

AMENDING SECTIONS 35-142, 37-109, 41-192, 44-1522, 44-1528 AND 44-1531.01, ARIZONA REVISED STATUTES; AMENDING TITLE 44, CHAPTER 10, ARTICLE 7, ARIZONA REVISED STATUTES, BY ADDING SECTION 44-1531.02; RELATING TO THE ATTORNEY GENERAL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 35-142, Arizona Revised Statutes, is amended to  
3 read:

4 35-142. Monies kept in funds separate from state general fund;  
5 receipt and withdrawal

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

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

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

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

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

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

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

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

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

44 9. All monies received and any accounts established and maintained by  
45 the director of the Arizona state retirement system or the administrator of

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

3 10. Monies received by a state agency or institution as a gift, devise  
4 or donation shall not be considered a part of the state general fund or  
5 transferred to the state general fund unless the gift, devise or donation  
6 specifically authorizes a general state use for the monies. A state agency  
7 or institution that receives a monetary gift, devise or donation shall  
8 account for those monies separately.

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

15 C. MONIES RECEIVED FOR AND BELONGING TO THE STATE AND RESULTING FROM  
16 COMPROMISES OR SETTLEMENTS BY OR AGAINST THIS STATE, EXCLUDING RESTITUTION  
17 AND REIMBURSEMENT TO STATE AGENCIES FOR COSTS OR ATTORNEY FEES, SHALL BE  
18 CREDITED TO THE STATE GENERAL FUND UNLESS SPECIFICALLY CREDITED TO ANOTHER  
19 FUND BY LAW. A FUND CONSISTING OF MONIES OTHER THAN MONIES RECEIVED FOR  
20 RESTITUTION, COSTS OR ATTORNEY FEES SHALL NOT BE ESTABLISHED ON THE BASIS OF  
21 A COURT ORDER WITHOUT PRIOR LEGISLATIVE AUTHORIZATION. FOR THE PURPOSES OF  
22 THIS SUBSECTION, "RESTITUTION" MEANS MONIES INTENDED TO COMPENSATE A  
23 SPECIFIC, IDENTIFIABLE PERSON, INCLUDING THIS STATE, FOR ECONOMIC LOSS.

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

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

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

42 ~~F.~~ G. Nothing in this section or any other section precludes the use  
43 of monies kept in funds separate from the general fund, the interest from  
44 which accrues to the general fund, for payment of claims against the general  
45 fund, provided sufficient monies remain available for payment of claims  
46 against such funds.

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

10           ~~H.~~ I. The department of administration shall establish the policies  
11 and procedures for all state agencies for drawing federal monies. When the  
12 established method results in federal monies being held by this state, the  
13 department of administration may use the interest earned on the monies to pay  
14 the federal government for any related interest liability. If an interest  
15 liability is incurred due to a state agency varying from the established  
16 policies and procedures, the department of administration shall charge the  
17 appropriate agency account or fund. Any federal interest liability owed to  
18 this state as a result of the delayed federal disbursements shall be used to  
19 offset this state's interest liability to the federal government. Any  
20 remaining interest earnings shall be deposited in the state general fund.

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

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

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

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

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

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

10          ~~L~~ M. Each state agency or its authorized agent shall:

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

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

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

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

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

26          ~~O~~ P. When the percentage of electronic transactions first exceeds at  
27 least thirty per cent of a state agency's total transactions, the state  
28 agency shall perform a cost benefit report, including costs of convenience  
29 fees, the amount of revenue generated and any realized cost savings.

30          ~~P~~ Q. State agencies shall report the number of transactions, the  
31 number of electronic transactions, the total dollar amount of transactions  
32 processed, the total dollar amount of any discount fee, the total dollar  
33 amount of any processing fee and the total dollar amount of any convenience  
34 fee charged, deducted or paid pursuant to subsections ~~J~~ ~~and~~ K AND L of this  
35 section annually by October 1 to the governor, the department of  
36 administration and the joint legislative budget committee.

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

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

4           Sec. 2. Section 37-109, Arizona Revised Statutes, is amended to read:

5           37-109. Alternative payment methods

6           At the commissioner's sole discretion, the commissioner may accept fees  
7 imposed pursuant to section 37-107 by alternative payment methods, including  
8 credit and charge cards, pursuant to section 35-142, subsection ~~I~~ J, debit  
9 cards and electronic funds transfers or other alternative payment methods,  
10 pursuant to section 35-315, but the department is not obligated to accept any  
11 payment using an alternative payment method.

