

State of Arizona  
Senate  
Fifty-first Legislature  
Second Regular Session  
2014

**CHAPTER 190**  
**SENATE BILL 1284**

AN ACT

AMENDING TITLE 12, CHAPTER 2, ARTICLE 8, ARIZONA REVISED STATUTES, BY ADDING SECTION 12-290; CHANGING THE DESIGNATION OF TITLE 38, CHAPTER 4, ARTICLE 3, ARIZONA REVISED STATUTES, TO "FIREFIGHTER, PEACE OFFICER AND CORRECTIONS OFFICER CANCER INSURANCE"; AMENDING SECTIONS 38-641, 38-642, 38-643, 38-644, 38-645, 38-848, 38-853.01, 38-891 AND 38-961, ARIZONA REVISED STATUTES; AMENDING LAWS 2012, CHAPTER 287, SECTION 2; RELATING TO PUBLIC SAFETY OFFICERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 12, chapter 2, article 8, Arizona Revised Statutes,  
3 is amended by adding section 12-290, to read:

4 12-290. Records maintained by clerk of the superior court;  
5 confidentiality; definitions

6 A. A PEACE OFFICER WHO BELIEVES THAT THE LIFE OR SAFETY OF THE OFFICER  
7 OR ANOTHER PERSON IS IN DANGER AND THAT RESTRICTING ACCESS TO THE OFFICER'S  
8 PERSONAL IDENTIFYING INFORMATION WILL SERVE TO REDUCE THE DANGER MAY REQUEST  
9 THAT THE GENERAL PUBLIC BE PROHIBITED FROM ACCESSING SUPERIOR COURT RECORDS  
10 MAINTAINED BY THE CLERK OF THE SUPERIOR COURT THAT CONTAIN THE PEACE  
11 OFFICER'S PERSONAL IDENTIFYING INFORMATION.

12 B. AN ELIGIBLE PERSON MAY REQUEST THIS ACTION BY FILING AN AFFIDAVIT  
13 IN EACH CASE IN THE SUPERIOR COURT OF THE COUNTY THAT CONTAINS THE PERSONAL  
14 IDENTIFYING INFORMATION REQUESTING THAT THE COURT ORDER THE GENERAL PUBLIC BE  
15 PROHIBITED FROM ACCESSING RECORDS THAT CONTAIN THE PERSONAL IDENTIFYING  
16 INFORMATION. EACH AFFIDAVIT SHALL CONTAIN THE OFFICER'S PERSONAL IDENTIFYING  
17 INFORMATION AND ANY OTHER INFORMATION REQUIRED BY THE COURT.

18 C. TO PREVENT MULTIPLE FILINGS, AN ELIGIBLE PERSON SHALL DELIVER THE  
19 AFFIDAVIT TO THE PEACE OFFICER'S COMMANDING OFFICER, OR THAT PERSON'S  
20 DESIGNEE, WHO SHALL FILE THE AFFIDAVITS AT ONE TIME. IN THE ABSENCE OF AN  
21 AFFIDAVIT THAT CONTAINS A REQUEST FOR IMMEDIATE ACTION AND THAT IS SUPPORTED  
22 BY FACTS JUSTIFYING AN EARLIER PRESENTATION, THE COMMANDING OFFICER, OR THAT  
23 PERSON'S DESIGNEE, SHALL NOT FILE AFFIDAVITS MORE OFTEN THAN QUARTERLY.

24 D. IF THE COURT FINDS THAT THE LIFE OR SAFETY OF THE OFFICER OR  
25 ANOTHER PERSON IS IN DANGER AND THAT RESTRICTING ACCESS TO RECORDS THAT  
26 CONTAIN THE OFFICER'S PERSONAL IDENTIFYING INFORMATION WILL SERVE TO REDUCE  
27 THE DANGER THE COURT SHALL GRANT THE PETITION AND RESTRICT ACCESS AS  
28 NECESSARY.

29 E. THE SUPREME COURT SHALL PROMULGATE RULES TO IMPLEMENT THIS SECTION.

30 F. FOR THE PURPOSES OF THIS SECTION:

31 1. "PEACE OFFICER" HAS THE SAME MEANING PRESCRIBED IN SECTION 1-215.

32 2. "PERSONAL IDENTIFYING INFORMATION" MEANS THE OFFICER'S RESIDENTIAL  
33 ADDRESS, TELEPHONE NUMBER AND CONTACT INFORMATION AS STATED IN THE RECORDS.

34 Sec. 2. Heading change

35 The article heading of title 38, chapter 4, article 3, Arizona Revised  
36 Statutes, is changed from "FIRE FIGHTER AND PEACE OFFICER CANCER INSURANCE"  
37 to "FIREFIGHTER, PEACE OFFICER AND CORRECTIONS OFFICER CANCER INSURANCE".

38 Sec. 3. Section 38-641, Arizona Revised Statutes, is amended to read:

39 38-641. Definitions

40 In this article, unless the context otherwise requires:

41 1. "Board" means the board of trustees of the public safety personnel  
42 retirement system established by section 38-848, including its authorized  
43 employees, administrators, attorneys and agents.

44 2. "Employer" means this state or any political subdivision of this  
45 state, including cities, towns, fire districts and Indian tribes, that  
46 employs ~~fire fighters~~ FIREFIGHTERS, ~~or~~ peace officers, CORRECTIONS OFFICERS

1 OR DETENTION OFFICERS and that participates in the public safety personnel  
2 retirement system established by chapter 5, article 4 of this title OR THE  
3 CORRECTIONS OFFICER RETIREMENT PLAN ESTABLISHED BY CHAPTER 5, ARTICLE 6 OF  
4 THIS TITLE.

