The HOFFMAN floor amendment:

**Voter Registration Posting Requirements**

1. Directs the Secretary of State (SOS) and each county recorder within 24 hours to post on their public website a list of each event they attend when providing voter registration services.

**Antifraud Paper and Equipment**

2. Requires a vendor that provides fraud countermeasures that are contained on ballot paper to be certified and prescribes specific fraud countermeasures to be used.

**Election Integrity Fund (Integrity Fund)**

3. Creates the Integrity Fund administered by the State Treasurer and consisting of legislative appropriations.

4. Permits monies in the Integrity Fund to be used only to pay county recorders for election security, cybersecurity measures, improvements, reimbursements for postelection hand tabulations and additional staffing.

5. Requires county recorders to apply for monies from the Integrity Fund and receive payments once reviewed and approved by the State Treasurer.

6. Appropriates $12 million from the state GF in FY 2022 to the Integrity Fund and exempts the appropriation from lapsing.

**Unreported In-Kind Political Contributions Task Force Fund (Task Force Fund)**

7. Forms the Task Force Fund administered by the Attorney General consisting of legislative appropriations that are continuously appropriated and exempt from lapsing.

8. Permits the Task Force Fund to be used for the Joint Task Force on Unreported In-Kind Political Contributions (Joint Task Force).

9. Prescribes membership of the Joint Task Force as designees of the AG and SOS.

Amendment explanation prepared by Ahjahna G. and Diana C.
Phone Number 6-3583
Is
6/22/2021
10. Details the procedures and enforcement actions for the Joint Task Force to investigate regarding business, social media practices and search engines that result in violations of law.

11. Outlines unlawful political actions that the Joint Task Force may investigate.

12. Appropriates $500,000 annually from the state GF to the Task Force Fund beginning in FY 2022.

**Office of Auditor General (OAG)**

13. Allows the OAG to review the process and statutory requirements used to maintain early voter lists, statewide and county voter registration databases with a population of more than 1 million people.

14. Requires the SOS and county recorders to notify the OAG of the total expenditures made for voter registration programs and events and outlines reporting requirements.

15. Requires the OAG to submit a report on its findings to the Legislature and a copy to the SOS by June 30 of each even-numbered year.

16. Appropriates $500,000 from the state GF to the OAG in each FY for auditing purposes and exempts the appropriation from lapsing.

17. Makes technical and conforming changes.
HOFFMAN FLOOR AMENDMENT

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2891

(Reference to printed bill)

Page 3, between lines 33 and 34, insert:

"Sec. 3. Title 16, chapter 1, article 3, Arizona Revised Statutes, is amended by adding section 16-132, to read:

16-132. Voter registration events; website posting

THE SECRETARY OF STATE AND EACH COUNTY RECORDER SHALL POST ON THEIR PUBLIC WEBSITE A LIST OF EACH EVENT THAT THE OFFICE OF THE SECRETARY OF STATE OR THE COUNTY RECORDER ATTENDS AND PROVIDES VOTER REGISTRATION SERVICES. EACH EVENT SHALL BE POSTED ON THE PUBLIC WEBSITE WITHIN TWENTY-FOUR HOURS AFTER THE SECRETARY'S OR RECORDER'S ATTENDANCE AT THE EVENT.

Sec. 4. Title 16, chapter 4, article 6, Arizona Revised Statutes, is amended by adding section 16-504, to read:

16-504. Antifraud ballot paper; vendor certification; antifraud measures

NOTWITHSTANDING ANY OTHER STATUTE, ANY VENDOR THAT PROVIDES FRAUD COUNTERMEASURES THAT ARE CONTAINED IN AND ON THE PAPER USED FOR BALLOTS SHALL BE ISO 27001 CERTIFIED, ISO 17025 CERTIFIED OR ISO 9001:2015 CERTIFIED. BALLOT FRAUD COUNTERMEASURES SHALL INCLUDE THE USE OF AT LEAST THREE OF THE FOLLOWING:

1. UNIQUE, CONTROLLED-SUPPLY WATERMARKED CLEARING BANK SPECIFICATION 1 SECURITY PAPER.

2. SECURE HOLOGRAPHIC FOIL THAT ACTS AS A VISUAL DETERRENT AND ANTI-COPY FEATURE.
3. Branded overprint of any hologram that personalizes the hologram with customer logo.