12           Sec. 3. Section 41-192, Arizona Revised Statutes, is amended to read:

13           41-192. Powers and duties of attorney general; restrictions on  
14           state agencies as to legal counsel; exceptions;  
15           compromise and settlement monies

16           A. The attorney general shall have charge of and direct the department  
17 of law and shall serve as chief legal officer of the state. The attorney  
18 general shall:

19           1. Be the legal advisor of the departments of this state and render  
20 such legal services as the departments require.

21           2. Establish administrative and operational policies and procedures  
22 within his department.

23           3. Approve long-range plans for developing departmental programs  
24 therein, and coordinate the legal services required by other departments of  
25 this state or other state agencies.

26           4. Represent school districts and governing boards of school districts  
27 in any lawsuit involving a conflict of interest with other county offices.

28           5. Represent political subdivisions, school districts and  
29 municipalities in suits to enforce state or federal statutes pertaining to  
30 antitrust, restraint of trade or price-fixing activities or conspiracies, if  
31 the attorney general notifies in writing the political subdivisions, school  
32 districts and municipalities of the attorney general's intention to bring any  
33 such action on its behalf. At any time within thirty days after the  
34 notification, the political subdivisions, school districts and  
35 municipalities, by formal resolution of its governing body, may withdraw the  
36 authority of the attorney general to bring the intended action on its behalf.

37           6. In any action brought by the attorney general pursuant to state or  
38 federal statutes pertaining to antitrust, restraint of trade, or price-fixing  
39 activities or conspiracies for the recovery of damages by this state or any  
40 of its political subdivisions, school districts or municipalities, in  
41 addition to the attorney general's other powers and authority, the attorney  
42 general on behalf of this state may enter into contracts relating to the  
43 investigation and prosecution of such action with any other party plaintiff  
44 who has brought a similar action for the recovery of damages and with whom  
45 the attorney general finds it advantageous to act jointly or to share common  
46 expenses or to cooperate in any manner relative to such action. In any such

1 action, notwithstanding any other laws to the contrary, the attorney general  
2 may undertake, among other things, to render legal services as special  
3 counsel or to obtain the legal services of special counsel from any  
4 department or agency of the United States, of this state or any other state  
5 or any department or agency thereof or any county, city, public corporation  
6 or public district in this state or in any other state that has brought or  
7 intends to bring a similar action for the recovery of damages or their duly  
8 authorized legal representatives in such action.

9 7. Organize the civil rights division within the department of law and  
10 administer such division pursuant to the powers and duties provided in  
11 chapter 9 of this title.

12 8. Compile, publish and distribute to all state agencies, departments,  
13 boards, commissions and councils, and to other persons and government  
14 entities on request, at least every ten years, the Arizona agency handbook  
15 that sets forth and explains the major state laws that govern state agencies,  
16 including information on the laws relating to bribery, conflicts of interest,  
17 contracting with the government, disclosure of public information,  
18 discrimination, nepotism, financial disclosure, gifts and extra compensation,  
19 incompatible employment, political activity by employees, public access and  
20 misuse of public resources for personal gain. A supplement to the handbook  
21 reflecting revisions to the information contained in the handbook shall be  
22 compiled and distributed by the attorney general as deemed necessary.

23 B. Except as otherwise provided by law, the attorney general may:

24 1. Organize the department into such bureaus, subdivisions or units as  
25 he deems most efficient and economical, and consolidate or abolish them.

26 2. Adopt rules for the orderly conduct of the business of the  
27 department.

28 3. Subject to chapter 4, article 4 of this title, employ and assign  
29 assistant attorneys general and other employees necessary to perform the  
30 functions of the department.

31 4. Compromise or settle any action or claim by or against this state  
32 or any department, board or agency of this state. If the compromise or  
33 settlement involves a particular department, board or agency of this state,  
34 the compromise or settlement shall be first approved by the department, board  
35 or agency. If no department or agency is named or otherwise materially  
36 involved, the approval of the governor shall be first obtained.

37 5. Charge reasonable fees for distributing official publications,  
38 including attorney general legal opinions and the Arizona agency handbook.  
39 The fees received shall be transmitted to the state treasurer for deposit in  
40 the state general fund.