5 3. "Peace officer" means a certified peace officer as defined in  
6 section 38-842.

7 4. "Program" means the ~~fire-fighter~~ FIREFIGHTER, ~~and~~ peace officer AND  
8 CORRECTIONS OFFICER cancer insurance policy program established by this  
9 article.

10 Sec. 4. Section 38-642, Arizona Revised Statutes, is amended to read:

11 38-642. Firefighter, peace officer and corrections officer  
12 cancer insurance policy program

13 A. EXCEPT AS PROVIDED IN SUBSECTION D OF THIS SECTION, the board shall  
14 establish and administer a ~~fire-fighter~~ FIREFIGHTER, ~~and~~ peace officer AND  
15 CORRECTIONS OFFICER cancer insurance policy program for participating  
16 employers that employ ~~fire-fighters~~ FIREFIGHTERS, ~~or~~ peace officers,  
17 CORRECTIONS OFFICERS OR DETENTION OFFICERS. For the purposes of the internal  
18 revenue code, the program is an integral part of a political subdivision of  
19 this state.

20 B. EXCEPT AS PROVIDED IN SUBSECTION D OF THIS SECTION, participating  
21 employers that employ ~~fire-fighters~~ FIREFIGHTERS or peace officers shall  
22 participate in the program.

23 C. The board shall contract for a group cancer insurance policy to  
24 provide coverage as prescribed by section 38-645 or may self-insure the  
25 program by establishing an insurance policy that is of its own design and  
26 that is underwritten by the assets of the ~~fire-fighter~~ FIREFIGHTER, ~~and~~ peace  
27 officer AND CORRECTIONS OFFICER cancer insurance policy program account  
28 established by section 38-643. When procuring, establishing or administering  
29 any cancer insurance policy provided pursuant to this article the board is  
30 exempt from the requirements of title 41, chapter 23.

31 D. THE BOARD SHALL ADMINISTER A FIREFIGHTER, PEACE OFFICER AND  
32 CORRECTIONS OFFICER CANCER INSURANCE POLICY PROGRAM FOR EMPLOYERS AND THEIR  
33 EMPLOYEES WHO ARE CORRECTIONS OFFICERS OR DETENTION OFFICERS AND WHO JOIN THE  
34 PROGRAM. THE STATE DEPARTMENT OF CORRECTIONS, THE STATE DEPARTMENT OF  
35 JUVENILE CORRECTIONS OR A COUNTY, CITY OR TOWN MAY ESTABLISH A VOLUNTARY  
36 CANCER INSURANCE POLICY PROGRAM FOR EMPLOYEES WHO ARE CORRECTIONS OFFICERS OR  
37 DETENTION OFFICERS. THE STATE DEPARTMENT OF CORRECTIONS, THE STATE  
38 DEPARTMENT OF JUVENILE CORRECTIONS OR A COUNTY, CITY OR TOWN THAT, IN ITS  
39 DISCRETION, ESTABLISHES A PROGRAM SHALL COLLECT THE PAYMENTS FOR THE PROGRAM  
40 AND SUBMIT THE MONIES TO THE BOARD ON BEHALF OF THE EMPLOYEES WHO VOLUNTARILY  
41 ENROLL IN THE PROGRAM AND MAKE PAYMENTS FOR THE CANCER INSURANCE. IF A  
42 COUNTY, CITY OR TOWN ESTABLISHES A CANCER INSURANCE POLICY PROGRAM, THE  
43 COUNTY, CITY OR TOWN IS NOT REQUIRED TO MAKE PAYMENTS FOR THE CANCER  
44 INSURANCE. IF THE STATE DEPARTMENT OF CORRECTIONS OR STATE DEPARTMENT OF  
45 JUVENILE CORRECTIONS ESTABLISHES A CANCER INSURANCE POLICY PROGRAM, THE  
46 DEPARTMENT SHALL NOT MAKE PAYMENTS FOR THE CANCER INSURANCE. THE BOARD MAY

1 ADOPT POLICIES THAT ESTABLISH CRITERIA FOR PARTICIPATION IN THE PROGRAM  
2 PURSUANT TO THIS SUBSECTION.

3 ~~D.~~ E. On or before July 31 of each year, the board shall notify each  
4 employer required to participate in the program of the total amount payable  
5 to the board to pay for the costs of the program. The amount charged to each  
6 employer shall not exceed one hundred eighty dollars for each employee of the  
7 employer who is a ~~fire-fighter~~ FIREFIGHTER, ~~or~~ peace officer, CORRECTIONS  
8 OFFICER OR DETENTION OFFICER on record with the board as of June 30 of that  
9 year. Each employer shall pay this amount to the board on or before August  
10 31 of each year.

11 ~~E.~~ F. Employers that fail to pay the amount required by subsection ~~D-~~  
12 E of this section by August 31 shall pay a fifteen per cent late charge to  
13 the board on all delinquent amounts accrued monthly. If the amount due and  
14 the late charge are not paid within thirty days, the board may recover the  
15 amounts due from the employer by either:

16 1. Filing an action in a court of competent jurisdiction to recover  
17 the amount due.

18 2. Requesting a deduction of any monies, including excise revenue  
19 taxes, payable to the employer by any department or agency of this state.

20 ~~F.~~ G. If the board self-insures the program the board and the program  
21 are exempt from title 20 and any rules adopted pursuant to title 20.

22 Sec. 5. Section 38-643, Arizona Revised Statutes, is amended to read:

23 38-643. Firefighter, peace officer and correctional officer  
24 cancer insurance policy program account

25 A. The ~~fire-fighter~~ FIREFIGHTER, ~~and~~ peace officer AND CORRECTIONS  
26 OFFICER cancer insurance policy program account is established and shall be  
27 under the exclusive control of the board. The board shall deposit monies  
28 collected pursuant to section 38-642 in the account to pay the cost of  
29 providing a group cancer insurance policy under the program and the cost of  
30 administering the program.

