



ARIZONA STATE SENATE
Fifty-Second Legislature, Second Regular Session

FINAL REVISED
FACT SHEET FOR H.B. 2159

ASRS; rulemaking exemption

Purpose

Specifies that the Arizona State Retirement System (ASRS) and the ASRS Board are not subject to Arizona Revised Statutes (ARS) administrative procedures for actuarial assumptions and calculations, investment strategy and decisions and accounting methodology.

Background

Current statute states that the ASRS Board is responsible for the performance of fiduciary duties and other responsibilities required to preserve and protect the retirement trust fund (A.R.S. § 38-714). The ASRS Board shall submit to the governor and Legislature for each fiscal year no later than eight months after the close of the fiscal year a report of its operations and the operations of ASRS. The report shall follow generally accepted accounting principles and generally accepted financial reporting standards and shall include a report on an actuarial valuation of ASRS assets and liabilities.

Statute also required the ASRS Board to contract for a study of the mortality, disability, service and other experiences of the members and employers participating in ASRS. The study shall be conducted at least every fifth fiscal year. A report of the study shall be completed within eight months after the close of the applicable fiscal year and shall be submitted to the Governor and the Legislature.

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Specifies that ASRS and the ASRS Board, retroactive to January 1, 1987, are not subject to ASRS administrative procedures for actuarial assumptions and calculations, investment strategy and decisions and accounting methodology, except uniform administrative hearing procedures.
2. Includes a purpose statement that ASRS actuarial and investment decisions are fiduciary decisions that are not subject to rulemaking.
3. Includes technical and conforming changes.
4. Becomes effective on the general effective date, with retroactive provisions as noted.

FACT SHEET - Amended

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House Action

GHE	2/4/16	DP	7-0-0-2
3 rd Read	2/25/16		49-11

Senate Action

FIN	3/16/16	DP	5-0-0
GOV	3/16/16	DP	6-1-0
3 rd Read	5/7/16		24-3-3

Signed by the Governor 5/17/16

Chapter 321

Prepared by Senate Research

June 14, 2016

CS/ls