

State of Arizona
House of Representatives
Fifty-first Legislature
Second Regular Session
2014

CHAPTER 14
HOUSE BILL 2708

AN ACT

AMENDING SECTIONS 38-848, 41-3504 AND 49-1023, ARIZONA REVISED STATUTES; PROVIDING FOR THE DELAYED REPEAL OF LAWS 2004, CHAPTER 273, SECTION 8, AS AMENDED BY LAWS 2013, CHAPTER 244, SECTION 3; AMENDING LAWS 2004, CHAPTER 273, SECTION 9, AS AMENDED BY LAWS 2013, CHAPTER 244, SECTION 4; RELATING TO STATE BUDGET PROCEDURES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 38-848, Arizona Revised Statutes, is amended to
3 read:

4 38-848. Board of trustees; powers and duties; independent trust
5 fund; administrator; agents and employees

6 A. The board of trustees shall consist of seven members and shall have
7 the rights, powers and duties that are set forth in this section. The term
8 of office of members shall be five years to expire on the third Monday in
9 January of the appropriate year. Members are eligible to receive
10 compensation in an amount of fifty dollars a day, but not to exceed one
11 thousand dollars in any one fiscal year, and are eligible for reimbursement
12 of expenses pursuant to chapter 4, article 2 of this title. The board
13 consists of the following members appointed by the governor pursuant to
14 section 38-211:

15 1. Two elected members from a local board to represent the employees.

16 2. One member to represent this state as an employer of public safety
17 personnel. This member shall have the qualifications prescribed in
18 subsection T of this section.

19 3. One member to represent the cities as employers of public safety
20 personnel.

21 4. An elected county or state official or a judge of the superior
22 court, court of appeals or supreme court.

23 5. Two public members. These members shall have the qualifications
24 prescribed in subsection T of this section.

25 B. All monies in the fund shall be deposited and held in a public
26 safety personnel retirement system depository. Monies in the fund shall be
27 disbursed from the depository separate and apart from all monies or funds of
28 this state and the agencies, instrumentalities and subdivisions of this
29 state, except that the board may commingle the assets of the fund and the
30 assets of all other plans entrusted to its management in one or more group
31 trusts, subject to the crediting of receipts and earnings and charging of
32 payments to the appropriate employer, system or plan. The monies shall be
33 secured by the depository in which they are deposited and held to the same
34 extent and in the same manner as required by the general depository law of
35 this state. For purposes of making the decision to invest in securities
36 owned by the fund or any plan or trust administered by the board, the fund
37 and assets of the plans and the plans' trusts are subject to the sole
38 management of the board for the purpose of this article except that, on the
39 board's election to invest in a particular security or make a particular
40 investment, the assets comprising the security or investment may be chosen
41 and managed by third parties approved by the board. The board may invest in
42 portfolios of securities chosen and managed by a third party. The board's
43 decision to invest in securities such as mutual funds, commingled investment
44 funds, exchange traded funds, private equity or venture capital limited
45 partnerships, real estate limited partnerships or limited liability companies
46 and real estate investment trusts whose assets are chosen and managed by

1 third parties does not constitute an improper delegation of the board's
2 investment authority.

3 C. All contributions under this system and other retirement plans that
4 the board administers shall be forwarded to the board and shall be held,
5 invested and reinvested by the board as provided in this article. All
6 property and monies of the fund and other retirement plans that the board
7 administers, including income from investments and from all other sources,
8 shall be retained for the exclusive benefit of members, as provided in the
9 system and other retirement plans that the board administers, and shall be
10 used to pay benefits to members or their beneficiaries or to pay expenses of
11 operation and administration of the system and fund and other retirement
12 plans that the board administers.

13 D. The board shall have the full power in its sole discretion to
14 invest and reinvest, alter and change the monies accumulated under the system
15 and other retirement plans and trusts that the board administers as provided
16 in this article. In addition to its power to make investments managed by
17 others, the board may delegate the authority the board deems necessary and
18 prudent to investment management pursuant to section 38-848.03, as well as to
19 the administrator, employed by the board pursuant to subsection K, paragraph
20 6 of this section, and any assistant administrators to invest the monies of
21 the system and other retirement plans and trusts that the board administers
22 if the administrator, investment management and any assistant administrators
23 follow the investment policies that are adopted by the board. The board may
24 commingle securities and monies of the fund, the elected officials'
25 retirement plan, the corrections officer retirement plan and other plans or
26 monies entrusted to its care, subject to the crediting of receipts and
27 earnings and charging of payments to the account of the appropriate employer,
28 system or plan. In making every investment, the board shall exercise the
29 judgment and care under the circumstances then prevailing that persons of
30 ordinary prudence, discretion and intelligence exercise in the management of
31 their own affairs, not in regard to speculation but in regard to the
32 permanent disposition of their funds, considering the probable income from
33 their funds as well as the probable safety of their capital, provided:

34 1. That not more than eighty per cent of the combined assets of the
35 system or other plans that the board manages shall be invested at any given
36 time in corporate stocks, based on cost value of such stocks irrespective of
37 capital appreciation.

38 2. That no more than five per cent of the combined assets of the
39 system or other plans that the board manages shall be invested in corporate
40 stock issued by any one corporation, other than corporate stock issued by
41 corporations chartered by the United States government or corporate stock
42 issued by a bank or insurance company.

43 3. That not more than five per cent of the voting stock of any one
44 corporation shall be owned by the system and other plans that the board
45 administers, except that this limitation does not apply to membership
46 interests in limited liability companies.

1 4. That corporate stocks and exchange traded funds eligible for direct
2 purchase shall be restricted to stocks and exchange traded funds that, except
3 for bank stocks, insurance stocks, stocks acquired for coinvestment in
4 connection with the system's or the plans' or trusts' commingled investments
5 and interests in limited liability companies and mutual funds, are either:

6 (a) Listed or approved on issuance for listing on an exchange
7 registered under the securities exchange act of 1934, as amended (15 United
8 States Code sections 78a through 7811).

9 (b) Designated or approved on notice of issuance for designation on
10 the national market system of a national securities association registered
11 under the securities exchange act of 1934, as amended (15 United States Code
12 sections 78a through 7811).

13 (c) Listed or approved on issuance for listing on an exchange
14 registered under the laws of this state or any other state.

15 (d) Listed or approved on issuance for listing on an exchange of a
16 foreign country with which the United States is maintaining diplomatic
17 relations at the time of purchase, except that no more than twenty per cent
18 of the combined assets of the system and other plans that the board manages
19 shall be invested in foreign securities, based on the cost value of the
20 stocks irrespective of capital appreciation.

21 (e) An exchange traded fund that is recommended by the chief
22 investment officer of the system, that is registered under the investment
23 company act of 1940 (15 United States Code sections 80a-1 through 80a-64) and
24 that is both traded on a public exchange and based on a publicly recognized
25 index.

26 E. Notwithstanding any other law, the board shall not be required to
27 invest in any type of investment that is dictated or required by any entity
28 of the federal government and that is intended to fund economic development
29 projects, public works or social programs, but may consider such economically
30 targeted investments pursuant to its fiduciary responsibility. The board, on
31 behalf of the system and all other plans or trusts the board administers, may
32 invest in, lend monies to or guarantee the repayment of monies by a limited
33 liability company, limited partnership, joint venture, partnership, limited
34 liability partnership or trust in which the system and plans or trusts have a
35 financial interest, whether the entity is closely held or publicly traded and
36 that, in turn, may be engaged in any lawful activity, including venture
37 capital, private equity, the ownership, development, management, improvement
38 or operation of real property and any improvements or businesses on real
39 property or the lending of monies.

40 F. Conference call meetings of the board that are held for investment
41 purposes only are not subject to chapter 3, article 3.1 of this title, except
42 that the board shall maintain minutes of these conference call meetings and
43 make them available for public inspection within twenty-four hours after the
44 meeting. The board shall review the minutes of each conference call meeting
45 and shall ratify all legal actions taken during each conference call meeting
46 at the next scheduled meeting of the board.

1 G. The board shall not be held liable for the exercise of more than
2 ordinary care and prudence in the selection of investments and performance of
3 its duties under the system and shall not be limited to so-called "legal
4 investments for trustees", but all monies of the system and other plans that
5 the board administers shall be invested subject to all of the conditions,
6 limitations and restrictions imposed by law.

7 H. Except as provided in subsection D of this section, the board may:

8 1. Invest and reinvest the principal and income of all assets that the
9 board manages without distinction between principal and income.

10 2. Sell, exchange, convey, transfer or otherwise dispose of any
11 investments made on behalf of the system or other plans the board administers
12 in the name of the system or plans by private contract or at public auction.