31 B. The board may use up to ten per cent of the monies deposited in the  
32 account each year ending July 31 to pay the costs of administering the  
33 program, except that board attorney fees and court costs relating to the  
34 program shall be paid out of the account and are not subject to this  
35 limitation. If no monies are deposited in the account in a given year, the  
36 board may use up to five per cent of the monies deposited in the account in  
37 the most recent year in which there was a deposit to pay the costs of  
38 administering the program.

39 C. The board shall cause an independent audit of the account to be  
40 performed at the end of each fiscal year and shall report the results of the  
41 audit to each employer within six months following the end of the fiscal  
42 year.

43 D. The employer contributions and securities in the account and  
44 investment earnings on monies in the account are exempt from state, county  
45 and municipal taxes.

1 E. The program is a welfare benefit plan or trust intended to pay  
2 expenses incurred in the treatment of cancer as provided in the policy of  
3 insurance secured or established by the board pursuant to section 38-642.  
4 The legislature intends that the program's income be excluded as gross income  
5 for the purposes of the assessment of federal income tax under section 115 of  
6 the internal revenue code and that coverage under the program be excluded as  
7 gross income to the employees or retirees under section 106 of the internal  
8 revenue code. The board may adopt additional program provisions as are  
9 necessary to fulfill its intent that the program's income and premiums are  
10 not subject to federal income tax.

11 F. Employers, the board of trustees and any member of a local board do  
12 not guarantee the account in any manner against loss or depreciation and are  
13 not liable for any act or failure to act made in good faith pursuant to this  
14 article, including determinations on program claims.

15 Sec. 6. Section 38-644, Arizona Revised Statutes, is amended to read:  
16 38-644. Eligibility

17 A. Except as provided in subsections B, C and D **OF THIS SECTION**, to  
18 qualify for covered benefits under the program, a person must satisfy all of  
19 the following criteria:

20 1. Be an active or retired member of the public safety personnel  
21 retirement system **OR THE CORRECTIONS OFFICER RETIREMENT PLAN**.

22 2. **BE ONE OF THE FOLLOWING:**

23 ~~2.—~~Be (a) A firefighter who is or was regularly assigned to hazardous  
24 duty of the type normally expected of a firefighter ~~or be~~.

25 (b) A peace officer.

26 (c) **A CORRECTIONS OFFICER EMPLOYED BY THE STATE DEPARTMENT OF**  
27 **CORRECTIONS OR THE STATE DEPARTMENT OF JUVENILE CORRECTIONS OR A DETENTION**  
28 **OFFICER EMPLOYED BY A COUNTY, CITY OR TOWN IF THE DEPARTMENT, COUNTY, CITY OR**  
29 **TOWN HAS VOLUNTARILY ESTABLISHED A PROGRAM AND THE CORRECTIONS OFFICER OR**  
30 **DETENTION OFFICER VOLUNTARILY ENROLLED IN THE PROGRAM AND MADE THE PAYMENTS**  
31 **PURSUANT TO SECTION 38-642, SUBSECTION D.**

32 3. Have cancer that was first diagnosed after the person's date of  
33 membership in the public safety personnel retirement system **OR CORRECTIONS**  
34 **OFFICER RETIREMENT PLAN**.

35 B. Persons who terminate employment with a participating employer are  
36 not eligible for benefits under the program unless the person has made a  
37 valid claim for payment of expenses under the program before termination of  
38 employment.

39 C. On retirement, persons who were either receiving benefits under the  
40 program before retirement or who are diagnosed with cancer subsequent to  
41 retirement remain eligible for coverage under the program for five months for  
42 each year of credited service accumulated toward retirement under the public  
43 safety personnel retirement system **OR CORRECTIONS OFFICER RETIREMENT PLAN**.

44 D. A person whose eligibility to receive benefits under subsection C  
45 **OF THIS SECTION** is expiring may continue to remain eligible for coverage  
46 under the program if the person makes an election with the board and pays to

1 the board the cost of the premium as determined by the board at the time  
2 determined by the board.

3 E. A person is not eligible for benefits under the program if there is  
4 any evidence that the cancer that forms the basis for a benefit claim under  
5 the program existed before the person's membership in the public safety  
6 personnel retirement system **OR CORRECTIONS OFFICER RETIREMENT PLAN**.

7 Sec. 7. Section 38-645, Arizona Revised Statutes, is amended to read:  
8 **38-645. Coverage**

9 A. Coverage provided under the program shall provide benefits to  
10 eligible persons to pay for expenses that are designated by the board and  
11 that are incurred in the treatment of cancer, including treatments by clinics  
12 or providers outside of the United States.

13 B. The board may provide for additional coverage or exclusions under  
14 the program based on available monies in the ~~fire-fighter~~ **FIREFIGHTER, and**  
15 peace officer **AND CORRECTIONS OFFICER** cancer insurance policy program  
16 account.

17 C. Coverage under the ~~fire-fighter~~ **FIREFIGHTER, and** peace officer **AND**  
18 **CORRECTIONS OFFICER** cancer insurance policy program may be canceled, changed  
19 or terminated by the board at any time without notice. If the program is  
20 terminated, the board shall refund monies in the ~~fire-fighter~~ **FIREFIGHTER,**  
21 ~~and~~ peace officer **AND CORRECTIONS OFFICER** cancer insurance policy program  
22 account on a pro rata basis to employers, excluding monies held in reserve  
23 for benefits as determined by the board.