4. Custom complex security background designs with banknote-level security.

5. Secure variable digital infill.

6. Thermochromic, tri-thermochromic, photochromic or optically variable inks.

7. Stealth numbering in ultraviolet, infrared or taggant inks.

8. Multicolored micro-numismatic invisible ultraviolet designs.

9. Unique forensic fraud detection technology that is built into security inks.

10. Unique bar code or QR code that is accessible only to the voter and that tracks the voter’s ballot as it is processed.

Sec. 5. Title 16, chapter 4, article 10, Arizona Revised Statutes, is amended by adding section 16-604, to read:

16-604. Election integrity fund; purpose; exemption

A. The election integrity fund is established consisting of legislative appropriations. The state treasurer shall administer the fund.

B. Monies in the fund may be used only to pay county recorders for election security, cybersecurity measures and improvements and reimbursements for postelection hand tabulations, including for additional staffing.

C. County recorders shall apply for monies from the fund and, on review and approval by the state treasurer, the state treasurer shall make payments from the fund.

D. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.”

Renumber to conform

Page 24, after line 45, insert:

“Sec. 17. Title 41, chapter 1, article 5, Arizona Revised Statutes, is amended by adding section 41-191.12, to read:
41-191.12. Unreported in-kind political contributions task force fund; joint task force on unreported in-kind political contributions; exemption

A. The unreported in-kind political contributions task force fund is established consisting of legislative appropriations. The attorney general shall administer the fund. Monies in the fund are continuously appropriated. Monies in the fund may be used only to fund the joint task force on unreported in-kind political contributions established by this section.

B. The joint task force on unreported in-kind political contributions is established consisting of designees of the attorney general and the secretary of state. The joint task force shall investigate whether and to what extent the business or other practices of social media platforms and internet search engines result in unreported in-kind political contributions to candidates in this state in violation of Title 16, Chapter 6 and may take enforcement action as appropriate. The joint task force may investigate the following actions as possible unlawful political contributions:

1. Permanent or temporary cancellation or other restrictions on a candidate's access to a social media platform.

2. Algorithmic bias against one or more candidates or a political party.

3. Algorithmic promotion of one or more candidates or a political party.

C. Monies in the unreported in-kind political contributions task force fund are exempt from the provisions of Section 35-190 relating to lapsing of appropriations."

Renumber to conform

Page 28, between lines 37 and 38, insert:

"Sec. 21. Section 41-1279.03, Arizona Revised Statutes, is amended to read:

41-1279.03. Powers and duties
A. The auditor general shall:

1. Prepare an audit plan for approval by the committee and report to
the committee the results of each audit and investigation and other reviews
conducted by the auditor general.

2. Conduct or cause to be conducted at least biennial financial and
compliance audits of financial transactions and accounts kept by or for all
state agencies subject to the single audit act of 1984 (P.L. 98-502). The
audits shall be conducted in accordance with generally accepted
governmental auditing standards and accordingly shall include tests of the
accounting records and other auditing procedures as may be considered
necessary in the circumstances. The audits shall include the issuance of
suitable reports as required by the single audit act of 1984 (P.L. 98-502)
so that the legislature, the federal government and others will be informed
as to the adequacy of financial statements of the THIS state in compliance
with generally accepted governmental accounting principles and to determine
whether this state has complied with laws and regulations that may have a
material effect on the financial statements and on major federal assistance
programs.