41 C. The powers and duties of a bureau, subdivision or unit shall be  
42 limited to those assigned by law to the department.

1 D. Notwithstanding any law to the contrary, except as provided in  
2 subsections E and F of this section, no state agency other than the attorney  
3 general shall employ legal counsel or make an expenditure or incur an  
4 indebtedness for legal services, but the following are exempt from this  
5 section:

- 6 1. The director of water resources.
- 7 2. The residential utility consumer office.
- 8 3. The industrial commission.
- 9 4. The Arizona board of regents.
- 10 5. The auditor general.
- 11 6. The corporation commissioners and the corporation commission other  
12 than the securities division.
- 13 7. The office of the governor.
- 14 8. The constitutional defense council.
- 15 9. The office of the state treasurer.
- 16 10. The Arizona commerce authority.

17 E. If the attorney general determines that he is disqualified from  
18 providing judicial or quasi-judicial legal representation or legal services  
19 on behalf of any state agency in relation to any matter, the attorney general  
20 shall give written notification to the state agency affected. If the agency  
21 has received written notification from the attorney general that the attorney  
22 general is disqualified from providing judicial or quasi-judicial legal  
23 representation or legal services in relation to any particular matter, the  
24 state agency is authorized to make expenditures and incur indebtedness to  
25 employ attorneys to provide the representation or services.

26 F. If the attorney general and the director of the department of  
27 agriculture cannot agree on the final disposition of a pesticide complaint  
28 under section 3-368, if the attorney general and the director determine that  
29 a conflict of interest exists as to any matter or if the attorney general and  
30 the director determine that the attorney general does not have the expertise  
31 or attorneys available to handle a matter, the director is authorized to make  
32 expenditures and incur indebtedness to employ attorneys to provide  
33 representation or services to the department with regard to that matter.

34 G. Any department or agency of this state authorized by law to  
35 maintain a legal division or incur expenses for legal services from funds  
36 derived from sources other than the general revenue of the state, or from any  
37 special or trust fund, shall pay from such source of revenue or special or  
38 trust fund into the general fund of the state, to the extent such funds are  
39 available and upon a reimbursable basis for warrants drawn, the amount  
40 actually expended by the department of law within legislative appropriations  
41 for such legal division or legal services.

42 H. Appropriations made pursuant to subsection G of this section shall  
43 not be subject to lapsing provisions otherwise provided by law. Services for  
44 departments or agencies to which this subsection and subsection F of this  
45 section are applicable shall be performed by special or regular assistants to  
46 the attorney general.

1 I. Notwithstanding section 35-148, monies received by the attorney  
2 general from charges to state agencies and political subdivisions for legal  
3 services relating to interagency service agreements shall be deposited,  
4 pursuant to sections 35-146 and 35-147, in an attorney general agency  
5 services fund. Monies in the fund are subject to legislative appropriation  
6 and are exempt from the provisions of section 35-190 relating to lapsing of  
7 appropriations.

8 J. UNLESS OTHERWISE PROVIDED BY LAW, MONIES RECEIVED FOR AND BELONGING  
9 TO THE STATE AND RESULTING FROM COMPROMISES AND SETTLEMENTS ENTERED INTO  
10 PURSUANT TO SUBSECTION B OF THIS SECTION, EXCLUDING RESTITUTION AND  
11 REIMBURSEMENT TO STATE AGENCIES FOR COSTS OR ATTORNEY FEES, SHALL BE  
12 DEPOSITED INTO THE STATE TREASURY AND CREDITED TO THE STATE GENERAL FUND  
13 PURSUANT TO SECTION 35-142. MONIES RECEIVED FOR AND BELONGING TO THE STATE  
14 AND RESULTING FROM A COMPROMISE OR SETTLEMENT ARE NOT CONSIDERED CUSTODIAL,  
15 PRIVATE OR QUASI-PRIVATE MONIES UNLESS SPECIFICALLY PROVIDED BY LAW. ON OR  
16 BEFORE JANUARY 15, APRIL 15, JULY 15 AND OCTOBER 15, THE ATTORNEY GENERAL  
17 SHALL FILE WITH THE GOVERNOR, WITH COPIES TO THE DIRECTOR OF THE DEPARTMENT  
18 OF ADMINISTRATION, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF  
19 REPRESENTATIVES, THE SECRETARY OF STATE AND THE STAFF DIRECTOR OF THE JOINT  
20 LEGISLATIVE BUDGET COMMITTEE, A FULL AND COMPLETE ACCOUNT OF THE DEPOSITS  
21 INTO THE STATE TREASURY MADE PURSUANT TO THIS SUBSECTION IN THE PREVIOUS  
22 CALENDAR QUARTER. FOR THE PURPOSES OF THIS SUBSECTION, "RESTITUTION" MEANS  
23 MONIES INTENDED TO COMPENSATE A SPECIFIC, IDENTIFIABLE PERSON, INCLUDING THIS  
24 STATE, FOR ECONOMIC LOSS.