24 D. If the program is self-insured, benefits are limited to the assets  
25 in the ~~fire-fighter~~ **FIREFIGHTER, and** peace officer **AND CORRECTIONS OFFICER**  
26 cancer insurance policy program account and those benefits may be reduced or  
27 eliminated at any time.

28 Sec. 8. Section 38-848, Arizona Revised Statutes, is amended to read:  
29 **38-848. Board of trustees; powers and duties; independent trust**  
30 **fund; administrator; agents and employees**

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

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

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

44 3. One member to represent the cities as employers of public safety  
45 personnel.

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

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

5           B. All monies in the fund shall be deposited and held in a public  
6 safety personnel retirement system depository. Monies in the fund shall be  
7 disbursed from the depository separate and apart from all monies or funds of  
8 this state and the agencies, instrumentalities and subdivisions of this  
9 state, except that the board may commingle the assets of the fund and the  
10 assets of all other plans entrusted to its management in one or more group  
11 trusts, subject to the crediting of receipts and earnings and charging of  
12 payments to the appropriate employer, system or plan. The monies shall be  
13 secured by the depository in which they are deposited and held to the same  
14 extent and in the same manner as required by the general depository law of  
15 this state. For purposes of making the decision to invest in securities  
16 owned by the fund or any plan or trust administered by the board, the fund  
17 and assets of the plans and the plans' trusts are subject to the sole  
18 management of the board for the purpose of this article except that, on the  
19 board's election to invest in a particular security or make a particular  
20 investment, the assets comprising the security or investment may be chosen  
21 and managed by third parties approved by the board. The board may invest in  
22 portfolios of securities chosen and managed by a third party. The board's  
23 decision to invest in securities such as mutual funds, commingled investment  
24 funds, exchange traded funds, private equity or venture capital limited  
25 partnerships, real estate limited partnerships or limited liability companies  
26 and real estate investment trusts whose assets are chosen and managed by  
27 third parties does not constitute an improper delegation of the board's  
28 investment authority.

29           C. All contributions under this system and other retirement plans that  
30 the board administers shall be forwarded to the board and shall be held,  
31 invested and reinvested by the board as provided in this article. All  
32 property and monies of the fund and other retirement plans that the board  
33 administers, including income from investments and from all other sources,  
34 shall be retained for the exclusive benefit of members, as provided in the  
35 system and other retirement plans that the board administers, and shall be  
36 used to pay benefits to members or their beneficiaries or to pay expenses of  
37 operation and administration of the system and fund and other retirement  
38 plans that the board administers.

39           D. The board shall have the full power in its sole discretion to  
40 invest and reinvest, alter and change the monies accumulated under the system  
41 and other retirement plans and trusts that the board administers as provided  
42 in this article. In addition to its power to make investments managed by  
43 others, the board may delegate the authority the board deems necessary and  
44 prudent to investment management pursuant to section 38-848.03, as well as to  
45 the administrator, employed by the board pursuant to subsection K, paragraph  
46 6 of this section, and any assistant administrators to invest the monies of

1 the system and other retirement plans and trusts that the board administers  
2 if the administrator, investment management and any assistant administrators  
3 follow the investment policies that are adopted by the board. The board may  
4 commingle securities and monies of the fund, the elected officials'  
5 retirement plan, the corrections officer retirement plan and other plans or  
6 monies entrusted to its care, subject to the crediting of receipts and  
7 earnings and charging of payments to the account of the appropriate employer,  
8 system or plan. In making every investment, the board shall exercise the  
9 judgment and care under the circumstances then prevailing that persons of  
10 ordinary prudence, discretion and intelligence exercise in the management of  
11 their own affairs, not in regard to speculation but in regard to the  
12 permanent disposition of their funds, considering the probable income from  
13 their funds as well as the probable safety of their capital, provided:

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

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

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

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

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

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

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

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



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

6 E. Notwithstanding any other law, the board shall not be required to  
7 invest in any type of investment that is dictated or required by any entity  
8 of the federal government and that is intended to fund economic development  
9 projects, public works or social programs, but may consider such economically  
10 targeted investments pursuant to its fiduciary responsibility. The board, on  
11 behalf of the system and all other plans or trusts the board administers, may  
12 invest in, lend monies to or guarantee the repayment of monies by a limited  
13 liability company, limited partnership, joint venture, partnership, limited  
14 liability partnership or trust in which the system and plans or trusts have a  
15 financial interest, whether the entity is closely held or publicly traded and  
16 that, in turn, may be engaged in any lawful activity, including venture  
17 capital, private equity, the ownership, development, management, improvement  
18 or operation of real property and any improvements or businesses on real  
19 property or the lending of monies.

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

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

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

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

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

39 3. Also:

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

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

43 (c) Exercise any conversion privileges, subscription rights or other  
44 options and make any payments incidental to the exercise of the conversion  
45 privileges, subscription rights or other options.

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

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

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

10 5. Register any investment held by the system or other plans whose  
11 assets the board administers in the name of the system or plan or in the name  
12 of a nominee or trust.

13 6. At the expense of the system or other plans that the board  
14 administers, enter into an agreement with any bank or banks for the  
15 safekeeping and handling of securities and other investments coming into the  
16 possession of the board. The agreement shall be entered into under terms and  
17 conditions that secure the proper safeguarding, inventory, withdrawal and  
18 handling of the securities and other investments. No access to and no  
19 deposit or withdrawal of the securities from any place of deposit selected by  
20 the board shall be permitted or made except as the terms of the agreement may  
21 provide.

