

REFERENCE TITLE: private prisons; prisoners; facility; limits

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

HB 2348

Introduced by
Representative Campbell

AN ACT

AMENDING SECTION 41-1682, ARIZONA REVISED STATUTES; RELATING TO PRIVATE PRISONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 41-1682, Arizona Revised Statutes, is amended to
3 read:

4 41-1682. Private prisons; prohibitions; liability for services;
5 financial responsibility; security officer
6 qualifications; maximum prisoner limitation

7 A. No private prison may operate in this state unless the private
8 contractor complies with this section.

9 B. A private prison shall provide the department of administration
10 with financial responsibility to cover this state's potential liability in
11 the amount of ten million dollars. The monies shall be used by the state if
12 the state is held liable for civil damages resulting from the escape of a
13 prisoner from the private prison. The private prison may file proof of
14 financial responsibility by filing one of the following:

15 1. Proof that ten million dollars is deposited in the private prison
16 escapee fund established by section 41-1830.31.

17 2. An insurance policy that is in a form approved by the department of
18 administration, that provides civil liability and civil rights liability
19 coverage in the amount of ten million dollars and ~~listing~~ THAT LISTS the
20 state as an insured.

21 3. A surety bond with the principal sum of ten million dollars.

22 4. A certified financial statement that is not more than ninety days
23 old and that shows a net worth of more than fifteen million dollars. Every
24 ninety days the private prison shall submit a certified financial statement
25 to the department of administration signed under oath by the chief financial
26 officer of the prison. If the financial statement indicates a net worth of
27 less than fifteen million dollars, the private prison shall comply with
28 ~~paragraphs~~ PARAGRAPH 1, 2 or 3 of this subsection.

29 C. An insurance company or surety company duly authorized to transact
30 business in this state shall execute the insurance policy or bond prescribed
31 in subsection B of this section.

32 D. The insurance policy or surety bond shall continue in effect until
33 ninety days after the private prison is sold or closed. Any monies deposited
34 in the private prison escapee fund by the private prison shall be refunded to
35 the private prison within ninety days after submission of evidence to the
36 director of the department of administration that the private prison is
37 either sold or closed and there are no remaining liabilities for which the
38 state might be required to assume responsibility.

39 E. On receipt by the director of the department of administration of
40 notice to cancel an insurance policy or bond by an insurance company or
41 surety, the director OF THE DEPARTMENT OF ADMINISTRATION shall immediately
42 notify the private prison NAMED on the insurance policy or the surety bond of
43 the effective date of cancellation of the insurance policy or the surety
44 bond. The private prison shall furnish a like insurance policy or surety
45 bond within thirty days after mailing of the notice by the director OF THE

1 DEPARTMENT OF ADMINISTRATION. Unless a replacement insurance policy or
2 surety bond is filed with the director OF THE DEPARTMENT OF ADMINISTRATION,
3 the right of the private ~~prisons~~ PRISON to operate in this state shall be
4 suspended by operation of law on the date the bond is canceled.

5 F. If any of the monies required by subsection B, paragraph 1 of this
6 section are used to satisfy civil damage claims or civil rights claims, the
7 private prison shall reestablish the full amount of those monies within
8 thirty days after notification by the director of the department of
9 administration.

10 G. A security officer employed by a private prison contractor shall be
11 at least twenty-one years of age and have no felony convictions.

12 H. BEGINNING ON THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION,
13 A PRIVATE PRISON SHALL NOT HOUSE MORE PRISONERS THAN THE NUMBER OF PRISONERS
14 WHO WERE HOUSED IN THE PRIVATE PRISON ON THE EFFECTIVE DATE OF THIS AMENDMENT
15 TO THIS SECTION. BEGINNING ON THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS
16 SECTION, A PRIVATE PRISON SHALL NOT BUILD OR PURCHASE A NEW PRIVATE PRISON
17 FACILITY OR EXPAND A PRIVATE PRISON FACILITY IN THIS STATE. THIS SUBSECTION
18 DOES NOT PROHIBIT A PRIVATE PRISON FROM MAINTAINING THE WORKING ORDER OF A
19 PRIVATE PRISON FACILITY.