

budget procedures; budget reconciliation; 2021-2022.

State of Arizona
House of Representatives
Fifty-fifth Legislature
First Regular Session
2021

HOUSE BILL 2891

AN ACT

AMENDING SECTION 5-110, ARIZONA REVISED STATUTES; AMENDING TITLE 5, CHAPTER 5.1, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 5-576; AMENDING SECTION 5-1318, ARIZONA REVISED STATUTES; AMENDING TITLE 16, CHAPTER 1, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 16-132, 16-133 AND 16-138; AMENDING TITLE 16, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 16-504; AMENDING TITLE 16, CHAPTER 4, ARTICLE 10, ARIZONA REVISED STATUTES, BY ADDING SECTION 16-604; AMENDING SECTIONS 26-302, 26-303, 35-192, 36-405, 36-787, 38-803, 38-832, 38-840.01, 38-848, 38-848.02, 38-866, 38-883, 39-201 AND 41-121.02, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 1, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-191.12; AMENDING SECTION 41-714, ARIZONA REVISED STATUTES; AMENDING SECTION 41-1033, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2021, CHAPTER 340, SECTION 1; AMENDING SECTIONS 41-1277 AND 41-1279.03, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 8, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1306; PROVIDING FOR TRANSFERRING AND RENUMBERING; AMENDING SECTION 41-1307, ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED; AMENDING SECTION 41-1365, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 10, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1506.02; AMENDING TITLE 41, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 16; REPEALING TITLE 41, CHAPTER 16, ARIZONA REVISED STATUTES; AMENDING LAWS 2019, CHAPTER 232, SECTION 1; APPROPRIATING MONIES; RELATING TO STATE BUDGET PROCEDURES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 5-110, Arizona Revised Statutes, is amended to
3 read:

4 5-110. Racing days, times and allocations; emergency
5 transfer; county fairs; charity days

6 A. Permits for horse or harness racing meetings shall be approved
7 and issued for substantially the same dates allotted to permittees for the
8 same type of racing during the preceding year or for other dates that
9 permittees request, provided that, in the event there is a conflict in
10 dates requested between two or more permittees in the same county for the
11 same kind of racing, the permittee whose application is for substantially
12 the same dates as were allotted to the permittee in the preceding year
13 shall be entitled to have preference over other permittees. In the event
14 two or more permittees have agreed that the dates to be allotted to each
15 of them each year shall be alternated from one year to the next, the
16 commission shall recognize their agreement and those permittees may be
17 accorded preference over any other permittee as to those dates to be
18 allotted to those permittees on an alternating basis. Except as otherwise
19 provided, the commission shall allot dates to the respective permittees
20 after giving due consideration to all of the factors involved and the
21 interests of permittees, the public and this state.

22 B. The commission may require by the terms of any permit that the
23 permittee offer such number of races during any racing meeting as the
24 commission shall determine, provided that the permittee shall be permitted
25 to offer at least the same number of races each day as offered in the
26 prior year. The commission shall require each horse racing permittee to
27 conduct for a period of thirty days a number of races equal to an average
28 of at least two races for each day of racing exclusively for quarter
29 horses. If, in the opinion of the commission, the permittee is offering
30 acceptable quarter horse races but an honest effort is not being put forth
31 to fill these races by the horsemen, the commission may rescind the two
32 race per day quarter horse requirement.

33 C. Live racing and wagering on simulcast races shall be permissible
34 in either daytime or nighttime. Unless otherwise agreed by written
35 contract that is submitted to the department between all the permittees in
36 the same county, there shall be no wagering on simulcast dog races before
37 4:15 p.m., mountain standard time, on the same day that there is live
38 daytime horse or harness racing in any county in which commercial horse or
39 harness racing has been conducted before February 1, 1971. The hours
40 during which any other harness or horse racing is to be conducted shall be
41 determined by the commission. The application for a permit shall state
42 the exact days on which racing will be held and the time of day during
43 which racing will be conducted.

1 D. If the commission determines that an emergency has obligated or
2 may obligate a permittee to discontinue racing at a location, the
3 commission may authorize the permittee to transfer racing for the number
4 of days lost to any other location.

5 E. A racing meeting, when operated by a county fair racing
6 association or under lease during the county fair to any individual,
7 corporation or association, shall not come under the limitation placed on
8 days of racing in this section.

9 F. The department shall be the judge of whether a county fair
10 racing meeting is being operated pursuant to this section. A county fair
11 racing meeting conducted by an individual, corporation or association,
12 other than the properly authorized county fair racing association, shall
13 come under the general provisions of this article the same as a commercial
14 meeting. Notwithstanding this subsection, a county fair racing meeting,
15 whether conducted by a county fair racing association or by an individual,
16 corporation or association other than a county fair racing association, is
17 exempt from the requirement prescribed in section 5-111 to pay to the
18 state a percentage of the pari-mutuel pool collected at the meeting.