22 7. Appear before local boards and the courts of this state and  
23 political subdivisions of this state through counsel or appointed  
24 representative to protect the fund or the assets of other plans that the  
25 board administers. The board is not responsible for the actions or omissions  
26 of the local boards under this system but may seek review or rehearing of  
27 actions or omissions of local boards. The board does not have a duty to  
28 review actions of the local boards but may do so in its discretion in order  
29 to protect the fund. No limitations period precludes the board or  
30 administrator from contesting, or requires the board or administrator to  
31 implement or comply with, a local board decision that violates the internal  
32 revenue code or that threatens to impair the tax qualified status of the  
33 system or any plan administered by the board or administrator.

34 8. Empower the fund administrator to take actions on behalf of the  
35 board that are necessary for the protection and administration of the fund or  
36 the assets of other plans that the board administers pursuant to the  
37 guidelines of the board.

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

41 10. Settle threatened or actual litigation against any system or plan  
42 that the board administers.

43 I. Investment expenses and operation and administrative expenses of  
44 the board shall be accounted for separately and allocated against investment  
45 income.

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

- 6 1. A balance sheet.
- 7 2. A statement of income and expenditures for the year.
- 8 3. A report on an actuarial valuation of its assets and liabilities.
- 9 4. A list of investments owned.
- 10 5. The total rate of return, yield on cost, and per cent of cost to  
11 market value of the fund and the assets of other plans that the board  
12 administers.
- 13 6. Any other statistical and financial data that may be necessary for  
14 the proper understanding of the financial condition of the system and other  
15 plans that the board administers and the results of their operations. A  
16 synopsis of the annual report shall be published for the information of  
17 members of the system, the elected officials' retirement plan or the  
18 corrections officer retirement plan.

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

23 K. The board shall:

- 24 1. Maintain the accounts of the system and other plans that the board  
25 administers and issue statements to each employer annually and to each member  
26 who may request it.
- 27 2. Report the results of the actuarial valuations to the local boards  
28 and employers.
- 29 3. Contract on a fee basis with an independent investment counsel to  
30 advise the board in the investment management of the fund and assets of other  
31 plans that the board administers and with an independent auditing firm to  
32 audit the board's accounting.
- 33 4. Permit the auditor general to make an annual audit and the results  
34 shall be transmitted to the governor and the legislature.
- 35 5. Contract on a fee basis with an actuary who shall make actuarial  
36 valuations of the system and other plans that the board administers, be the  
37 technical adviser of the board on matters regarding the operation of the  
38 funds created by the provisions of the system, the elected officials'  
39 retirement plan, the corrections officer retirement plan and the ~~fire-fighter~~  
40 ~~FIREFIGHTER~~, and peace officer AND CORRECTIONS OFFICER cancer insurance  
41 policy program and perform other duties required in connection therewith.  
42 The actuary must be a member of a nationally recognized association or  
43 society of actuaries.
- 44 6. Employ, as administrator, a person, state department or other body  
45 to serve at the pleasure of the board.

1           7. Establish procedures and guidelines for contracts with actuaries,  
2 auditors, investment counsel and legal counsel and for safeguarding of  
3 securities.

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

5           1. Administer this article.

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

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

12           4. Establish and maintain an adequate system of accounts and records  
13 for the system and other plans that the board administers, which shall be  
14 integrated with the accounts, records and procedures of the employers so that  
15 the system and other plans that the board administers operates most  
16 effectively and at minimum expense and that duplication of records and  
17 accounts is avoided.

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

23           6. Be responsible for income, the collection of the income and the  
24 accuracy of all expenditures.

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

27           8. Perform additional duties and powers prescribed by the board and  
28 delegated to the administrator.

29           M. The system is an independent trust fund and the board is not  
30 subject to title 41, chapter 6. Contracts for goods and services approved by  
31 the board are not subject to title 41, chapter 23. As an independent trust  
32 fund whose assets are separate and apart from all other funds of this state,  
33 the system and the board are not subject to the restrictions prescribed in  
34 section 35-154 or article IX, sections 5 and 8, Constitution of Arizona.  
35 Loans, guarantees, investment management agreements and investment contracts  
36 that are entered into by the board are contracts memorializing obligations or  
37 interests in securities that the board has concluded, after thorough due  
38 diligence, do not involve investments in Sudan or Iran or otherwise provide  
39 support to terrorists or in any way facilitate illegal immigration into the  
40 United States. These contracts do not involve the procurement, supply or  
41 provision of goods, equipment, labor, materials or services that would  
42 require the ~~certifications or~~ warranties required by ~~sections 35-391.06,~~  
43 ~~35-393.06 and~~ SECTION 41-4401.

44           N. The board, the administrator, the assistant administrators and all  
45 persons employed by them are subject to title 41, chapter 4, article 4. The

1 administrator, assistant administrators and other employees of the board are  
2 entitled to receive compensation pursuant to section 38-611.

3 0. In consultation with the director of the department of  
4 administration, the board may enter into employment agreements and establish  
5 the terms of those agreements with persons holding any of the following  
6 system positions:

- 7 1. Administrator.
- 8 2. Deputy or assistant administrator.
- 9 3. Chief investment officer.
- 10 4. Deputy chief investment officer.
- 11 5. Fiduciary or investment counsel.

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

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

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

34 S. Neither the board nor any member or employee of the board shall  
35 directly or indirectly, for himself or as an agent, in any manner use the  
36 monies or deposits of the fund except to make current and necessary payments,  
37 nor shall the board or any member or employee become an endorser or surety or  
38 in any manner an obligor for monies loaned by or borrowed from the fund or  
39 the assets of any other plans that the board administers.

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

- 43 1. A portfolio manager acting in a fiduciary capacity.
- 44 2. A securities analyst.

1           3. An employee or principal of a trust institution, investment  
2 organization or endowment fund acting either in a management or an investment  
3 related capacity.

4           4. A chartered financial analyst in good standing as determined by the  
5 association for investment management and research.