25 Sec. 4. Section 44-1522, Arizona Revised Statutes, is amended to read:  
26 44-1522. Unlawful practices: intended interpretation of  
27 provisions

28 A. The act, use or employment by any person of any deception,  
29 deceptive OR UNFAIR act or practice, fraud, false pretense, false promise,  
30 misrepresentation, or concealment, suppression or omission of any material  
31 fact with intent that others rely ~~upon~~ ON such concealment, suppression or  
32 omission, in connection with the sale or advertisement of any merchandise  
33 whether or not any person has in fact been misled, deceived or damaged  
34 thereby, is declared to be an unlawful practice.

35 B. The violation of chapter 9, article 16 or chapter 19, article 1 of  
36 this title is declared to be an unlawful practice and subject to enforcement  
37 under this article.

38 C. It is the intent of the legislature, in construing subsection A,  
39 that the courts may use as a guide interpretations given by the federal trade  
40 commission and the federal courts to 15 United States Code sections 45, 52  
41 and 55(a)(1).

42 Sec. 5. Section 44-1528, Arizona Revised Statutes, is amended to read:  
43 44-1528. Remedies; injunction; other reliefs; receiver

44 A. Following an investigation made pursuant to section 44-1524 and  
45 when it appears to the attorney general that a person has engaged in or is  
46 engaging in any practice declared to be unlawful by this article, ~~he~~ THE

1 ATTORNEY GENERAL may seek and obtain in an action in ~~the superior court~~ A  
2 COURT OF COMPETENT JURISDICTION an injunction prohibiting ~~such~~ THE person  
3 from continuing ~~such~~ THE practices or engaging in the practice or doing any  
4 acts in furtherance of the practice after notice as is required by the rules  
5 of civil procedure. The court may make such orders or judgments as may be  
6 necessary to:

7 1. Prevent the use or employment by a person of any unlawful  
8 practices.

9 2. Restore to any person in interest any monies or property, real or  
10 personal, which may have been acquired by means of any practice in this  
11 article declared to be unlawful, including the appointment of a receiver.

12 3. REQUIRE THAT ANY PROFITS, GAIN, GROSS RECEIPTS OR OTHER BENEFIT  
13 OBTAINED BY MEANS OF ANY PRACTICE IN THIS ARTICLE DECLARED TO BE UNLAWFUL BE  
14 DISGORGED AND PAID TO THE STATE FOR DEPOSIT IN THE CONSUMER REMEDIATION  
15 SUBACCOUNT OF THE CONSUMER RESTITUTION AND REMEDIATION REVOLVING FUND  
16 ESTABLISHED BY SECTION 44-1531.02.

17 ~~3-~~ 4. Prohibit a person found to have violated this article from  
18 engaging in a specified trade or occupation.

19 B. Following an investigation made pursuant to section 44-1524 and  
20 when it appears to the attorney general that a person has engaged in or is  
21 engaging in a practice declared to be unlawful by this article and that ~~such~~  
22 THE person is about to conceal ~~his~~ THE PERSON'S assets or ~~his person~~ THE  
23 PERSON'S IDENTITY OR WHEREABOUTS or leave the state, the attorney general may  
24 apply to ~~the superior court~~ A COURT OF COMPETENT JURISDICTION, ex parte, for  
25 an order appointing a receiver of the assets of ~~such~~ THE person. ~~Upon~~ ON a  
26 showing made by affidavit or other evidence that ~~such~~ THE person has engaged  
27 in or is engaging in a practice declared to be unlawful by this article and  
28 that ~~such~~ THE person is about to conceal ~~his~~ THE PERSON'S assets or ~~his~~  
29 person THE PERSON'S IDENTITY OR WHEREABOUTS or leave the state, the court may  
30 order the appointment of a receiver to receive the assets of ~~such~~ THE person.