13 3. Also:

14 (a) Vote on any stocks, bonds or other securities.

15 (b) Give general or special proxies or powers of attorney with or
16 without power of substitution.

17 (c) Exercise any conversion privileges, subscription rights or other
18 options and make any payments incidental to the exercise of the conversion
19 privileges, subscription rights or other options.

20 (d) Consent to or otherwise participate in corporate reorganizations
21 or other changes affecting corporate securities, delegate discretionary
22 powers and pay any assessments or charges in connection therewith.

23 (e) Generally exercise any of the powers of an owner with respect to
24 stocks, bonds, securities or other investments held in or owned by the system
25 or other plans whose assets the board administers.

26 4. Make, execute, acknowledge and deliver any other instruments that
27 may be necessary or appropriate to carry out the powers granted in this
28 section.

29 5. Register any investment held by the system or other plans whose
30 assets the board administers in the name of the system or plan or in the name
31 of a nominee or trust.

32 6. At the expense of the system or other plans that the board
33 administers, enter into an agreement with any bank or banks for the
34 safekeeping and handling of securities and other investments coming into the
35 possession of the board. The agreement shall be entered into under terms and
36 conditions that secure the proper safeguarding, inventory, withdrawal and
37 handling of the securities and other investments. No access to and no
38 deposit or withdrawal of the securities from any place of deposit selected by
39 the board shall be permitted or made except as the terms of the agreement may
40 provide.

41 7. Appear before local boards and the courts of this state and
42 political subdivisions of this state through counsel or appointed
43 representative to protect the fund or the assets of other plans that the
44 board administers. The board is not responsible for the actions or omissions
45 of the local boards under this system but may seek review or rehearing of
46 actions or omissions of local boards. The board does not have a duty to

1 review actions of the local boards but may do so in its discretion in order
2 to protect the fund. No limitations period precludes the board or
3 administrator from contesting, or requires the board or administrator to
4 implement or comply with, a local board decision that violates the internal
5 revenue code or that threatens to impair the tax qualified status of the
6 system or any plan administered by the board or administrator.

7 8. Empower the fund administrator to take actions on behalf of the
8 board that are necessary for the protection and administration of the fund or
9 the assets of other plans that the board administers pursuant to the
10 guidelines of the board.

11 9. Do all acts, whether or not expressly authorized, that may be
12 deemed necessary or proper for the protection of the investments held in the
13 fund or owned by other plans or trusts that the board administers.

14 10. Settle threatened or actual litigation against any system or plan
15 that the board administers.

16 I. Investment expenses and operation and administrative expenses of
17 the board shall be accounted for separately and allocated against investment
18 income.

19 J. The board, as soon as possible within a period of six months
20 following the close of any fiscal year, shall transmit to the governor and
21 the legislature a comprehensive annual financial report on the operation of
22 the system and other plans that the board administers containing, among other
23 things:

- 24 1. A balance sheet.
- 25 2. A statement of income and expenditures for the year.
- 26 3. A report on an actuarial valuation of its assets and liabilities.
- 27 4. A list of investments owned.
- 28 5. The total rate of return, yield on cost, and per cent of cost to
29 market value of the fund and the assets of other plans that the board
30 administers.

31 6. Any other statistical and financial data that may be necessary for
32 the proper understanding of the financial condition of the system and other
33 plans that the board administers and the results of their operations. A
34 synopsis of the annual report shall be published for the information of
35 members of the system, the elected officials' retirement plan or the
36 corrections officer retirement plan.

37 7. An analysis of the long-term level per cent of employer
38 contributions and compensation structure and whether the funding methodology
39 is sufficient to pay one hundred per cent of the unfunded accrued liability
40 under the elected officials' retirement plan.

41 8. AN ESTIMATE OF THE AGGREGATE EMPLOYER CONTRIBUTION RATE FOR THE
42 PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM FOR THE NEXT TEN FISCAL YEARS AND
43 AN ESTIMATE OF THE AGGREGATE EMPLOYER CONTRIBUTION RATE FOR THE CORRECTIONS
44 OFFICER RETIREMENT PLAN FOR THE NEXT TEN FISCAL YEARS.

