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

CHAPTER 2

HOUSE BILL 2002

AN ACT

AMENDING SECTIONS 3-1005 AND 10-122, ARIZONA REVISED STATUTES; AMENDING SECTION 10-122, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2013, CHAPTER 165, SECTION 1; AMENDING SECTIONS 26-158, 29-851 AND 38-671, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 1, ARTICLE 2.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-151.24; AMENDING TITLE 41, CHAPTER 3, ARTICLE 7, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-610; AMENDING LAWS 2008, CHAPTER 291, SECTION 9, AS AMENDED BY LAWS 2010, CHAPTER 313, SECTION 16 AND LAWS 2011, CHAPTER 343, SECTION 25; RELATING TO GENERAL GOVERNMENT BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 3-1005, Arizona Revised Statutes, is amended to read:

3-1005. Arizona exposition and state fair fund

A. Monies received by the board, other than those referred to in section 3-1003, subsection A, paragraph 9 and other than those received by the board as ticket sales pursuant to a valid lease of the coliseum, shall be deposited, pursuant to sections 35-146 and 35-147, in the Arizona exposition and state fair fund and are subject to legislative appropriation. Ticket sale monies received pursuant to a valid lease of the coliseum may be deposited with a bank qualified to receive public deposits under title 35, chapter 2, article 2.1, in which case the signature of the executive director or a bonded employee designated by the executive director and the lessee shall be required on any instrument withdrawing such a deposit. Vouchers for authorized expenditures shall be signed by the executive director or by an employee who is bonded as prescribed by the terms of this article and is designated by the executive director. The receipt and expenditure of funds shall be as prescribed by law and the rules of the director of the department of administration. Balances remaining in the fund at the end of a fiscal year shall not revert to the general fund.

B. On notice from the executive director, the state treasurer shall invest and divest monies in the Arizona exposition and state fair fund in obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities, and monies earned from investment shall be credited to the Arizona exposition and state fair fund.

C. Disbursements from an account of ticket sales received pursuant to a valid lease of the coliseum as described in subsection A of this section shall be limited to payments of amounts due to the lessor or lessee pursuant to the lease. No disbursements from this account shall be made for state wages, salaries or expenses. Upon the completion or termination of any lease pursuant to subsection A of this section, all monies accruing to the board shall be deposited, pursuant to sections 35-146 and 35-147.

D. There is established an exposition and state fair board permanent revolving fund for use in making change at fairs and for purchases and activities requiring immediate cash outlay for events sponsored by the Arizona exposition and state fair board that are proper as ultimate claims for payment from the exposition and state fair fund. The amount of the fund shall not exceed twenty SIXTY thousand dollars, except for a period beginning October 1 and ending November 30 each year when the amount of the fund shall not exceed fifty FOUR HUNDRED thousand dollars for use during the annual state fair. Expenditures from this fund and reimbursement to the fund shall be as prescribed by rules of the director of the department of administration. All monies deposited in the revolving fund are appropriated to the board for the purposes provided in this subsection and are exempt from the provisions of section 35-190 relating to lapsing of appropriations. The
exposition and state fair board permanent revolving fund shall be established as a separate account on the books of the exposition and state fair board and a full accounting of its use shall be made to the director of the department of administration annually or as required by the director of the department of administration.

Sec. 2. Section 10-122, Arizona Revised Statutes, is amended to read:

10-122. Filing, service and copying fees; expedited report filing and access; same day and next day services; posted wait times; advance monies; definition

A. The commission shall collect and deposit, pursuant to sections 35-146 and 35-147, the following nonrefundable fees when the documents described in this subsection are delivered to the commission:

<table>
<thead>
<tr>
<th>Document</th>
<th>Fee</th>
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<tbody>
<tr>
<td>1. Articles of incorporation</td>
<td>$50</td>
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<tr>
<td>2. Application for use of indistinguishable name</td>
<td>10</td>
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<tr>
<td>3. Application for reserved name</td>
<td>10</td>
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<tr>
<td>4. Notice of transfer of reserved name</td>
<td>10</td>
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<tr>
<td>5. Application for registered name</td>
<td>10</td>
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<tr>
<td>6. Application for renewal of registered name</td>
<td>10</td>
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<td>7. Agent's statement of resignation</td>
<td>10</td>
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<tr>
<td>8. Amendment of articles of incorporation</td>
<td>25</td>
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<tr>
<td>9. Restatement of articles of incorporation with</td>
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<tr>
<td>amendment of articles</td>
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<tr>
<td>10. Articles of merger or share exchange</td>
<td>100</td>
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<tr>
<td>11. Articles of dissolution</td>
<td>25</td>
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<td>12. Articles of domestication</td>
<td>100</td>
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<td>13. Articles of revocation of dissolution</td>
<td>25</td>
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<tr>
<td>14. Application for reinstatement following</td>
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<td>administrative dissolution, in addition</td>
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<td>to other fees and penalties due</td>
<td>100</td>
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<td>15. Application for authority</td>
<td>150</td>
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<td>16. Application for withdrawal</td>
<td>25</td>
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<td>17. Annual report</td>
<td>45</td>
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<td>18. Articles of correction</td>
<td>25</td>
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<tr>
<td>19. Application for certificate of good standing</td>
<td>10</td>
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<tr>
<td>20. Any other document required or permitted to be</td>
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<tr>
<td>filed by chapters 1 through 17</td>
<td>25</td>
</tr>
<tr>
<td>21. of this title</td>
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</tbody>
</table>

B. The commission shall collect a nonrefundable fee of twenty-five dollars each time process is served on it under chapters 1 through 17 of this title. The party to a proceeding causing service of process is entitled to recover this fee as costs if the party prevails in the proceeding.
C. The commission shall charge and collect a reasonable fee for copying documents on request, provided the fee does not exceed the cost of providing the service as determined by the commission. The commission shall also charge a reasonable fee for certifying the copy of a filed document, provided the fee does not exceed the cost of providing the service as determined by the commission.

D. A penalty of one hundred dollars payable in addition to other fees accrues and is payable if a foreign corporation fails to file an amendment, restated articles that include an amendment, or articles of merger within sixty days of the time of filing in the jurisdiction in which the corporation is domiciled. The penalty collected pursuant to this subsection shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.

E. One-third of the fees for the annual report of domestic and foreign corporations paid pursuant to subsection A, paragraph 17 of this section shall be deposited in the Arizona arts trust fund established by section 41-983.01 and two-thirds of these fees shall be deposited, pursuant to sections 35-146 and 35-147, in the public access fund established by section 10-122.01.

F. The commission shall provide for and establish an expedited service for the filing of all documents and services provided pursuant to this title as follows:

1. The expedited filing shall be a priority service to be completed as soon as possible after the documents are delivered to the commission.

2. In addition to any other fees required by this section or any other law, the commission shall charge a nonrefundable fee for expedited services, including those requested by fax. The fee shall be determined by a supermajority vote of the commissioners.

3. The commission may provide for and establish same day and next day services for the filing of any documents and services provided pursuant to this title as follows:

   (a) The same day and next day services shall not be offered unless all expedited services filed pursuant to this title are processed within a maximum of five business days and all other documents and services filed pursuant to this title are processed within a maximum of thirty business days.

   (b) The commission shall suspend same day or next day service if the commission determines that it does not have the necessary resources to perform the service within the established time period.

   (c) In addition to any other fees required by this section or any other law, the commissioners may charge a nonrefundable fee for the same day or next day service or both. The fee shall be determined by a supermajority vote of the commissioners.

4. The commission shall publicly post the current wait times for processing regular, expedited and same day and next day services.

G. The commission may charge persons who access the commission's data processing system that is maintained pursuant to section 10-122.01 from
remote locations and persons requesting special computer generated printouts, reports and tapes a reasonable fee that does not exceed the cost of the time, equipment and personnel necessary to provide this service or product as determined by the commission.