6           5. A professor at the university level teaching economics or  
7 investment related subjects.

8           6. An economist.

9           7. Any other professional engaged in the field of public or private  
10 finances.

11           U. Financial or commercial information that is provided to the board,  
12 employees of the board and attorneys of the board in connection with  
13 investments in which the board has invested or investments the board has  
14 considered for investment is confidential, proprietary and not a public  
15 record if the information is information that would customarily not be  
16 released to the public by the person or entity from whom the information was  
17 obtained.

18           Sec. 9. Section 38-853.01, Arizona Revised Statutes, is amended to  
19 read:

20           38-853.01. Redemption of prior service; calculation

21           A. Each present active member of the system who has at least five  
22 years of service with the system may elect to redeem up to sixty months of  
23 any part of the following prior service or employment by paying into the  
24 system any amounts required under subsection B **OF THIS SECTION** if the prior  
25 service or employment is not on account with any other retirement system:

26           1. Prior service in this state as an employee with an employer now  
27 covered by the system or prior service with an agency of the United States  
28 government, a state of the United States or a political subdivision of this  
29 state or of a state of the United States as a full-time paid firefighter, ~~or~~  
30 full-time paid certified peace officer **OR FULL-TIME PAID CORRECTIONS OFFICER**  
31 **ENGAGED IN LAW ENFORCEMENT DUTIES**.

32           2. Subject to any limitations prescribed by federal law, prior  
33 employment as an employee of a corporation that contracted with an employer  
34 now covered by the system to provide firefighting services on behalf of that  
35 employer as a full-time paid firefighter or that provided firefighting  
36 services for a political subdivision of this state.

37           B. Any present active member who elects to redeem any part of the  
38 prior service or employment for which the employee is deemed eligible by the  
39 board under this section shall pay into the system the amounts previously  
40 withdrawn by the member, if any, as a refund of the member's accumulated  
41 contributions plus accumulated interest as determined by the board and the  
42 additional amount, if any, computed by the system's actuary that is necessary  
43 to equal the increase in the actuarial present value of projected benefits  
44 resulting from the redemption calculated using the actuarial methods and  
45 assumptions prescribed by the system's actuary. The discount rate used by  
46 the actuary for the redemption calculation pursuant to this subsection is an

1 amount equal to the lesser of the assumed rate of return that is prescribed  
2 by the board or an amount equal to the yield on a ten-year treasury note as  
3 of March 1 that is published by the federal reserve board plus two per cent.  
4 The discount rate is effective beginning in the next fiscal year, and the  
5 board shall recalculate the rate each year.

6 C. A member electing to redeem service pursuant to this section may  
7 pay for service being redeemed in the form of a lump sum payment to the  
8 system, a trustee-to-trustee transfer or a direct rollover of an eligible  
9 distribution from a plan described in section 402(c)(8)(B)(iii), (iv), (v) or  
10 (vi) of the internal revenue code or a rollover of an eligible distribution  
11 from an individual retirement account or annuity described in section 408(a)  
12 or (b) of the internal revenue code.

13 Sec. 10. Section 38-891, Arizona Revised Statutes, is amended to read:

14 38-891. Employer and member contributions

15 A. As determined by actuarial valuations reported to the employers and  
16 the local boards by the board, each employer shall make level per cent of  
17 salary contributions sufficient under the actuarial valuations to meet both  
18 the normal cost plus the actuarially determined amount required to amortize  
19 the unfunded accrued liability over, beginning July 1, 2005, a rolling period  
20 of at least twenty and not more than thirty years that is established by the  
21 board taking into account the recommendation of the plan's actuary, except  
22 that, beginning with fiscal year 2006-2007, except as otherwise provided, the  
23 employer contribution rate shall not be less than six per cent of salary.  
24 For any employer whose actual contribution rate is less than six per cent of  
25 salary for fiscal year 2006-2007 and each year thereafter, that employer's  
26 contribution rate shall be at least five per cent and not more than the  
27 employer's actual contribution rate. An employer may pay a higher level per  
28 cent of salary thereby reducing its unfunded past service liability. All  
29 contributions made by the employers and all state taxes allocated to the fund  
30 shall be irrevocable and shall be used to pay benefits under the plan or to  
31 pay expenses of the plan and fund. The minimum employer contribution that is  
32 paid and that is in excess of the normal cost plus the actuarially determined  
33 amount required to amortize the unfunded accrued liability as calculated  
34 pursuant to this subsection shall be used to reduce future employer  
35 contribution increases and shall not be used to pay for an increase in  
36 benefits that are otherwise payable to members. The board shall separately  
37 account for these monies in the fund. Forfeitures arising because of  
38 severance of employment before a member becomes eligible for a pension or for  
39 any other reason shall be applied to reduce the cost to the employer, not to  
40 increase the benefits otherwise payable to members. After the close of any  
41 fiscal year, if the plan's actuary determines that the actuarial valuation of  
42 an employer's account contains excess valuation assets other than excess  
43 valuation assets that were in the employer's account as of fiscal year  
44 2004-2005 and is more than one hundred per cent funded, the board shall  
45 account for fifty per cent of the excess valuation assets in a stabilization  
46 reserve account. After the close of any fiscal year, if the plan's actuary

1 determines that the actuarial valuation of an employer's account has a  
2 valuation asset deficiency and an unfunded actuarial accrued liability, the  
3 board shall use any valuation assets in the stabilization reserve account for  
4 that employer, to the extent available, to limit the decline in that  
5 employer's funding ratio to not more than two per cent.