31 Sec. 6. Section 44-1531.01, Arizona Revised Statutes, is amended to  
32 read:

33 44-1531.01. Consumer protection-consumer fraud revolving fund;  
34 use of fund

35 A. The consumer protection-consumer fraud revolving fund is  
36 established to be administered by the attorney general under the conditions  
37 and for the purposes provided by this section. Monies in the fund are  
38 subject to legislative appropriation. Monies in the fund are exempt from the  
39 ~~lapsing~~ provisions of section 35-190, RELATING TO LAPSING OF APPROPRIATIONS.

40 B. Any investigative or court costs, attorney fees or civil penalties  
41 recovered for the state by the attorney general as a result of enforcement of  
42 either state or federal statutes pertaining to consumer protection or  
43 consumer fraud, whether by final judgment, settlement or otherwise, shall be  
44 deposited in the fund established by this section, except that ~~such~~ THE  
45 costs, penalties or fees recovered by a county attorney shall be retained in

1 ~~such~~ THE county and utilized for investigative operations for consumer  
2 protection in ~~such~~ THE county.

3 C. The monies in the fund shall be used by the attorney general for  
4 operating expenses, including any cost or expense associated with the tobacco  
5 master settlement agreement arbitration, consumer fraud education and  
6 investigative and enforcement operations of the consumer protection division.

7 D. On or before January 15, April 15, July 15 and October 15, the  
8 attorney general shall ~~cause to be filed~~ FILE with the governor, with copies  
9 to the director of the department of administration, the president of the  
10 senate ~~and~~, the speaker of the house of representatives, THE SECRETARY OF  
11 STATE AND THE STAFF DIRECTOR OF THE JOINT LEGISLATIVE BUDGET COMMITTEE, a  
12 full and complete account of the receipts and disbursements from the fund in  
13 the previous calendar quarter.

14 E. On or before January 15, April 15, July 15 and October 15, each  
15 county attorney who retains monies pursuant to subsection B of this section  
16 shall provide the county board of supervisors with a full and complete  
17 account of the receipts and disbursements of ~~such~~ THE monies in the previous  
18 calendar quarter.

19 Sec. 7. Title 44, chapter 10, article 7, Arizona Revised Statutes, is  
20 amended by adding section 44-1531.02, to read:

21 44-1531.02. Consumer restitution and remediation revolving  
22 fund; subaccounts

23 A. THE CONSUMER RESTITUTION AND REMEDIATION REVOLVING FUND IS  
24 ESTABLISHED TO BE ADMINISTERED BY THE ATTORNEY GENERAL UNDER THE CONDITIONS  
25 AND FOR THE PURPOSES PROVIDED BY THIS SECTION. ON NOTICE FROM THE ATTORNEY  
26 GENERAL, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS  
27 PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE  
28 CREDITED TO THE APPROPRIATE SUBACCOUNT OF THE FUND.

29 B. THE CONSUMER RESTITUTION SUBACCOUNT OF THE CONSUMER RESTITUTION AND  
30 REMEDIATION REVOLVING FUND IS ESTABLISHED CONSISTING OF MONIES COLLECTED OR  
31 RECEIVED BY THE ATTORNEY GENERAL AS THE RESULT OF AN ORDER OF A COURT OF  
32 COMPETENT JURISDICTION, OR AS THE RESULT OF A SETTLEMENT OR COMPROMISE, FOR  
33 THE PURPOSE OF COMPENSATING SPECIFIC, IDENTIFIABLE PERSONS, INCLUDING THIS  
34 STATE, FOR ECONOMIC LOSS RESULTING FROM VIOLATIONS OR ALLEGED VIOLATIONS OF  
35 CONSUMER PROTECTION LAWS. THE ATTORNEY GENERAL SHALL ADMINISTER THE  
36 SUBACCOUNT. MONIES IN THE SUBACCOUNT ARE CONTINUOUSLY APPROPRIATED. MONIES  
37 IN THE SUBACCOUNT ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190, RELATING  
38 TO LAPSING OF APPROPRIATIONS. THE ATTORNEY GENERAL SHALL DISTRIBUTE MONIES  
39 IN THE SUBACCOUNT TO SPECIFIC, IDENTIFIABLE PERSONS AS DIRECTED BY A COURT  
40 ORDER. THE ATTORNEY GENERAL MAY DISTRIBUTE ANY UNEXPENDED FUNDS IN THE  
41 CONSUMER RESTITUTION SUBACCOUNT TO THE CONSUMER PROTECTION-CONSUMER FRAUD  
42 REVOLVING FUND ESTABLISHED BY SECTION 44-1531.01.