1 9. AN ESTIMATE OF THE EMPLOYER CONTRIBUTION RATES FOR THE NEXT TEN
2 FISCAL YEARS FOR EACH OF THE FOLLOWING EMPLOYERS WITHIN THE PUBLIC SAFETY
3 PERSONNEL RETIREMENT SYSTEM:

- 4 (a) DEPARTMENT OF LIQUOR LICENSES AND CONTROL.
- 5 (b) DEPARTMENT OF PUBLIC SAFETY.
- 6 (c) NORTHERN ARIZONA UNIVERSITY.
- 7 (d) UNIVERSITY OF ARIZONA.
- 8 (e) ARIZONA STATE UNIVERSITY.
- 9 (f) ARIZONA GAME AND FISH DEPARTMENT.
- 10 (g) DEPARTMENT OF LAW.
- 11 (h) DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS.
- 12 (i) ARIZONA STATE PARKS BOARD.

13 10. AN ESTIMATE OF THE EMPLOYER CONTRIBUTION RATES FOR THE NEXT TEN
14 FISCAL YEARS FOR EACH OF THE FOLLOWING EMPLOYERS WITHIN THE CORRECTIONS
15 OFFICER RETIREMENT PLAN:

- 16 (a) STATE DEPARTMENT OF CORRECTIONS.
- 17 (b) DEPARTMENT OF PUBLIC SAFETY.
- 18 (c) THE JUDICIARY.
- 19 (d) DEPARTMENT OF JUVENILE CORRECTIONS.

20 K. The board shall:

21 1. Maintain the accounts of the system and other plans that the board
22 administers and issue statements to each employer annually and to each member
23 who may request it.

24 2. Report the results of the actuarial valuations to the local boards
25 and employers.

26 3. Contract on a fee basis with an independent investment counsel to
27 advise the board in the investment management of the fund and assets of other
28 plans that the board administers and with an independent auditing firm to
29 audit the board's accounting.

30 4. Permit the auditor general to make an annual audit and the results
31 shall be transmitted to the governor and the legislature.

32 5. Contract on a fee basis with an actuary who shall make actuarial
33 valuations of the system and other plans that the board administers, be the
34 technical adviser of the board on matters regarding the operation of the
35 funds created by the provisions of the system, the elected officials'
36 retirement plan, the corrections officer retirement plan and the fire fighter
37 and peace officer cancer insurance policy program and perform other duties
38 required in connection therewith. The actuary must be a member of a
39 nationally recognized association or society of actuaries.

40 6. Employ, as administrator, a person, state department or other body
41 to serve at the pleasure of the board.

42 7. Establish procedures and guidelines for contracts with actuaries,
43 auditors, investment counsel and legal counsel and for safeguarding of
44 securities.

45 L. The administrator, under the direction of the board, shall:

- 46 1. Administer this article.

1 2. Be responsible for the recruitment, hiring and day-to-day
2 management of employees.

3 3. Invest the funds of the system and other plans that the board
4 administers as the board deems necessary and prudent as provided in
5 subsections D and H of this section and subject to the investment policies
6 and fund objectives adopted by the board.

7 4. Establish and maintain an adequate system of accounts and records
8 for the system and other plans that the board administers, which shall be
9 integrated with the accounts, records and procedures of the employers so that
10 the system and other plans that the board administers operates most
11 effectively and at minimum expense and that duplication of records and
12 accounts is avoided.

13 5. In accordance with the board's governance policy and procedures and
14 the budget adopted by the board, hire such employees and services the
15 administrator deems necessary and prescribe their duties, including the
16 hiring of one or more assistant administrators to manage the system's
17 operations, investments and legal affairs.

18 6. Be responsible for income, the collection of the income and the
19 accuracy of all expenditures.

20 7. Recommend to the board annual contracts for the system's actuary,
21 auditor, investment counsel, legal counsel and safeguarding of securities.

22 8. Perform additional duties and powers prescribed by the board and
23 delegated to the administrator.

24 M. The system is an independent trust fund and the board is not
25 subject to title 41, chapter 6. Contracts for goods and services approved by
26 the board are not subject to title 41, chapter 23. As an independent trust
27 fund whose assets are separate and apart from all other funds of this state,
28 the system and the board are not subject to the restrictions prescribed in
29 section 35-154 or article IX, sections 5 and 8, Constitution of Arizona.
30 Loans, guarantees, investment management agreements and investment contracts
31 that are entered into by the board are contracts memorializing obligations or
32 interests in securities that the board has concluded, after thorough due
33 diligence, do not involve investments in Sudan or Iran or otherwise provide
34 support to terrorists or in any way facilitate illegal immigration into the
35 United States. These contracts do not involve the procurement, supply or
36 provision of goods, equipment, labor, materials or services that would
37 require the ~~certifications or~~ warranties required by ~~sections 35-391.06,~~
38 ~~35-393.06 and~~ SECTION 41-4401.