6 B. Each member shall contribute the amount prescribed in subsection H  
7 of this section to the retirement plan. Member contributions shall be made  
8 by payroll deduction. Continuation of employment by the member constitutes  
9 consent and agreement to the deduction of the applicable member contribution.  
10 Payment of the member's salary less the deducted contributions constitutes  
11 full and complete discharge and satisfaction of all claims and demands of the  
12 member relating to salary for services rendered during the period covered by  
13 the payment. A member may not, under any circumstance, borrow from, take a  
14 loan against or remove contributions from the member's account before the  
15 termination of membership in the plan or the receipt of a pension.

16 C. Each employer shall transfer to the board the employer and employee  
17 contributions provided for in this section within ten working days after each  
18 payroll date. Contributions transferred after that date shall include a  
19 penalty of ten per cent per annum, compounded annually, for each day the  
20 contributions are late. The employer shall pay this penalty. Delinquent  
21 payments due under this subsection, together with interest charges as  
22 provided in this subsection, may be recovered by action in a court of  
23 competent jurisdiction against an employer liable for the payments or, at the  
24 request of the board, may be deducted from any other monies, including excise  
25 revenue taxes, payable to the employer by any department or agency of this  
26 state.

27 D. During a period when an employee is on industrial leave and the  
28 employee elects to continue contributions during the period of industrial  
29 leave, the employer and employee shall make contributions based on the salary  
30 the employee would have received in the employee's job classification if the  
31 employee was in normal employment status.

32 E. The local board of the state department of corrections or the local  
33 board of the department of juvenile corrections may specify a position within  
34 that department as a designated position if the position is filled by an  
35 employee who has at least five years of credited service under the plan, who  
36 is transferred to temporarily fill the position and who makes a written  
37 request to the local board to specify the position as a designated position  
38 within ninety days of being transferred. On the employee leaving the  
39 position, the position is no longer a designated position.

40 F. The local board of the state department of corrections, ~~or~~ the  
41 local board of the department of juvenile corrections **OR THE LOCAL BOARD OF A**  
42 **COUNTY, CITY OR TOWN THAT OPERATES DETENTION FACILITIES** may specify a  
43 designated position within the department **OR FACILITY** as a nondesignated  
44 position if the position is filled by an employee who has at least five years  
45 of credited service under the Arizona state retirement system and who makes a  
46 written request to the local board to specify the position as a nondesignated



1 position within ninety days of accepting the position. On the employee  
2 leaving the position, the position reverts to a designated position.

3 G. The local board of the judiciary may specify positions within the  
4 administrative office of the courts that require direct contact with and  
5 primarily provide training or technical expertise to county probation,  
6 surveillance or juvenile detention officers as a designated position if the  
7 position is filled by an employee who is a member of the plan currently  
8 employed in a designated position as a probation, surveillance or juvenile  
9 detention officer and who has at least five years of credited service under  
10 the plan. An employee who fills such a position shall make a written request  
11 to the local board to specify the position as a designated position within  
12 ninety days of accepting the position. On the employee leaving the position,  
13 the position reverts to a nondesignated position.

14 H. The amount contributed by a member pursuant to subsection B of this  
15 section is:

16 1. Through June 30, 2011, 8.41 per cent of the member's salary, except  
17 for a full-time dispatcher. The amount contributed by a full-time dispatcher  
18 through June 30, 2011 is 7.96 per cent of the member's salary.

19 2. For fiscal year 2011-2012 and each fiscal year thereafter, 8.41 per  
20 cent of the member's salary or fifty per cent of the sum of the member's  
21 contribution rate from the preceding fiscal year and the aggregate computed  
22 employer contribution rate that is calculated pursuant to subsection A of  
23 this section, whichever is lower, except that the member contribution rate  
24 shall not be less than 7.65 per cent of the member's salary and the employer  
25 contribution rate shall not be less than the rate prescribed in subsection A  
26 of this section.

27 I. Notwithstanding subsection H, paragraph 2 of this section, the  
28 contribution rate for a full-time dispatcher is forty-five basis points less  
29 than the member contribution amount calculated pursuant to subsection H,  
30 paragraph 2 of this section, except that after the close of any fiscal year,  
31 if the plan's actuary determines that the aggregate ratio of the funding  
32 value of the accrued assets to the accrued liabilities of the fund is at  
33 least one hundred per cent, from and after June 30 of the following year the  
34 member contribution rate for a full-time dispatcher is equal to the member  
35 contribution rate for a member who is not a full-time dispatcher.

36 J. For fiscal year 2011-2012 and each fiscal year thereafter, the  
37 amount of the member's contribution that exceeds 8.41 per cent of the  
38 member's salary for a member other than a full-time dispatcher or 7.96 per  
39 cent of the member's salary for a full-time dispatcher shall not be used to  
40 reduce the employer's contributions that are calculated pursuant to  
41 subsection A of this section.

42 Sec. 11. Section 38-961, Arizona Revised Statutes, is amended to read:  
43 38-961. Public safety officer; duty-related injury;  
44 supplemental benefits plan; definitions

45 A. This state or a political subdivision of this state that employs a  
46 public safety employee on a full-time basis shall establish a supplemental

1 benefits plan for a public safety employee who is injured while on duty to  
2 the extent that the public safety employee cannot perform the functions of  
3 the position. To become eligible for the supplemental benefits plan, the  
4 public safety employee must be receiving workers' compensation benefits  
5 pursuant to title 23, chapter 6. This state or a political subdivision of  
6 this state shall design the supplemental benefits plan so that, with the  
7 addition of other benefits being paid to the public safety employee pursuant  
8 to title 23, chapter 6, the public safety employee will receive approximately  
9 the identical base salary less the amount of taxes the public safety employee  
10 was paying.

11 B. If a public safety employee is accepted into the supplemental  
12 benefits plan, the public safety employee's employer shall continue to pay  
13 the employer portion of the health care benefits that was being paid to the  
14 public safety employee on the date of the employee's injury.