3. Perform procedural reviews for all state agencies at times
determined by the auditor general. These reviews may include evaluation of
administrative and accounting internal controls and reports on these
reviews.

4. Perform special research requests, special audits and related
assignments as designated by the committee and conduct performance audits,
special audits, special research requests and investigations of any state
agency, whether created by the constitution or otherwise, as may be
requested by the committee.

5. Annually on or before the fourth Monday of December, prepare a
written report to the governor and to the committee that contains a summary
of activities for the previous fiscal year.
6. In the tenth year and in each fifth year thereafter in which a transportation excise tax is in effect in a county as provided in section 42-6106 or 42-6107, conduct a performance audit that:

   (a) Reviews past expenditures and future planned expenditures of the transportation excise revenues and determines the impact of the expenditures in solving transportation problems within the county and, for a transportation excise tax in effect in a county as provided in section 42-6107, determines whether the expenditures of the transportation excise revenues comply with section 28-6392, subsection B.

   (b) Reviews projects completed to date and projects to be completed during the remaining years in which a transportation excise tax is in effect. Within six months after each review period, the auditor general shall present a report to the speaker of the house of representatives and the president of the senate detailing findings and making recommendations.

   (c) Reviews, determines, reports and makes recommendations to the speaker of the house of representatives and the president of the senate whether the distribution of ARIZONA highway user revenues complies with title 28, chapter 18, article 2.

7. If requested by the committee, conduct performance audits of counties and incorporated cities and towns receiving ARIZONA highway user revenue fund monies pursuant to title 28, chapter 18, article 2 to determine whether the monies are being spent as provided in section 28-6533, subsection B.

8. Perform special audits designated pursuant to law if the auditor general determines that there are adequate monies appropriated for the auditor general to complete the audit. If the auditor general determines the appropriated monies are inadequate, the auditor general shall notify the committee.

9. Establish a schoolwide audit team in the office of the auditor general to conduct performance audits and monitor school districts to determine the percentage of every dollar spent in the classroom by the school district. Each school district shall prominently post on its
website home page a copy of its profile pages that displays the percentage of every dollar spent in the classroom by that school district from the most recent status report issued by the auditor general pursuant to this paragraph. The performance audits shall determine whether school districts that receive monies from the Arizona English language learner fund established by section 15-756.04 and the statewide compensatory instruction fund established by section 15-756.11 comply with title 15, chapter 7, article 3.1. The auditor general shall determine, through random selection, the school districts to be audited each year, subject to review by the joint legislative audit committee. A school district that is subject to an audit pursuant to this paragraph shall notify the auditor general in writing whether the school district agrees or disagrees with the findings and recommendations of the audit and whether the school district will implement the findings and recommendations, implement modifications to the findings and recommendations or refuse to implement the findings and recommendations. The school district shall submit to the auditor general a written status report on the implementation of the audit findings and recommendations every six months for two years after an audit conducted pursuant to this paragraph. The auditor general shall review the school district's progress toward implementing the findings and recommendations of the audit every six months after receipt of the district's status report for two years. The auditor general may review a school district's progress beyond this two-year period for recommendations that have not yet been implemented by the school district. The auditor general shall provide a status report of these reviews to the joint legislative audit committee. The school district shall participate in any hearing scheduled during this review period by the joint legislative audit committee or by any other legislative committee designated by the joint legislative audit committee.