19 G. The commission may allow a permittee, in addition to the days
20 specified in this permit, to operate up to three racing days during any
21 one meeting as charity days. From the amount deducted from the total
22 handled in the pari-mutuel pool on charity days, the permittee shall
23 deduct an amount equal to the purses and the cost of conducting racing on
24 these days, and shall donate the balance to nonprofit organizations and
25 corporations that benefit the general public, that are engaged in
26 charitable, benevolent and other like work and that are selected by the
27 permittee and approved by the department. In no event shall the amount
28 given to charity from charity racing days be less than the amount that
29 otherwise would have gone to this state as the state's share on a
30 noncharity racing day.

31 H. Notwithstanding any other law, live dog racing shall not be
32 conducted in this state after December 31, 2016. This subsection does not
33 apply to nonprofit organizations that host lure coursing or similar events
34 that test a dog's ability, stamina and breeding or training for such
35 events. Notwithstanding any other provision of this article, any dog
36 racing permittee that offered live dog racing in 2016 or that has offered
37 live dog racing in eight out of ten calendar years from 1980 to 1990 in
38 counties that have a population of less than five hundred thousand persons
39 shall be considered as operating a racetrack enclosure for all purposes
40 under this article and shall not be authorized or required to conduct live
41 racing as a condition of that permittee's racing permit. Any permittee
42 qualified under this subsection may conduct advance deposit wagering,
43 wagering at additional wagering facilities that are owned or leased by
44 that permittee and wagering on telecasts of races conducted at racetrack
45 enclosures within this state or at racetrack enclosures outside this state

1 without offering live racing at that permittee's racetrack enclosure. ON
2 OR BEFORE JANUARY 1, 2023, THE DEPARTMENT SHALL CONVERT THE PERMIT OF A
3 DOG RACING PERMITTEE UNDER THIS SUBSECTION TO A PERMIT FOR HARNESS RACING
4 IF THE DOG RACING PERMITTEE MEETS THE QUALIFICATIONS FOR A PERMIT FOR
5 HARNESS RACING.

6 Sec. 2. Title 5, chapter 5.1, article 2, Arizona Revised Statutes,
7 is amended by adding section 5-576, to read:

8 5-576. Lottery; advertising; professional sports; prohibition

9 THE LOTTERY MAY NOT, DIRECTLY OR INDIRECTLY, SPEND, ALLOCATE OR
10 DIRECT ANY MONIES UNDER THE CONTROL OF THE LOTTERY TO ADVERTISE THE
11 LOTTERY AT A PROFESSIONAL SPORTING EVENT OR IN CONJUNCTION WITH ANY
12 PROFESSIONAL SPORTS TEAM OR FRANCHISE.

13 Sec. 3. Section 5-1318, Arizona Revised Statutes, is amended to
14 read:

15 5-1318. Fees; event wagering fund

16 A. The department shall establish a fee for the privilege of
17 operating event wagering. In determining the fee, the department shall
18 consider the highest percentage of revenue share that an Indian tribe pays
19 to this state pursuant to the tribal-state gaming compact. The event
20 wagering operator or designee has the option to choose either the cash
21 accrual or modified accrual basis method of accounting for purposes of
22 calculating the amount of the fee owed by the event wagering operator or
23 designee. The fees required pursuant to this section are due and payable
24 to the department not later than the twenty-fifth day of the month
25 following the calendar month in which the adjusted gross event wagering
26 receipts were received and the obligation was accrued.

27 B. The event wagering fund is established consisting of monies
28 deposited pursuant to this chapter or from any other source. The
29 department shall administer the fund. Except as otherwise provided in
30 this chapter, the department shall deposit, pursuant to sections 35-146
31 and 35-147, all monies collected under this chapter in the event wagering
32 fund. On the twenty-fifth of each month, ~~any~~ NINETY PERCENT OF THE monies
33 ~~remaining~~ DEPOSITED in the event wagering fund shall be transferred to the
34 state general fund. On notice from the department, the state treasurer
35 shall invest and divest monies in the fund as provided by section 35-313,
36 and monies earned from investment shall be credited to the fund.

37 C. Unless otherwise determined by the legislature, the department
38 may spend not more than ten percent of monies on the department's annual
39 costs of regulating and enforcing this chapter, and any remaining monies
40 in the fund revert to the state general fund.

