

House Engrossed

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

HOUSE BILL 2123

AN ACT

AMENDING SECTIONS 38-502 AND 40-102, ARIZONA REVISED STATUTES; RELATING TO
THE CORPORATION COMMISSION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 38-502, Arizona Revised Statutes, is amended to
3 read:

4 38-502. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Compensation" means money, a tangible thing of value or a
7 financial benefit.

8 2. "Employee" means all persons who are not public officers and who
9 are employed on a full-time, part-time or contract basis by an incorporated
10 city or town, a political subdivision or the state or any of its departments,
11 commissions, agencies, bodies or boards for remuneration.

12 3. "Make known" means the filing of a paper which is signed by a
13 public officer or employee and which fully discloses a substantial interest
14 or the filing of a copy of the official minutes of a public agency which
15 fully discloses a substantial interest. The filing shall be in the special
16 file established pursuant to section 38-509.

17 4. "Official records" means the minutes or papers, records and
18 documents maintained by a public agency for the specific purpose of receiving
19 disclosures of substantial interests required to be made known by this
20 article.

21 5. "Political subdivision" means all political subdivisions of the
22 state and county, including all school districts.

23 6. "Public agency" means:

24 (a) All courts.

25 (b) Any department, agency, board, commission, institution,
26 instrumentality or legislative or administrative body of the state, a county,
27 an incorporated town or city and any other political subdivision.

28 (c) The state, county and incorporated cities or towns and any other
29 political subdivisions.

30 7. "Public competitive bidding" means the method of purchasing defined
31 in title 41, chapter 4, article 3, or procedures substantially equivalent to
32 such method of purchasing, or as provided by local charter or ordinance.

33 8. "Public officer" means all elected and appointed officers of a
34 public agency established by charter, ordinance, resolution, state
35 constitution or statute.

36 9. "Relative" means the spouse, child, child's child, parent,
37 grandparent, brother or sister of the whole or half blood and their spouses
38 and the parent, brother, sister or child of a spouse.

39 10. "Remote interest" means:

40 (a) That of a nonsalaried officer of a nonprofit corporation.

41 (b) That of a landlord or tenant of the contracting party.

42 (c) That of an attorney of a contracting party.

43 (d) That of a member of a nonprofit cooperative marketing association.

44 (e) The ownership of less than three per cent of the shares of a
45 corporation for profit, provided the total annual income from dividends,

1 including the value of stock dividends, from the corporation does not exceed
2 five per cent of the total annual income of such officer or employee and any
3 other payments made to him by the corporation do not exceed five per cent of
4 his total annual income.

5 (f) That of a public officer or employee in being reimbursed for his
6 actual and necessary expenses incurred in the performance of official duty.

7 (g) That of a recipient of public services generally provided by the
8 incorporated city or town, political subdivision or state department,
9 commission, agency, body or board of which he is a public officer or
10 employee, on the same terms and conditions as if he were not an officer or
11 employee.

12 (h) That of a public school board member when the relative involved is
13 not a dependent, as defined in section 43-1001, or a spouse.

14 (i) That of a public officer or employee, or that of a relative of a
15 public officer or employee, unless the contract or decision involved would
16 confer a direct economic benefit or detriment upon the officer, employee or
17 his relative, of any of the following:

18 (i) Another political subdivision.

19 (ii) A public agency of another political subdivision.

20 (iii) A public agency except if it is the same governmental entity.

21 (j) That of a member of a trade, business, occupation, profession or
22 class of persons consisting of at least ten members which is no greater than
23 the interest of the other members of that trade, business, occupation,
24 profession or class of persons.

25 (k) THAT OF A RELATIVE WHO IS AN EMPLOYEE OF ANY BUSINESS ENTITY OR
26 GOVERNMENTAL ENTITY THAT EMPLOYS AT LEAST TWENTY-FIVE EMPLOYEES WITHIN THE
27 STATE WHO, IN THE CAPACITY AS AN EMPLOYEE, DOES NOT ASSERT CONTROL OR
28 DECISION-MAKING AUTHORITY OVER THE ENTITY'S MANAGEMENT OR BUDGET DECISIONS.

29 (l) THE OWNERSHIP OF ANY PUBLICLY TRADED INVESTMENTS HELD IN AN
30 ACCOUNT OR FUND, INCLUDING A MUTUAL FUND, MANAGED BY ONE OR MORE QUALIFIED
31 INVESTMENT PROFESSIONALS NOT EMPLOYED OR CONTROLLED BY THE OFFICER OR
32 EMPLOYEE, AND WHICH THE OFFICER OR EMPLOYEE OWNS SHARES OR INTEREST TOGETHER
33 WITH OTHER INVESTORS.

34 11. "Substantial interest" means any pecuniary or proprietary interest,
35 either direct or indirect, other than a remote interest.

36 Sec. 2. Section 40-102, Arizona Revised Statutes, is amended to read:

37 40-102. Corporation commission organization; meetings; acts of
38 commission by majority or by single commissioner

39 A. The corporation commission shall elect from its membership a
40 chairman.

41 B. The commission shall hold a session at least once each month at its
42 office. It may meet at any time or place expedient for the performance of
43 its duties. The commission may, for holding meetings at places other than
44 its offices, occupy any courtroom, or rent offices, the expense of which

1 shall be paid as other expenses authorized by this article. Sessions of the
2 commission shall be open to the public.

3 C. The act of a majority of the commissioners when in session as a
4 board shall be the act of the commission. Any investigation, inquiry or
5 hearing may be undertaken or held by or before any commissioner designated by
6 the commission for the purpose, and every finding, order or decision made by
7 a commissioner so designated, when approved and confirmed by the commission
8 and ordered filed in its office, shall be the finding, order or decision of
9 the commission.

10 D. COMMISSIONERS AND EMPLOYEES OF THE COMMISSION ARE SUBJECT TO TITLE
11 38, CHAPTER 3, ARTICLE 8.