43 C. THE CONSUMER REMEDIATION SUBACCOUNT OF THE CONSUMER RESTITUTION AND  
44 REMEDIATION REVOLVING FUND IS ESTABLISHED CONSISTING OF MONIES COLLECTED OR  
45 RECEIVED BY THE ATTORNEY GENERAL FROM A PARTY AS THE RESULT OF AN ORDER OF A  
46 COURT OF COMPETENT JURISDICTION, OR AS THE RESULT OF A SETTLEMENT OR

1 COMPROMISE, TO RECTIFY VIOLATIONS OR ALLEGED VIOLATIONS OF CONSUMER  
2 PROTECTION LAWS, OTHER THAN MONIES COLLECTED FOR THE BENEFIT OF SPECIFIC,  
3 IDENTIFIABLE PERSONS AND MONIES FOR INVESTIGATIVE OR COURT COSTS, ATTORNEY  
4 FEES, CIVIL PENALTIES OR OTHER MONIES RECOVERED AS A RESULT OF THE  
5 ENFORCEMENT OF CONSUMER PROTECTION LAWS DEPOSITED IN THE CONSUMER  
6 PROTECTION-CONSUMER FRAUD REVOLVING FUND PURSUANT TO SECTION 44-1531.01. THE  
7 ATTORNEY GENERAL SHALL ADMINISTER THE SUBACCOUNT. MONIES IN THE SUBACCOUNT  
8 UP TO THE AMOUNT OF THREE MILLION FIVE HUNDRED THOUSAND DOLLARS ANNUALLY ARE  
9 CONTINUOUSLY APPROPRIATED. ANY AMOUNTS IN EXCESS OF THREE MILLION FIVE  
10 HUNDRED THOUSAND DOLLARS ARE SUBJECT TO LEGISLATIVE APPROPRIATION. MONIES IN  
11 THE SUBACCOUNT ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190, RELATING TO  
12 LAPSING OF APPROPRIATIONS. THE ATTORNEY GENERAL MAY EXPEND MONIES IN THE  
13 SUBACCOUNT FOR PROGRAMS, INCLUDING CONSUMER FRAUD EDUCATION PROGRAMS, THAT  
14 ARE INTENDED TO RECTIFY VIOLATIONS OR ALLEGED VIOLATIONS OF CONSUMER  
15 PROTECTION LAWS. THE ATTORNEY GENERAL MAY EXPEND MONIES IN THE CONSUMER  
16 REMEDIATION SUBACCOUNT FOR OPERATING EXPENSES INCURRED BY THE DEPARTMENT OF  
17 LAW IN ADMINISTERING OR IMPLEMENTING PROGRAMS INTENDED TO RECTIFY VIOLATIONS  
18 OR ALLEGED VIOLATIONS OF CONSUMER PROTECTION LAWS. THE ATTORNEY GENERAL  
19 SHALL SUBMIT AN EXPENDITURE PLAN TO THE JOINT LEGISLATIVE BUDGET COMMITTEE  
20 FOR REVIEW BEFORE EXPENDING ANY MONIES IN THE SUBACCOUNT.

21 D. ON OR BEFORE JANUARY 15, APRIL 15, JULY 15 AND OCTOBER 15, THE  
22 ATTORNEY GENERAL SHALL FILE WITH THE GOVERNOR, WITH COPIES TO THE DIRECTOR OF  
23 THE DEPARTMENT OF ADMINISTRATION, THE PRESIDENT OF THE SENATE, THE SPEAKER OF  
24 THE HOUSE OF REPRESENTATIVES, THE SECRETARY OF STATE AND THE STAFF DIRECTOR  
25 OF THE JOINT LEGISLATIVE BUDGET COMMITTEE, A FULL AND COMPLETE ACCOUNT OF THE  
26 RECEIPTS AND DISBURSEMENTS FROM THE FUND BY SUBACCOUNT IN THE PREVIOUS  
27 CALENDAR QUARTER.

APPROVED BY THE GOVERNOR APRIL 29, 2013.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 30, 2013.