1 Sec. 4. Title 16, chapter 1, article 3, Arizona Revised Statutes,
2 is amended by adding sections 16-132, 16-133 and 16-138, to read:

3 16-132. Voter registration assistance; hunting, fishing,
4 trapping licenses; definitions

5 A. THE ARIZONA GAME AND FISH DEPARTMENT SHALL PROVIDE ASSISTANCE
6 WITH VOTER REGISTRATION WHEN ACCEPTING APPLICATIONS FOR A LICENSE. THE
7 ARIZONA GAME AND FISH DEPARTMENT SHALL PROVIDE TO THE APPLICANT WITH ANY
8 ONLINE APPLICATIONS FOR A LICENSE A LINK TO THE DEPARTMENT OF
9 TRANSPORTATION'S VOTER REGISTRATION WEBPAGE. EACH ARIZONA GAME AND FISH
10 DEPARTMENT OFFICE THAT ACCEPTS APPLICATIONS FOR A LICENSE IN PERSON SHALL
11 PROVIDE A VOTER REGISTRATION FORM TO THE APPLICANT.

12 B. THE SECRETARY OF STATE SHALL PROVIDE TO THE DEPARTMENT VOTER
13 REGISTRATION FORMS AND INSTRUCTIONS TO APPLICANTS TO MAIL COMPLETED VOTER
14 REGISTRATION FORMS TO THE SECRETARY OF STATE. THE SECRETARY OF STATE
15 SHALL FORWARD THE COMPLETED VOTER REGISTRATION FORMS TO THE APPROPRIATE
16 COUNTY RECORDER TO DETERMINE THE ELIGIBILITY OF THE APPLICANT AND, IF
17 FOUND ELIGIBLE, TO ADD THE APPLICANT'S NAME TO THE VOTER REGISTRATION
18 ROLLS.

19 C. VOTER REGISTRATION INFORMATION THAT IS GENERATED PURSUANT TO
20 THIS SECTION AND THAT IS PUBLIC INFORMATION AS OTHERWISE PROVIDED BY LAW
21 SHALL NOT PROVIDE ANY PUBLIC INDICATION OF THE SOURCE OF THESE
22 REGISTRATIONS.

23 D. PERSONS WHO ACT PURSUANT TO THIS SECTION ARE NOT CONSIDERED TO
24 BE DEPUTY REGISTRARS UNDER THIS TITLE OR ANY RULES ADOPTED UNDER ITS
25 AUTHORITY.

26 E. FOR THE PURPOSES OF THIS SECTION:

27 1. "DEPARTMENT" MEANS THE ARIZONA GAME AND FISH DEPARTMENT.

28 2. "LICENSE" MEANS A HUNTING, FISHING OR TRAPPING LICENSE ISSUED BY
29 THE ARIZONA GAME AND FISH DEPARTMENT PURSUANT TO TITLE 17, CHAPTER 3.

30 16-133. Voter registration events; website posting

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

37 16-138. Voter registration database; federal only voters;
38 analysis; annual report; investigation

39 A. THE SECRETARY OF STATE SHALL PROVIDE ACCESS TO THE STATEWIDE
40 VOTER REGISTRATION DATABASE TO A PERSON OR ENTITY THAT IS DESIGNATED BY
41 THE LEGISLATURE AND TO THE ELECTION INTEGRITY UNIT OF THE ATTORNEY
42 GENERAL'S OFFICE FOR THE PURPOSES OF DETERMINING WHETHER THE SECRETARY OF
43 STATE'S VOTER REGISTRATION LIST MAINTENANCE PROCEDURES COMPLY WITH FEDERAL
44 LAW WITH RESPECT TO VOTERS WHO ARE REGISTERED AS VOTERS ELIGIBLE TO VOTE
45 ONLY FOR FEDERAL OFFICES.

1 B. THE PERSON OR ENTITY THAT IS DESIGNATED BY THE LEGISLATURE MUST
2 BE QUALIFIED IN MORE THAN ONE STATE TO ANALYZE A STATE'S VOTER
3 REGISTRATION ROLLS FOR COMPLIANCE WITH FEDERAL LAW REGARDING VOTER
4 REGISTRATION LIST MAINTENANCE PROCEDURES. AFTER COMPLETING ITS ANALYSIS,
5 THE PERSON OR ENTITY SHALL REPORT ITS FINDINGS TO THE PRESIDENT OF THE
6 SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE ATTORNEY GENERAL
7 AND THE SECRETARY OF STATE. IF THE ANALYSIS DETERMINES THAT THERE ARE
8 PERSONS REGISTERED TO VOTE WHO ARE NOT ELIGIBLE TO REGISTER TO VOTE, THE
9 SECRETARY OF STATE SHALL NOTIFY THE APPROPRIATE COUNTY RECORDER AND THE
10 COUNTY RECORDER SHALL REMOVE THOSE PERSONS FROM THE VOTER REGISTRATION
11 ROLLS.