H. Except as provided in section 10-122.01, subsection B, paragraph 3, in addition to any fee charged pursuant to this section, the commission may charge and collect the following nonrefundable fees to help defray the cost of the improved data processing system that is maintained pursuant to section 10-122.01:

1. Filing articles of incorporation of a domestic corporation, ten dollars.
2. Filing an application of a foreign corporation for authority to transact business in this state, twenty-five dollars.

I. All monies received pursuant to subsections F, G and H of this section shall be deposited, pursuant to sections 35-146 and 35-147, in the public access fund established by section 10-122.01.

J. Fees charged pursuant to this section are exempt from section 39-121.03, subsection A, paragraph 3.

K. Any person may advance monies to the commission to pay fees required pursuant to this section for future filings and services. All monies received pursuant to this subsection shall be deposited, pursuant to sections 35-146 and 35-147, in the money on deposit account in the public access fund established by section 10-122.01.

L. For the purposes of this section, "supermajority" means an affirmative vote of at least four commissioners.

Sec. 3. Section 10-122, Arizona Revised Statutes, as amended by Laws 2013, chapter 165, section 1, is amended to read:

10-122. Filing, service and copying fees; expedited report filing and access; same day and next day services; posted wait times; advance monies; definition

A. The commission shall collect and deposit, pursuant to sections 35-146 and 35-147, the following nonrefundable fees when the documents described in this subsection are delivered to the commission:

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<td>11. Articles of dissolution</td>
<td>25</td>
</tr>
</tbody>
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- 4 -
12. Articles of domestication 100
13. Articles of revocation of dissolution 25
14. Application for reinstatement following administrative dissolution, in addition to other fees and penalties due 100
15. Application for authority 150
16. Application for withdrawal 25
17. Annual report 45
18. Articles of correction 25
19. Application for certificate of good standing 10
20. Any other document required or permitted to be filed by chapters 1 through 17 25

B. The commission shall collect a nonrefundable fee of twenty-five dollars each time process is served on it under chapters 1 through 17 of this title. The party to a proceeding causing service of process is entitled to recover this fee as costs if the party prevails in the proceeding.

C. The commission shall charge and collect a reasonable fee for copying documents on request, provided the fee does not exceed the cost of providing the service as determined by the commission. The commission shall also charge a reasonable fee for certifying the copy of a filed document, provided the fee does not exceed the cost of providing the service as determined by the commission.

D. A penalty of one hundred dollars payable in addition to other fees accrues and is payable if a foreign corporation fails to file an amendment, restated articles that include an amendment, or articles of merger within sixty days of the time of filing in the jurisdiction in which the corporation is domiciled. The penalty collected pursuant to this subsection shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.

E. One-third of the fees for the annual report of domestic and foreign corporations paid pursuant to subsection A, paragraph 17 of this section shall be deposited in the Arizona arts trust fund established by section 41-983.01 and two-thirds of these fees shall be deposited, pursuant to sections 35-146 and 35-147, in the public access fund established by section 10-122.01.

F. The commission shall provide for and establish an expedited service for the filing of all documents and services provided pursuant to this title as follows:
1. The expedited filing shall be a priority service to be completed as soon as possible after the documents are delivered to the commission.
2. In addition to any other fees required by this section or any other law, the commission shall charge a nonrefundable fee for expedited services, including those requested by fax. The fee shall be determined by a supermajority vote of the commissioners.
3. The commission may provide for and establish same day and next day services for the filing of any documents and services provided pursuant to this title as follows:
   (a) The same day and next day services shall not be offered unless all expedited services filed pursuant to this title are processed within a maximum of five business days and all other documents and services filed pursuant to this title are processed within a maximum of thirty business days.
   (b) The commission shall suspend same day or next day service if the commission determines that it does not have the necessary resources to perform the service within the established time period.
   (c) In addition to any other fees required by this section or any other law, the commissioners may charge a nonrefundable fee for the same day or next day service or both. The fee shall be determined by a supermajority vote of the commissioners.