39 N. The board, the administrator, the assistant administrators and all
40 persons employed by them are subject to title 41, chapter 4, article 4. The
41 administrator, assistant administrators and other employees of the board are
42 entitled to receive compensation pursuant to section 38-611.

43 O. In consultation with the director of the department of
44 administration, the board may enter into employment agreements and establish
45 the terms of those agreements with persons holding any of the following
46 system positions:

- 1 1. Administrator.
- 2 2. Deputy or assistant administrator.
- 3 3. Chief investment officer.
- 4 4. Deputy chief investment officer.
- 5 5. Fiduciary or investment counsel.

6 P. The attorney general or an attorney approved by the attorney
7 general and paid by the fund shall be the attorney for the board and shall
8 represent the board in any legal proceeding or forum that the board deems
9 appropriate. The board, administrator, assistant administrators and
10 employees of the board are not personally liable for any acts done in their
11 official capacity in good faith reliance on the written opinions of the
12 board's attorney.

13 Q. At least once in each five-year period after the effective date,
14 the actuary shall make an actuarial investigation into the mortality, service
15 and compensation experience of the members and beneficiaries of the system
16 and other plans that the board administers and shall make a special valuation
17 of the assets and liabilities of the monies of the system and plans. Taking
18 into account the results of the investigation and special valuation, the
19 board shall adopt for the system and other plans that the board administers
20 those mortality, service and other tables deemed necessary.

21 R. On the basis of the tables the board adopts, the actuary shall make
22 a valuation of the assets and liabilities of the funds of the system and
23 other plans that the board administers not less frequently than every year.
24 By November 1 of each year the board shall provide a preliminary report and
25 by December 15 of each year provide a final report to the governor, the
26 speaker of the house of representatives and the president of the senate on
27 the contribution rate for the ensuing fiscal year.

28 S. Neither the board nor any member or employee of the board shall
29 directly or indirectly, for himself or as an agent, in any manner use the
30 monies or deposits of the fund except to make current and necessary payments,
31 nor shall the board or any member or employee become an endorser or surety or
32 in any manner an obligor for monies loaned by or borrowed from the fund or
33 the assets of any other plans that the board administers.

34 T. The members of the board who are appointed pursuant to subsection
35 A, paragraphs 2 and 5 of this section shall have at least ten years'
36 substantial experience as any one or a combination of the following:

- 37 1. A portfolio manager acting in a fiduciary capacity.
- 38 2. A securities analyst.
- 39 3. An employee or principal of a trust institution, investment
40 organization or endowment fund acting either in a management or an investment
41 related capacity.
- 42 4. A chartered financial analyst in good standing as determined by the
43 association for investment management and research.
- 44 5. A professor at the university level teaching economics or
45 investment related subjects.
- 46 6. An economist.

- 1 2. Require that budget units incorporate A life cycle analysis into
2 the information technology planning, budgeting and procurement processes.
- 3 3. Require that budget units demonstrate expertise to carry out
4 information technology plans, either by employing staff or contracting for
5 outside services.
- 6 4. Monitor information technology projects that the department
7 considers to be major or critical, including expenditure and activity reports
8 and periodic review.
- 9 5. Temporarily suspend the expenditure of monies if the department
10 determines that the information technology project is at risk of failing to
11 achieve its intended results or does not comply with the requirements of this
12 section.
- 13 6. Continuously study emergent technology and evaluate its impact on
14 this state's system.
- 15 7. Advise each budget unit as necessary and report to the committee on
16 an annual basis.
- 17 8. Provide to budget units information technology consulting services
18 it deems necessary, either directly or by procuring outside consulting
19 services.
- 20 9. Maintain all otherwise confidential information received from a
21 budget unit pursuant to this section as confidential.
- 22 10. Provide staff support to the committee.
- 23 11. Subject to section 35-149, accept, spend and account for grants,
24 monies and direct payments from public or private sources and other grants of
25 monies or property for the conduct of programs that it deems consistent with
26 the government information technology purposes and objectives of the
27 department.
- 28 12. Adopt rules it deems necessary or desirable to further the
29 government information technology objectives and programs of the department.
- 30 13. Formulate policies, plans and programs to effectuate the government
31 information technology purposes of the department.
- 32 14. Advise and make recommendations to the governor and the legislature
33 on all matters concerning its objectives.
- 34 15. Contract and enter into interagency and intergovernmental
35 agreements pursuant to title 11, chapter 7, article 3 with any public or
36 private party.
- 37 16. Have an official seal that shall be judicially noticed.
- 38 17. On or before December 31, 2015, establish an interactive online
39 directory of codes, rules, ordinances, if available electronically, and
40 statutes to assist individuals and businesses with regulatory requirements
41 and obligations. As provided in this paragraph, counties, municipalities and
42 budget units shall submit information in a manner and format prescribed by
43 the agency.
- 44 B. The department shall advise the judicial and legislative branches
45 of state government concerning information technology.