12 C. EACH COUNTY RECORDER SHALL SUBMIT AN ANNUAL REPORT TO THE
13 SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE
14 THAT CONTAINS THE FOLLOWING REGARDING VOTERS WHO ARE ELIGIBLE TO VOTE ONLY
15 FOR FEDERAL OFFICES:

16 1. A DESCRIPTION OF THE COUNTY RECORDER'S PROCEDURES REGARDING
17 REGISTERING THOSE VOTERS WHO ARE ELIGIBLE TO VOTE ONLY FOR FEDERAL
18 OFFICES.

19 2. THE NUMBER OF VOTERS IN THAT COUNTY WHO ARE ELIGIBLE TO VOTE
20 ONLY FOR FEDERAL OFFICES.

21 3. THE NUMBER OF THOSE VOTERS WHOSE CITIZENSHIP HAS BEEN OTHERWISE
22 SUBSEQUENTLY VERIFIED AND WHOSE STATUS HAS CHANGED TO VOTERS WHO ARE
23 ELIGIBLE TO VOTE A FULL BALLOT.

24 4. A COMPREHENSIVE DESCRIPTION OF THE OBSTACLES TO OBTAINING VOTER
25 REGISTRANTS' DOCUMENTARY PROOF OF CITIZENSHIP THAT COMPLIES WITH THIS
26 STATE'S VOTER REGISTRATION REQUIREMENTS AND TO CHANGING THEIR STATUS TO
27 VOTERS WHO ARE ELIGIBLE TO VOTE A FULL BALLOT.

28 5. THE NUMBER OF THOSE VOTERS WHO HAVE BEEN SUBSEQUENTLY DETERMINED
29 TO BE INELIGIBLE TO VOTE IN THIS STATE AND WHO HAVE BEEN REMOVED FROM THE
30 VOTER REGISTRATION ROLLS.

31 D. THE ATTORNEY GENERAL AND THE COUNTY ATTORNEY SHALL INVESTIGATE
32 AND PROSECUTE, AS APPROPRIATE, ANY PERSON WHO IS INELIGIBLE TO REGISTER TO
33 VOTE AND WHO KNOWINGLY REGISTERS TO VOTE.

34 Sec. 5. Title 16, chapter 4, article 6, Arizona Revised Statutes,
35 is amended by adding section 16-504, to read:

36 16-504. Antifraud ballot paper; vendor certification;
37 antifraud measures

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

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

1 2. SECURE HOLOGRAPHIC FOIL THAT ACTS AS A VISUAL DETERRENT AND
2 ANTI-COPY FEATURE.

3 3. BRANDED OVERPRINT OF ANY HOLOGRAM THAT PERSONALIZES THE HOLOGRAM
4 WITH CUSTOMER LOGO.

5 4. CUSTOM COMPLEX SECURITY BACKGROUND DESIGNS WITH BANKNOTE-LEVEL
6 SECURITY.

7 5. SECURE VARIABLE DIGITAL INFILL.

8 6. THERMOCHROMIC, TRI-THERMOCHROMIC, PHOTOCHROMIC OR OPTICALLY
9 VARIABLE INKS.

10 7. STEALTH NUMBERING IN ULTRAVIOLET, INFRARED OR TAGGANT INKS.

11 8. MULTICOLORED MICRO-NUMISMATIC INVISIBLE ULTRAVIOLET DESIGNS.

12 9. UNIQUE FORENSIC FRAUD DETECTION TECHNOLOGY THAT IS BUILT INTO
13 SECURITY INKS.

14 10. UNIQUE BAR CODE OR QR CODE THAT IS ACCESSIBLE ONLY TO THE VOTER
15 AND THAT TRACKS THE VOTER'S BALLOT AS IT IS PROCESSED.

16 Sec. 6. Title 16, chapter 4, article 10, Arizona Revised Statutes,
17 is amended by adding section 16-604, to read:

18 16-604. Election integrity fund; purpose; exemption

19 A. THE ELECTION INTEGRITY FUND IS ESTABLISHED CONSISTING OF
20 LEGISLATIVE APPROPRIATIONS. THE STATE TREASURER SHALL ADMINISTER THE
21 FUND.

22 B. MONIES IN THE FUND MAY BE USED ONLY TO PAY COUNTY RECORDERS FOR
23 ELECTION SECURITY, CYBERSECURITY MEASURES AND IMPROVEMENTS AND
24 REIMBURSEMENTS FOR POSTELECTION HAND TABULATIONS, INCLUDING FOR ADDITIONAL
25 STAFFING.

26 C. COUNTY RECORDERS SHALL APPLY FOR MONIES FROM THE FUND AND, ON
27 REVIEW AND APPROVAL BY THE STATE TREASURER, THE STATE TREASURER SHALL MAKE
28 PAYMENTS FROM THE FUND.