15 C. If a public safety employee is accepted into the supplemental  
16 benefits plan, the public safety employee's employer shall pay the employee  
17 contribution to the public safety personnel retirement system or corrections  
18 officer retirement plan, as applicable, and shall continue to pay the  
19 employer contribution to the respective retirement system or plan. The  
20 public safety employee is entitled to accrue credited service for the period  
21 of time enrolled in the supplemental benefits plan.

22 D. A public safety employee who is eligible for the supplemental  
23 benefits plan shall apply for benefits to this state or a political  
24 subdivision of this state. This state or a political subdivision of this  
25 state, on an individual basis, shall determine if the public safety employee  
26 is entitled to the benefits in the plan. This state or a political  
27 subdivision of this state may establish injury standards for eligibility into  
28 the plan that may include the exclusion of a public safety employee whose  
29 injury is a result of the public safety employee's gross negligence, or any  
30 other condition that this state or the political subdivision chooses to  
31 consider within the plan.

32 E. A public safety employee who is accepted into the plan shall comply  
33 with all risk management requirements, including evaluation for light duty  
34 options and rehabilitation programs. If a public safety employee fails to  
35 comply with risk management decisions, the public safety employee's  
36 participation in the supplemental benefits plan will be terminated. The  
37 public safety employee who is accepted into the plan is responsible for the  
38 public safety employee's portion of the health care benefit costs the public  
39 safety employee was paying on the date of the injury. The public safety  
40 employee remains responsible for any elective health care plan deductions,  
41 health related optional deductions or optional life insurance deductions.

42 F. If a public safety employee is accepted into the supplemental  
43 benefits plan, the public safety employee shall not accrue any additional  
44 sick or annual leave and any sick or annual leave amount on the public safety  
45 employee's account shall not be decreased while the public safety employee is  
46 participating in the plan.

1 G. A public safety employee who is accepted into the supplemental  
2 benefits plan is not precluded from disciplinary action, including  
3 termination of employment, pursuant to chapter 8 of this title or any  
4 agreements that supplant, revise or otherwise alter the provisions of this  
5 title, including preexisting agreements between the employer and the public  
6 safety employee's lawful representative association.

7 H. This section shall not supersede any plan or policy that provides a  
8 greater benefit being offered by this state or a political subdivision of  
9 this state to a public safety employee who is injured while on duty. This  
10 state or a political subdivision of this state shall offer the supplemental  
11 benefits plan for an initial six-month period. This state or the political  
12 subdivision may determine if the plan shall be extended, on an individual  
13 basis, an additional six months, for a maximum of one year.

14 I. For the purposes of this section:

15 1. "Member" includes a retired member of the public safety personnel  
16 retirement system who is a certified peace officer.

17 2. "Public safety employee" means:

18 (a) An individual who is a member of the public safety personnel  
19 retirement system or the corrections officer retirement plan.

20 (b) A probation officer, surveillance officer or juvenile detention  
21 officer who is employed by this state or a political subdivision of this  
22 state.

23 J. STATE EMPLOYEE APPEALS FOR DENIALS FOR SUPPLEMENTAL BENEFITS ARE  
24 EXEMPT FROM THE HEARING PROCESS SET FORTH IN TITLE 41, CHAPTER 6, ARTICLE 10.  
25 FOR STATE EMPLOYEES EXERCISING APPEALS FOR DENIAL OF SUPPLEMENTAL BENEFITS,  
26 THE DEPARTMENT OF ADMINISTRATION MAY ESTABLISH AN ALTERNATIVE APPEAL HEARING  
27 PROCESS, INCLUDING THE REQUIREMENT THAT PARTIES AGREE TO ARBITRATION HEARD BY  
28 THE INDUSTRIAL COMMISSION PURSUANT TO SECTION 23-107, OR AN ALTERNATIVE  
29 PROCEDURE ESTABLISHED BY THE ARIZONA DEPARTMENT OF ADMINISTRATION. IF THE  
30 DEPARTMENT ESTABLISHES AN ALTERNATIVE HEARING PROCESS FOR THE DENIAL OF  
31 CLAIMS FOR SUPPLEMENTAL BENEFITS, THE DEPARTMENT OF ADMINISTRATION MAY  
32 CONTRACT WITH ANOTHER GOVERNMENT AGENCY OR WITH A THIRD PARTY TO CONDUCT  
33 HEARINGS OF APPEALS PURSUANT TO SECTION 38-961. THE DEPARTMENT MAY SPECIFY  
34 BY RULE OR ADMINISTRATIVE POLICY THE SCOPE OF THE PROGRAM AND THE ALTERNATIVE  
35 HEARING PROCEDURES.

36 K. THE DEPARTMENT OF ADMINISTRATION SHALL REPORT BY MARCH 1 EACH YEAR  
37 ON THE OVERALL CLAIM, APPEAL AND PAYMENT HISTORY FOR STATE EMPLOYEE CLAIMS  
38 AND APPEALS MADE PURSUANT TO THIS SECTION DURING THE PRIOR YEAR. THE REPORT  
39 SHALL INCLUDE CLAIMS MADE AND CLAIMS RESOLVED.

40 Sec. 12. Laws 2012, chapter 287, section 2 is amended to read:

41 Sec. 2. Delayed repeal

42 Title 38, chapter 6, Arizona Revised Statutes, as added by this act, is  
43 repealed from and after September 30, ~~2014~~ 2017.

44 Sec. 13. Effective date

45 Section 12-290, Arizona Revised Statutes, as added by this act, is  
46 effective from and after December 31, 2014.

APPROVED BY THE GOVERNOR APRIL 23, 2014.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 24, 2014.