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

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

9 Sec. 3. Section 49-1023, Arizona Revised Statutes, is amended to read:

10 49-1023. Delivery prohibition; stop use tag; definitions

11 A. ~~Beginning January 1, 2009,~~ A product deliverer shall not deliver,
12 deposit or place a regulated substance into an underground storage tank that
13 has a stop use tag from the director affixed to a fill pipe of the
14 underground storage tank pursuant to subsection B of this section.

15 B. The director may issue a stop use order to the owner and operator
16 of the underground storage tank and affix a stop use tag that is easily
17 visible to the product deliverer on all fill pipes of the underground storage
18 tank to stop operation of the underground storage tank if ~~both~~ EITHER of the
19 following exist:

20 1. The director has determined that the underground storage tank is in
21 violation of section 49-1003 or 49-1009 or the rules adopted pursuant to
22 those sections, as applicable~~;~~

23 ~~2.~~ AND the continued operation of the underground storage tank may
24 result in a continued release or new release from the underground storage
25 tank.

26 2. THE DIRECTOR HAS DETERMINED THAT THE UNDERGROUND STORAGE TANK IS IN
27 VIOLATION OF SECTION 49-1006 OR THE RULES ADOPTED PURSUANT TO THAT SECTION,
28 AFTER PROVIDING THE OWNER AND OPERATOR WITH THIRTY DAYS NOTICE AND AN
29 OPPORTUNITY TO DEMONSTRATE COMPLIANCE.

30 C. A stop use order becomes effective immediately on issuance and
31 suspends use of the underground storage tank.

32 D. The owner and operator of an underground storage tank that has
33 received a stop use tag pursuant to subsection B of this section shall ensure
34 that no person removes or tampers with the stop use tag until the
35 requirements for return of the underground storage tank to operation pursuant
36 to subsection E of this section are met, and shall immediately empty the
37 underground storage tank and comply with the remaining temporary closure
38 requirements adopted under section 49-1008.

39 E. An owner or operator shall not bring an underground storage tank
40 that has received a stop use tag pursuant to subsection B of this section
41 back into operation until the owner or operator has demonstrated to the
42 director that the underground storage tank meets the requirements of sections
43 49-1003, 49-1006 and 49-1009 and the rules adopted pursuant to those
44 sections, as applicable, and the owner or operator has received written
45 confirmation from the director that the requirements of sections 49-1003,
46 49-1006 and 49-1009 and the rules adopted pursuant to those sections, as

1 applicable, have been met. The director shall provide written confirmation
2 as soon as practicable, but not later than five business days, to the owner
3 or operator that the requirements of sections 49-1003, 49-1006 and 49-1009
4 and the rules adopted pursuant to those sections have been met.

5 F. Upon issuance of a stop use order, the director shall notify
6 product deliverers by posting on the department's website the name and
7 location of a facility with an underground storage tank that has a stop use
8 tag. The notice shall also specify which underground storage tank at the
9 facility has a stop use tag.

10 G. The director shall remove the stop use notice from the department's
11 website within five business days after determining that the requirements of
12 subsection E of this section have been met.

13 H. The director may adopt rules to implement this section.

14 I. For the purposes of this section:

15 1. "Product deliverer" means a person, including an owner, operator or
16 oil company, or a distributor as defined in section 28-5601, a supplier as
17 defined in section 28-5601, a petroleum transportation company and any other
18 entity that delivers, deposits or places a regulated substance into an
19 underground storage tank.

20 2. "Stop use tag" means a tag, device or mechanism that is prescribed
21 by the director, that is designed to be affixed to a fill pipe of an
22 underground storage tank and that clearly states and conveys that it is
23 unlawful to deliver, deposit or place a regulated substance into the
24 underground storage tank to which it is affixed.