29 D. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION
30 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

31 Sec. 7. Section 26-302, Arizona Revised Statutes, is amended to
32 read:

33 26-302. General powers of governor

34 The governor may delegate any of the powers vested in the office of
35 the governor under this chapter to the adjutant general who may further
36 delegate the powers to the director of emergency management except the
37 powers enumerated in section 26-303, subsections A through ~~E~~ I.

38 Sec. 8. Section 26-303, Arizona Revised Statutes, is amended to
39 read:

40 26-303. Emergency powers of governor; termination;
41 authorization for adjutant general; limitation;
42 extension; report

43 A. During a state of war emergency, the governor may:

44 1. Suspend the provisions of any statute prescribing the procedure
45 for conduct of state business, or the orders or rules of any state agency,

1 if the governor determines and ~~declares~~ PROCLAIMS that strict compliance
2 with the provisions of any such statute, order or rule would in any way
3 prevent, hinder or delay mitigation of the effects of the emergency.

4 2. Commandeer and ~~utilize~~ USE any property, except for firearms or
5 ammunition or firearms or ammunition components, or personnel deemed
6 necessary in carrying out the responsibilities vested in the office of the
7 governor by this chapter as chief executive of ~~the~~ THIS state, and
8 thereafter ~~the~~ THIS state shall pay reasonable compensation ~~therefor~~ FOR
9 THE PROPERTY as follows:

10 (a) If property is taken for temporary use, the governor, within
11 ten days after the taking, shall determine the amount of compensation to
12 be paid ~~therefor~~ FOR THE PROPERTY. If the property is returned in a
13 damaged condition, the governor, within ten days after its return, shall
14 determine the amount of compensation to be paid for such damage.

15 (b) If the governor deems it necessary for ~~the~~ THIS state to take
16 title to property under this section, the governor shall then cause the
17 owner of the property to be notified thereof in writing by registered
18 mail, postage prepaid, and then cause a copy of the notice to be filed
19 with the secretary of state.

20 (c) If the owner refuses to accept the amount of compensation fixed
21 by the governor for the property referred to in subdivisions (a) and (b)
22 OF THIS PARAGRAPH, the amount of compensation shall be determined by
23 appropriate proceedings in the superior court in the county where the
24 property was originally taken.

25 B. During a state of war emergency, the governor shall have
26 complete authority over all agencies of the state government and shall
27 exercise all police power vested in this state by the constitution and
28 laws of this state in order to effectuate the purposes of this chapter.

29 C. The powers granted TO the governor by this chapter with respect
30 to a state of war emergency shall terminate if the legislature is not in
31 session and the governor, within twenty-four hours after the beginning of
32 such A state of war emergency, has not issued a call for an immediate
33 special session of the legislature for the purpose of legislating on
34 subjects relating to such A state of war emergency.

35 D. The governor may proclaim a state of emergency, which shall take
36 effect immediately in an area affected or likely to be affected if the
37 governor finds that circumstances described in section 26-301, paragraph
38 15 exist.

39 E. During a state of emergency:

40 1. The governor shall have complete authority over all agencies of
41 the state government and the right to exercise, within the area
42 designated, all police power vested in ~~the~~ THIS state by the constitution
43 and laws of this state in order to effectuate the purposes of this
44 chapter.

1 2. The governor may direct all agencies of the state government to
2 ~~utilize~~ **USE** and employ state personnel, equipment and facilities ~~for the~~
3 ~~performance of~~ **TO PERFORM** any ~~and all~~ activities designed to prevent or
4 alleviate actual and threatened damage due to the emergency. The governor
5 may direct such agencies to provide supplemental services and equipment to
6 political subdivisions to restore any services in order to provide for the
7 health and safety of the citizens of the affected area.

8 F. **EXCEPT AS PROVIDED IN SUBSECTION G OF THIS SECTION**, the powers
9 granted **TO** the governor by this chapter with respect to a state of
10 emergency shall terminate when the state of emergency has been terminated
11 by proclamation of the governor or by concurrent resolution of the
12 legislature declaring it at an end.