4. The commission shall publicly post the current wait times for processing regular, expedited and same day and next day services.

G. The commission may charge persons who access the commission's data processing system that is maintained pursuant to section 10-122.01 from remote locations and persons requesting special computer generated printouts, reports and tapes a reasonable fee that does not exceed the cost of the time, equipment and personnel necessary to provide this service or product as determined by the commission.

H. Except as provided in section 10-122.01, subsection B, paragraph 3, in addition to any fee charged pursuant to this section, the commission may charge and collect the following nonrefundable fees to help defray the cost of the improved data processing system that is maintained pursuant to section 10-122.01:
   1. Filing articles of incorporation of a domestic corporation, ten dollars.
   2. Filing an application of a foreign corporation for authority to transact business in this state, twenty-five dollars.

I. All monies received pursuant to subsections F, G and H of this section shall be deposited, pursuant to sections 35-146 and 35-147, in the public access fund established by section 10-122.01.

J. Fees charged pursuant to this section are exempt from section 39-121.03, subsection A, paragraph 3.

K. Any person may advance monies to the commission to pay fees required pursuant to this section for future filings and services. All monies received pursuant to this subsection shall be deposited, pursuant to sections 35-146 and 35-147, in the money on deposit account in the public access fund established by section 10-122.01.

L. In addition to any other fees prescribed by law, the commission may establish a fee for the filing of an annual benefit report delivered to the commission pursuant to section 10-2442. The fee shall be determined by a majority vote of the commissioners.
M. For the purposes of this section, "supermajority" means an affirmative vote of at least four commissioners.

Sec. 4. Section 26-158, Arizona Revised Statutes, is amended to read:

26-158. State active duty; employment benefits; travel allowances

A. Notwithstanding section 38-671, subsection A, Officers and enlisted personnel of the Arizona national guard while on state active duty exceeding thirty consecutive days by order of the governor or adjutant general shall be considered employees of this state and, subject to appropriation, are eligible for health and accident insurance benefits, including dependents, pursuant to section 38-651. On completing state active duty orders, a member of the Arizona national guard, including dependents, may not continue to receive benefits prescribed in this section.

B. Members of the national guard traveling at any time under official orders on business of the state shall be reimbursed for the cost of travel, expenses for lodging and meals as provided for state employees. The expense shall be paid from amounts appropriated for travel by the national guard.

Sec. 5. Section 29-851, Arizona Revised Statutes, is amended to read:

29-851. Filing, service and copying fees; expedited filing and services; same day and next day services; posted wait times; advance monies; definition

A. The commission shall collect and deposit, pursuant to sections 35-146 and 35-147, the following nonrefundable fees when the following documents are delivered to the commission:

1. The initial articles of organization, fifty dollars.
2. An application for registration of a foreign limited liability company, one hundred fifty dollars.
3. An amendment to the articles of organization, twenty-five dollars.
4. Articles of termination and a certificate of termination, thirty-five dollars.
5. A certificate for any purpose not otherwise provided for, ten dollars.
6. Articles of merger, fifty dollars.
7. Written information on any limited liability company, ten dollars.
8. A copy of any document or instrument, five dollars plus fifty cents per page.
9. An application for reservation of a name or for filing a notice of the transfer or cancellation of any name reservation, ten dollars.
10. Five dollars for a statement of change of address of one or more of the following:
   (a) Known place of business.
   (b) Statutory agent.
   (c) Manager.
   (d) Member.
11. Any service of notice, demand or process on the commission as resident agent of a limited liability company, twenty-five dollars. This
amount may be recovered as taxable costs by the party to the suit, action or proceeding causing the service to be made if the party prevails in the suit, action or proceeding.