25 Sec. 4. Delayed repeal

26 Laws 2004, chapter 273, section 8, as amended by Laws 2013, chapter
27 244, section 3, is repealed from and after December 31, 2014.

28 Sec. 5. Laws 2004, chapter 273, section 9, as amended by Laws 2013,
29 chapter 244, section 4, is amended to read:

30 Sec. 9. Underground storage tank assurance account: termination
31 of eligibility

32 Notwithstanding any other law:

33 1. From and after June 30, 2006, only releases of a regulated
34 substance that are reported before July 1, 2006 as provided in section
35 49-1004, Arizona Revised Statutes, are subject to coverage for corrective
36 action costs from the underground storage tank assurance account ~~except that~~
37 ~~releases that are reported on or after July 1, 2006 and that are reported at~~
38 ~~a site that is otherwise in compliance with title 49, Arizona Revised~~
39 ~~Statutes, and rules enacted under that authority and that could not have been~~
40 ~~reported before July 1, 2006 with the exercise of reasonable diligence are~~
41 ~~eligible for coverage. If the underground storage tank assurance account~~
42 ~~does not have sufficient monies to pay for coverage of all releases, releases~~
43 ~~that are reported on or after July 1, 2006 are eligible for coverage for~~
44 ~~corrective action costs from the underground storage tank assurance account~~
45 ~~in priority after releases of a regulated substance that are reported before~~
46 ~~July 1, 2006.~~

1 2. An application for reimbursement for or direct payment of eligible
2 reasonable and necessary costs from the underground storage tank assurance
3 account shall be filed with the department of environmental quality no later
4 than 5:00 p.m. on December 31, 2015.

5 3. An application for preapproval made pursuant to section 49-1052,
6 subsection I, Arizona Revised Statutes, or section 49-1053, Arizona Revised
7 Statutes, shall be filed with the department of environmental quality no
8 later than 5:00 p.m. on December 31, 2014.

9 4. Any application made or expense incurred after December 31, 2015 is
10 not eligible for coverage from the underground storage tank assurance account
11 and all such claims are extinguished.

12 5. The department of environmental quality is not required to take any
13 action on an application for coverage, reimbursement or payment from the
14 underground storage tank assurance account or on an application for
15 preapproval ~~until after the underground storage tank program study committee~~
16 ~~submits a report of its findings and recommendations to the governor, the~~
17 ~~president of the senate and the speaker of the house of representatives and~~
18 ~~only if the underground storage tank assurance account has sufficient monies~~
19 ~~to pay claims~~ UNTIL A NEW REVISED UNDERGROUND STORAGE TANK CORRECTIVE ACTION
20 PROGRAM IS EFFECTIVE.

21 6. If the underground storage tank assurance account does not have
22 sufficient monies to pay all claims by the date of the termination of the
23 account as otherwise provided by law, any claims unpaid on the date of
24 termination of the account are extinguished without regard to whether those
25 claims were eligible for coverage from the account.

26 Sec. 6. Unrestricted federal monies

27 Any unrestricted federal monies received by this state beginning July
28 1, 2014 through June 30, 2015 must be deposited in the state general fund.
29 The monies must be used for the payment of essential governmental services.

30 Sec. 7. Rental rates; state-owned buildings; fiscal year
31 2014-2015

32 Notwithstanding section 41-792.01, subsection D, Arizona Revised
33 Statutes, the capital outlay stabilization fund rental rates for state-owned
34 buildings in fiscal year 2014-2015 are \$13.08 per square foot for office
35 space and \$4.74 per square foot for storage space.

36 Sec. 8. Annual budgets

37 A. Notwithstanding section 35-121, Arizona Revised Statutes, for
38 fiscal years 2014-2015, 2015-2016 and 2016-2017, appropriations for all
39 budget units may be limited to one fiscal year.

40 B. Notwithstanding section 35-111, Arizona Revised Statutes, the
41 governor shall submit a budget only for the next fiscal year not later than
42 five days after the regular session of the legislature convenes in 2015.

43 C. Notwithstanding section 35-113, Arizona Revised Statutes, the head
44 of each budget unit shall submit a budget estimate only for the next fiscal
45 year in calendar year 2014.

H.B. 2708

APPROVED BY THE GOVERNOR APRIL 11, 2014.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 11, 2014.