13 **G. BEGINNING JANUARY 2, 2023, THE GOVERNOR MAY ISSUE AN INITIAL**
14 **PROCLAMATION WITH RESPECT TO A STATE OF EMERGENCY FOR A PUBLIC HEALTH**
15 **EMERGENCY AS DESCRIBED IN SECTION 36-787 FOR A PERIOD OF NOT MORE THAN**
16 **THIRTY DAYS. THE GOVERNOR MAY EXTEND THE STATE OF EMERGENCY FOR NOT MORE**
17 **THAN ONE HUNDRED TWENTY DAYS, BUT ANY EXTENSION MAY NOT BE FOR A PERIOD OF**
18 **MORE THAN THIRTY DAYS. THE STATE OF EMERGENCY SHALL TERMINATE AFTER ONE**
19 **HUNDRED TWENTY DAYS, UNLESS THE STATE OF EMERGENCY IS EXTENDED, IN WHOLE**
20 **OR IN PART, BY PASSAGE OF A CONCURRENT RESOLUTION OF THE LEGISLATURE. THE**
21 **LEGISLATURE MAY EXTEND THE STATE OF EMERGENCY AS MANY TIMES AS NECESSARY**
22 **BY CONCURRENT RESOLUTION, BUT ANY EXTENSION MAY NOT BE FOR A PERIOD OF**
23 **MORE THAN THIRTY DAYS. IF A STATE OF EMERGENCY FOR A PUBLIC HEALTH**
24 **EMERGENCY IS NOT EXTENDED PURSUANT TO THIS SUBSECTION, THE GOVERNOR MAY**
25 **NOT PROCLAIM A NEW STATE OF EMERGENCY BASED ON THE SAME CONDITIONS WITHOUT**
26 **THE PASSAGE OF A CONCURRENT RESOLUTION BY THE LEGISLATURE CONSENTING TO**
27 **THE NEW STATE OF EMERGENCY.**

28 **H. ON THE EXTENSION OF A STATE OF EMERGENCY FOR A PUBLIC HEALTH**
29 **EMERGENCY PURSUANT TO SUBSECTION G OF THIS SECTION, THE GOVERNOR SHALL**
30 **SUBMIT A WRITTEN REPORT TO A JOINT COMMITTEE OF THE HEALTH COMMITTEES OF**
31 **THE SENATE AND THE HOUSE OF REPRESENTATIVES, OR THEIR SUCCESSOR**
32 **COMMITTEES. AFTER THE FIRST SIXTY DAYS OF A PUBLIC HEALTH EMERGENCY, THE**
33 **DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES AND A REPRESENTATIVE OF THE**
34 **GOVERNOR'S OFFICE SHALL PROVIDE A BRIEFING TO THE JOINT COMMITTEE, AND THE**
35 **JOINT COMMITTEE SHALL GIVE THE EXTENSION OF THE PUBLIC HEALTH EMERGENCY A**
36 **FAVORABLE OR UNFAVORABLE REVIEW. THE JOINT COMMITTEE SHALL PROVIDE THE**
37 **JOINT COMMITTEE'S RECOMMENDATION TO ALL MEMBERS OF THE LEGISLATURE AND THE**
38 **GOVERNOR. THE OUTCOME OF THE JOINT COMMITTEE'S REVIEW SHALL BE**
39 **CONSPICUOUSLY POSTED ON THE GOVERNOR'S AND THE DEPARTMENT OF HEALTH**
40 **SERVICE'S PUBLIC WEBSITES.**

41 ~~G. I. No provision of~~ This chapter ~~may~~ **DOES NOT** limit, modify or
42 abridge the powers vested in the governor under the constitution or
43 statutes of this state.

1 ~~H.~~ J. If authorized by the governor, the adjutant general has the
2 powers prescribed in this subsection. If, in the judgment of the adjutant
3 general, circumstances described in section 26-301, paragraph 15 exist,
4 the adjutant general may:

5 1. Exercise those powers pursuant to statute and gubernatorial
6 authorization following the proclamation of a state of emergency under
7 subsection D of this section.

8 2. Incur obligations of ~~one hundred thousand dollars~~ \$100,000 or
9 less for each emergency or contingency payable pursuant to section 35-192
10 as though a state of emergency had been proclaimed under subsection D of
11 this section.

12 ~~I.~~ K. The powers exercised by the adjutant general pursuant to
13 subsection ~~H.~~ J of this section expire seventy-two hours after the
14 adjutant general makes a determination under subsection H of this section.

15 ~~J.~~ L. Pursuant to the second amendment of the United States
16 Constitution and article II, section 26, Constitution of Arizona, and
17 notwithstanding any other law, the emergency powers of the governor, the
18 adjutant general or any other official or person ~~shall~~ DO not ~~be construed~~
19 ~~to~~ allow the imposition of additional restrictions on the lawful
20 possession, transfer, sale, transportation, carrying, storage, display or
21 use of firearms or ammunition or firearms or ammunition components.

22 ~~K.~~ M. ~~Nothing in~~ This section ~~shall be construed to~~ DOES NOT
23 prohibit the governor, the adjutant general or other officials responding
24 to an emergency from ordering the reasonable movement of stores of
25 ammunition out of the way of dangerous conditions.

26 Sec. 9. Section 35-192, Arizona Revised Statutes, is amended to
27 read:

28 35-192. Authorization for declaration of disaster;
29 authorization for liabilities and expenses;
30 priorities and limitations; review and report of
31 expenditures

32 A. The governor may declare an emergency arising from major
33 disasters as provided in this section and incur liabilities therefor,
34 regardless of whether or not the legislature is in session.