10. NOTWITHSTANDING ANY OTHER LAW, REVIEW THE PROCESSES AND STATUTORY REQUIREMENTS FOR MAINTAINING THE STATEWIDE VOTER REGISTRATION DATABASE, COUNTY EARLY VOTING LISTS AND THE COUNTY VOTER REGISTRATION DATABASES FOR COUNTIES WITH A POPULATION OF MORE THAN ONE MILLION PERSONS.
THE SECRETARY OF STATE AND THE COUNTY RECORDERs SHALL NOTIFY THE AUDITOR
GENERAL IN WRITING OF THE TOTAL EXPENDITURES MADE FOR VOTER REGISTRATION
PROGRAMS AND EVENTS AND SHALL PROVIDE A DESCRIPTION OF THOSE PROGRAMS AND
EVENTS, INCLUDING ANY POLITICAL PARTY AFFILIATION. THE SECRETARY OF STATE
AND THE COUNTY RECORDERS ALSO SHALL SPECIFY THEIR ATTENDANCE AT THESE
PROGRAMS, EVENTS AND OUTREACH ACTIVITIES AND WHETHER THEY USED ANY
THIRD-PARTY DATA IN CONDUCTING THESE PROGRAMS, EVENTS AND ACTIVITIES. ON
OR BEFORE JUNE 30 EACH EVEN-NUMBERED YEAR, THE AUDITOR GENERAL SHALL SUBMIT
A REPORT ON ITS FINDINGS TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF
THE HOUSE OF REPRESENTATIVES AND SHALL SUBMIT A COPY OF THE REPORT TO THE
SECRETARY OF STATE.

10. Annually review per diem compensation and reimbursement of
expenses for employees of this state and members of a state board,
commission, council or advisory committee by judgmentally selecting samples
and evaluating the propriety of per diem compensation and expense
reimbursements.

B. The auditor general may:

1. Subject to approval by the committee, adopt rules necessary to
administer the duties of the office.

2. Hire consultants to conduct the studies required by subsection A,
paragraphs 6 and 7 of this section.

C. If approved by the committee, the auditor general may charge a
reasonable fee for the cost of performing audits or providing accounting
services for auditing federal funds, special audits or special services
requested by political subdivisions of this state. Monies collected
pursuant to this subsection shall be deposited in the audit services
revolving fund.

D. The department of transportation, the board of supervisors of a
county that has approved a county transportation excise tax as provided in
section 42-6106 or 42-6107 and the governing bodies of counties, cities and
towns receiving ARIZONA highway user revenue fund monies shall cooperate

-7-
with and provide necessary information to the auditor general or the 
auditor general's consultant.

E. The department of transportation shall reimburse the auditor 
general as follows, and the auditor general shall deposit the reimbursed 
monies in the audit services revolving fund:

1. For the cost of conducting the studies or hiring a consultant to 
conduct the studies required by subsection A, paragraph 6, subdivisions (a) 
and (b) of this section, from monies collected pursuant to a county 
transportation excise tax levied pursuant to section 42-6106 or 42-6107.

2. For the cost of conducting the studies or hiring a consultant 
pursuant to subsection A, paragraph 6, subdivision (c) and paragraph 7 of 
this section, from the Arizona highway user revenue fund."

Renumber to conform

Page 43, between lines 41 and 42, insert:

"Sec. 40. Appropriation; election integrity fund; exemption
A. The sum of $12,000,000 is appropriated from the state general 
fund in fiscal year 2021-2022 to the election integrity fund established by 
section 16-604, Arizona Revised Statutes, as added by this act.

B. The appropriation made in subsection A of this section is exempt 
from the provisions of section 35-190, Arizona Revised Statutes, relating 
to lapsing of appropriations.

Sec. 41. Appropriation; unreported in-kind political 
contributions task force fund

The sum of $500,000 is appropriated from the state general fund in 
fiscal year 2021-2022 to the unreported in-kind political contributions 
task force fund established by section 41-191.12, Arizona Revised Statutes, 
as added by this act.

Sec. 42. Appropriation; auditor general; exemption
A. The sum of $500,000 is appropriated from the state general fund 
in fiscal year 2021-2022 to the auditor general for the purposes prescribed 
by section 41-1279.03, subsection A, paragraph 10, Arizona Revised 
Statutes, as added by this act.
B. The appropriation made in subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations."

Renumber to conform

Amend title to conform

JAKE HOFFMAN

2891FloorHOFFMAN
06/21/2021
08:00 PM
C: MR