12. Articles of correction, the fee prescribed in section 10-122, subsection A, paragraph 18.

13. Application for reinstatement following administrative dissolution, in addition to other fees and penalties due, the fee prescribed in section 10-122, subsection A, paragraph 14.

B. The commission shall provide for and establish an expedited service for the filing of all documents and services provided pursuant to this chapter as follows:
   1. The expedited filing shall be a priority service to be completed as soon as possible after the documents are delivered to the commission.
   2. In addition to any other fees required by this section or any other law, the commission shall charge a nonrefundable fee for expedited services, including those requested by fax. The fee shall be determined by a supermajority vote of the commissioners.

C. The commission may provide for and establish same day and next day services for the filing of any documents and services provided pursuant to this chapter as follows:
   1. The same day and next day services shall not be offered unless all expedited services filed pursuant to this chapter are processed within a maximum of five business days and all other documents and services filed pursuant to this chapter are processed within a maximum of thirty business days.
   2. The commission shall suspend same day or next day service if the commission determines that it does not have the necessary resources to perform the service within the established time period.
   3. In addition to any other fees required by this section or any other law, the commissioners may charge a nonrefundable fee for the same day or next day service or both. The fee shall be determined by a supermajority vote of the commissioners.

D. The commission shall publicly post the current wait times for processing regular, expedited and same day and next day services.

E. All monies received pursuant to subsections B and C of this section shall be deposited, pursuant to sections 35-146 and 35-147, in the public access fund established by section 10-122.01.

F. Any person may advance monies to the commission to pay fees required pursuant to this section for future filings and services. All monies received pursuant to this subsection shall be deposited, pursuant to sections 35-146 and 35-147, in the money on deposit account in the public access fund established by section 10-122.01.

G. For the purposes of this section, "supermajority" means an affirmative vote of at least four commissioners.

Sec. 6. Section 38-671, Arizona Revised Statutes, is amended to read:

38-671. Employee benefits; exclusions; definitions
A. Any employee hired on or after the effective date of this section is not eligible for state employee benefits until the employee has worked regularly for at least ninety days.

B. A. Notwithstanding any other law, any state employee initially hired on or after the effective date of this section JULY 20, 2011 is not eligible to become a member of any state retirement system before the twenty-seventh week of employment. The state employee shall become a member of the state retirement system on the twenty-seventh week of employment if membership criteria are met under the state retirement system statutes.

C. B. Subsection A of this section does not apply to a person who is already a member of the state retirement system.

D. C. For the purposes of this section:

1. "State employee" means a person who is employed by an agency, department, board or commission of this state, a university under the jurisdiction of the Arizona board of regents, the judicial branch and whose salary is paid through the department of administration, the Arizona corporation commission or the legislature.

2. "State employee benefits" means any coverage provided pursuant to article 4 of this chapter.

3. "State retirement system" means the Arizona state retirement system established by chapter 5, article 2 of this title and the long-term disability program established by chapter 5, article 2.1 of this title.

Sec. 7. Title 41, chapter 1, article 2.1, Arizona Revised Statutes, is amended by adding section 41-151.24, to read:

41-151.24. Museum gift shop revolving fund; exemption

A. THE MUSEUM GIFT SHOP REVOLVING FUND IS ESTABLISHED CONSISTING OF GIFT SHOP PROCEEDS RECEIVED FROM THE SALE OF GOODS, GIFTS, NONFEDERAL GRANTS AND DONATIONS. THE DIRECTOR SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED. THE DIRECTOR SHALL USE THE MONIES IN THE FUND TO PROVIDE TO THE PUBLIC GOODS FOR SALE THAT ARE REFLECTIVE OF THE THEMES OF THE STATE CAPITOL MUSEUM AND THIS STATE.

B. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

Sec. 8. Title 41, chapter 3, article 7, Arizona Revised Statutes, is amended by adding section 41-610, to read:

41-610. Capital projects; federal monies; annual report

ON OR BEFORE NOVEMBER 1 OF EACH YEAR, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE DIRECTORS OF THE JOINT LEGISLATIVE BUDGET COMMITTEE AND THE GOVERNOR’S OFFICE OF STRATEGIC PLANNING AND BUDGETING ON CAPITAL PROJECTS FOR WHICH THE DEPARTMENT HAS REQUESTED FEDERAL MONIES IN THE LAST TWELVE MONTHS. FOR EACH PROJECT, THE REPORT SHALL INCLUDE:

1. THE STATUS OF THE REQUEST FOR AND RECEIPT OF THE FEDERAL MONIES.
2. THE ESTIMATED CONSTRUCTION START DATE.
3. THE ESTIMATED CONSTRUCTION END DATE.
4. THE FUND SOURCES AND ESTIMATED COST FOR CONSTRUCTION.
5. THE FUND SOURCES AND ESTIMATED ONGOING OPERATIONAL COST.
Sec. 9. Delayed implementation; professional employer organization registration; retroactivity
A. Notwithstanding any other law, the secretary of state shall not implement title 23, chapter 3, article 4, Arizona Revised Statutes, relating to professional employer organization registration, or any rules adopted pursuant to title 23, chapter 3, article 4, Arizona Revised Statutes, until July 1, 2013.
B. This section, as amended by this act, applies retroactively to from and after February 29, 2008.

Sec. 10. Board of massage therapy; transfer of monies; retroactivity
A. All monies remaining in the separate account established for the board of massage therapy in the naturopathic physicians medical board fund pursuant to section 32-1505, Arizona Revised Statutes, on July 1, 2013 are transferred to the board of massage therapy fund established by section 32-4205, Arizona Revised Statutes, as added by Laws 2013, chapter 108, section 5.
B. This section is effective retroactively to July 1, 2013.

Sec. 11. Alarm business certificates and alarm agent certificates; retroactivity
A. Notwithstanding sections 32-122.05 and 32-122.06, Arizona Revised Statutes, on or before June 30, 2014, the state board of technical registration may issue alarm business certificates and alarm agent certificates that are valid for either one year or two years from the date of issuance at the executive director’s discretion.
B. This section is effective retroactively to from and after May 1, 2013.

Sec. 12. Arizona commerce authority; loan; terms
Notwithstanding section 41-1545.02, Arizona Revised Statutes, the Arizona commerce authority may approve, no later than June 30, 2014, a loan of up to two million dollars from the Arizona competes fund established by section 41-1545.01, Arizona Revised Statutes, for the purpose of attracting or retaining business in a county with a population of more than one hundred thousand persons and less than one hundred twenty thousand persons according to the 2010 United States decennial census. The loan shall be secured through a lien or other security interest held by the state with a value of at least one hundred per cent of the principal loan amount. The interest rate of the loan shall not exceed the annual rate set forth in section 44-1201, subsection B, Arizona Revised Statutes. The term of the loan shall not exceed seven years.

Sec. 13. Department of administration; rule making exemption
The department of administration is exempt from the rule making requirements of title 41, chapter 6, Arizona Revised Statutes, for one year.
after the effective date of this act, for the purposes of implementing section 38-671, Arizona Revised Statutes, as amended by this act.

Sec. 14. **Department of economic security: drug testing; TANF cash benefits recipients**

During fiscal year 2013-2014, the department of economic security shall screen and test each adult recipient who is otherwise eligible for temporary assistance for needy families cash benefits and who the department has reasonable cause to believe engages in the illegal use of controlled substances. Any recipient who is found to have tested positive for the use of a controlled substance that was not prescribed for the recipient by a licensed health care provider is ineligible to receive benefits for a period of one year.

Sec. 15. **Delayed effective date**

Section 10-122, Arizona Revised Statutes, as amended by Laws 2013, chapter 165, section 1 and this act, is effective from and after December 31, 2014.

APPROVED BY THE GOVERNOR JUNE 17, 2013.