35 B. When the governor, or the director of the division of emergency
36 management in the department of emergency and military affairs pursuant to
37 section 26-303, subsection ~~H.~~ J, determines that a contingency or disaster
38 so justifies, and declares an emergency, specific liabilities and expenses
39 provided for in this section are authorized to be incurred against and to
40 be paid as claims against the state from unrestricted monies from the
41 general fund to mitigate and meet contingencies and emergencies arising
42 from:

- 43 1. Invasions, hostile attacks, riots or insurrections.
- 44 2. Epidemics of disease or plagues of insects.

1 3. Floods or floodwaters.

2 4. Acts of God or any major disaster.

3 5. Wildland fires, but only after all necessary authorizations
4 under section 37-1305 are exhausted.

5 C. When authorized by the governor, specific liabilities and
6 expenses provided for in this section may be incurred against and may be
7 paid as claims against the state from unrestricted monies from the general
8 fund to meet contingencies and emergencies arising from incidents relating
9 to hazardous materials as defined in section 26-301 and search or rescue
10 operations conducted pursuant to section 11-251.02, section 11-441,
11 subsection C or section 26-306 subject to the limitations provided in
12 section 35-192.01. Within ninety days after monies are awarded under this
13 section, the department of emergency and military affairs shall post in a
14 prominent location on the department's official website the amount of
15 monies awarded under this section, who received the monies and how the
16 monies were spent.

17 D. Liabilities and expenses authorized under subsection B of this
18 section may be incurred for any of the emergencies or contingencies
19 prescribed in subsection B of this section in the following order of
20 priority:

21 1. Reimbursement for expenses incurred to combat a menace to the
22 health, lives or property of any considerable number of persons of the
23 state, or to property of the state or its political subdivisions.

24 2. Reimbursement for expenses incurred to repair damage to any
25 property of the state.

26 3. Reimbursement for expenses incurred to repair damage to any
27 property of the political subdivisions of the state.

28 4. Reimbursement for expenses incurred in search or rescue
29 operations.

30 5. Reimbursement for expenses incurred in emergency or disaster
31 recovery activities or in matching federal disaster recovery programs.

32 6. Reimbursement for expenses for property loss mitigation measures
33 or to match federal property loss mitigation programs.

34 E. The auditor of the department of emergency and military affairs
35 shall review liabilities incurred and expenditures made under this section
36 and report to the state emergency council at ninety-day intervals during
37 the emergency and conduct a final review of each emergency within ninety
38 days after the termination of the emergency. The state emergency council
39 shall make a written report not later than September 1 of each year to the
40 legislature of the actions of the state emergency council during the
41 preceding fiscal year, including an itemized statement of expenditures for
42 each emergency during the year. The department of emergency and military
43 affairs shall post the report in a prominent location on the department's
44 official website.

1 F. All liabilities incurred under this section shall be subject to
2 the following limitations:

3 1. No liability shall be incurred against the monies authorized
4 without the approval of the governor, or the adjutant general pursuant to
5 section 26-303, subsection ~~H~~ J, for each contingency or emergency.

6 2. EXCEPT AS PROVIDED IN PARAGRAPH 5 OF THIS SUBSECTION, incurring
7 of liabilities in excess of ~~two hundred thousand dollars~~ \$200,000 in any
8 single disaster or emergency shall not be made without consent of a
9 majority of the members of the state emergency council.

10 3. The aggregate amount of all liabilities incurred under this
11 section shall not exceed ~~four million dollars~~ \$4,000,000 for any fiscal
12 year beginning July 1 through June 30. Monies authorized for disasters
13 and emergencies in prior fiscal years may be used in subsequent fiscal
14 years only for the disaster or emergency for which they were
15 authorized. Monies authorized for disasters and emergencies in prior
16 fiscal years, and expended in subsequent fiscal years for the disaster or
17 emergency for which they were authorized, apply toward the ~~four million~~
18 ~~dollar~~ \$4,000,000 liability limit for the fiscal year in which they were
19 authorized.

20 4. Notwithstanding the limitations in paragraph 3 of this
21 subsection, monies that were previously obligated but not used for a
22 declared emergency or disaster may be reallocated to an outstanding
23 obligation for another declared emergency or disaster and shall remain
24 available for expenditure for the outstanding obligation. The
25 reallocation of monies pursuant to this paragraph does not apply toward
26 the ~~four million dollar~~ \$4,000,000 liability limit of the fiscal year to
27 which the monies were reallocated or in which the monies are spent.

