State of Arizona
Senate
Fifty-second Legislature
Second Regular Session
2016

SENATE BILL 1485

AN ACT
AMENDING SECTION 38-612, ARIZONA REVISED STATUTES; RELATING TO ADMINISTRATION OF PAYROLL SALARY DEDUCTIONS.

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

Section 1. Section 38-612, Arizona Revised Statutes, is amended to read:

38-612. Administration of payroll salary deductions; prohibition; definition

A. There shall be no payroll salary deductions from the compensation of state officers or employees except as specifically authorized by federal law or regulation or by a statute of this state. No administrative agency of this state may authorize any other deduction.

B. In addition to those payroll salary deductions required by federal law or regulation or by statute, state officers or employees may authorize deductions to be made from their salaries or wages for the payment of:

1. Premiums on any health benefits, disability plans or group life plans provided for by statute and any existing insurance programs already provided by payroll deduction.

2. Shares or obligations to any state or federally chartered credit union established primarily for the purpose of serving state officers and employees and their families.

3. Dues in a recognized association comprised principally of employees and former employees of agencies of this state, subject to the following criteria:
   (a) When comprised of at least one thousand state employees other than employees of the state universities, the department of public safety and academic personnel of the Arizona state schools for the deaf and the blind.
   (b) When comprised of at least twenty-five per cent of the academic personnel or of the nonacademic employees of any state university.
   (c) When comprised of at least twenty-five per cent of the academic personnel of the Arizona state schools for the deaf and the blind.
   (d) When comprised of at least five hundred state employees who are certified as peace officers by the Arizona peace officer standards and training board established by section 41-1821.

4. Deferred compensation or tax sheltered annuity salary reductions when made under approved plans.

5. Federal savings bond plans.

6. Recurrent fees, charges or other payments payable to a state agency under a collection plan approved by the director of the department of administration.

7. EXCEPT AS PROVIDED IN SUBSECTION F OF THIS SECTION, contributions made to a charitable organization:
   (a) Organized and operated exclusively for charitable purposes and selected by the presidents of the state universities. Employees of the state universities shall be advised by form of the charitable organizations to
which they may contribute through payroll salary deductions. The advisory provided under this subdivision shall be substantially similar to the following and prominently printed:

“You may contribute to any charitable organization registered under internal revenue code section 501(c)(3), tax exempt status.

Charitable organization name"

This subdivision applies only to academic personnel and nonacademic employees of the state universities.

(b) Organized and operated exclusively for charitable purposes, provided a fund drive by such an organization shall be applicable to all state agencies except the state universities covered under subdivision (a) of this paragraph and no state officer or employee of state agencies subject to this subdivision may authorize more than one deduction for charitable purposes to be in effect at the same time. This subdivision applies to all state agencies except the universities covered under subdivision (a) of this paragraph.

8. Contributions made for the purpose of contributing to a fund raising campaign for a university or a club for faculty or staff, or both, which is recognized by the university president and authorized by the Arizona board of regents. This paragraph applies only to academic personnel and nonacademic employees of the state universities.

9. Charges payable for transportation expenses pursuant to section 41-710.01.

10. Payments ordered by courts of competent jurisdiction within this state.

11. Automobile or homeowner's insurance premiums.

12. Premiums for the following state sponsored group benefits that are established primarily for the purpose of serving state officers and employees and their families:
   (a) Long-term care insurance.
   (b) Critical care insurance.
   (c) Prepaid legal services.
   (d) Identity theft protection services.

13. A computer system as defined in section 13-2301 for personal use.

C. In order for the department of administration to establish and maintain a dues deduction pursuant to subsection B, paragraph 3 of this section, the department of administration may establish and maintain the deduction without the appropriation of any additional monies or technological improvements. The department of administration shall track all personnel hours dedicated to dues deduction. The department of administration may charge a fee to a recognized association that qualifies under subsection B, paragraph 3 of this section for establishing the automatic dues deduction and anytime changes are needed in the automatic dues deduction system as a result of an increase or decrease in association dues. If the membership criteria
of a recognized association falls below the criteria set forth in subsection B, paragraph 3 of this section, the recognized association shall be on probation for one year. If the membership of a recognized association falls below the criteria set forth in subsection B, paragraph 3 of this section for more than one year, or if the members of the association engage in a work slowdown or work stoppage, the dues deduction authorized by this section shall immediately be discontinued.

D. For those state officers and employees under payroll systems which are under the direction of the director of the department of administration, the director shall provide for the administration of payroll deductions for the purposes set forth in this section. For all other state officers and employees and for persons receiving allowances or benefits under other state payroll and retirement systems, the appropriate state officer shall provide for such administration of payroll deductions. Such administration shall operate without cost or contribution from the state other than the incidental expense of making the deductions and remittances to the payees. If any payee requests additional services, the director of the department of administration or any other appropriate state officer may require payment for the additional cost of providing such services.

E. As a means of readily identifying the employee from whom payroll deductions are to be made, the state officer administering payroll deductions may request an employee to enter such employee's social security identification number on the payroll deduction authorization. Such number shall not be used for any other purpose.

F. THERE SHALL BE NO PAYROLL SALARY DEDUCTIONS FROM THE COMPENSATION OF STATE OFFICERS OR EMPLOYEES FOR CONTRIBUTIONS MADE TO A CHARITABLE ORGANIZATION THAT PERFORMS A NONFEDERALLY QUALIFIED ABORTION OR MAINTAINS OR OPERATES A FACILITY WHERE A NONFEDERALLY QUALIFIED ABORTION IS PERFORMED FOR THE PROVISION OF FAMILY PLANNING SERVICES. FOR THE PURPOSES OF THIS SUBSECTION, "NONFEDERALLY QUALIFIED ABORTION" HAS THE SAME MEANING PRESCRIBED IN SECTION 35-196.05.

G. The state, the director of the department of administration or any other appropriate state officer shall be relieved of any liability to employees authorizing deductions or organizations receiving deductions that may result from authorizations pursuant to this section.