28 5. LIABILITIES IN EXCESS OF \$200,000 INCURRED BY THE ARIZONA
29 DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT MAY BE REIMBURSED WITH THE
30 APPROVAL OF THE GOVERNOR OR STATE EMERGENCY COUNCIL. THE REIMBURSEMENT
31 SHALL BE MADE PURSUANT TO RULES ADOPTED PURSUANT TO SECTION 37-1305,
32 SUBSECTION G OR, IF RULES ARE NOT ADOPTED PURSUANT TO SECTION 37-1305,
33 SUBSECTION G, PURSUANT TO RULES ADOPTED PURSUANT TO SUBSECTION G OF THIS
34 SECTION.

35 ~~5.~~ 6. An obligation of monies under this section may be made only
36 when one or more of the following conditions exist:

37 (a) No appropriation or other authorization is available to meet
38 the contingency or emergency.

39 (b) An appropriation is insufficient to meet the contingency or
40 emergency.

41 (c) Federal monies available for such contingency or emergency
42 require the use of state or other public monies.

43 G. The director of the division of emergency management in the
44 department of emergency and military affairs shall develop rules for

1 administering the monies authorized for liabilities under this section,
2 subject to approval by the governor.

3 Sec. 10. Section 36-405, Arizona Revised Statutes, is amended to
4 read:

5 36-405. Powers and duties of the director

6 A. The director shall adopt rules to establish minimum standards
7 and requirements for ~~the construction, modification~~ **CONSTRUCTING,**
8 **MODIFYING** and ~~licensure of~~ **LICENSING** health care institutions necessary to
9 ensure the public health, safety and welfare. The standards and
10 requirements shall relate to the construction, equipment, sanitation,
11 staffing for medical, nursing and personal care services, and
12 recordkeeping pertaining to ~~the administration of~~ **ADMINISTERING** medical,
13 nursing, behavioral health and personal care services, in accordance with
14 generally accepted practices of health care. The director shall use the
15 current standards adopted by the joint commission on accreditation of
16 hospitals and the commission on accreditation of the American osteopathic
17 association or those adopted by any recognized accreditation organization
18 approved by the department as guidelines in prescribing minimum standards
19 and requirements under this section.

20 B. The director, by rule, may:

21 1. Classify and subclassify health care institutions according to
22 character, size, range of services provided, medical or dental specialty
23 offered, duration of care and standard of patient care required for the
24 purposes of licensure. Classes of health care institutions may include
25 hospitals, infirmaries, outpatient treatment centers, health screening
26 services centers and residential care facilities. Whenever the director
27 reasonably deems distinctions in rules and standards to be appropriate
28 among different classes or subclasses of health care institutions, the
29 director may make such distinctions.

30 2. Prescribe standards for determining a health care institution's
31 substantial compliance with licensure requirements.

32 3. Prescribe the criteria for the licensure inspection process.

33 4. Prescribe standards for ~~the selection of~~ **SELECTING** health care-
34 related demonstration projects.

35 5. Establish nonrefundable application and licensing fees for
36 health care institutions, including a grace period and a fee for the late
37 payment of licensing fees, and fees for architectural plans and
38 specifications reviews.

39 6. Establish a process for the department to notify a licensee of
40 the licensee's licensing fee due date.

41 7. Establish a process for a licensee to request a different
42 licensing fee due date, including any limits on the number of requests by
43 the licensee.

1 C. The director, by rule, shall adopt licensing provisions that
2 facilitate the colocation and integration of outpatient treatment centers
3 that provide medical, nursing and health-related services with behavioral
4 health services consistent with article 3.1 of this chapter.

5 D. THE DIRECTOR MAY ADOPT RULES REGARDING THE COLLECTION OF DATA
6 FROM HEALTH CARE INSTITUTIONS.

7 ~~D.~~ E. Ninety percent of the fees collected pursuant to this
8 section shall be deposited, pursuant to sections 35-146 and 35-147, in the
9 health services licensing fund established by section 36-414 and ten
10 percent of the fees collected pursuant to this section shall be deposited,
11 pursuant to sections 35-146 and 35-147, in the state general fund.

12 ~~E.~~ F. Subsection B, paragraph 5 of this section does not apply to
13 a health care institution operated by a state agency pursuant to state or
14 federal law or to adult foster care residential settings.

15 Sec. 11. Section 36-787, Arizona Revised Statutes, is amended to
16 read:

17 36-787. Public health authority during state of emergency or
18 state of war emergency

19 A. During a state of emergency or state of war emergency ~~declared~~
20 PROCLAIMED by the governor in which there is an occurrence or imminent
21 threat of an illness or health condition THAT IS caused by bioterrorism,
22 an epidemic or pandemic disease or a highly fatal infectious agent or
23 biological toxin and that poses a substantial risk of a significant number
24 of human fatalities or incidents of permanent or long-term disability, the
25 department shall coordinate all matters pertaining to the public health
26 emergency response of the state. The department has primary jurisdiction,
27 responsibility and authority for:

28 1. Planning and executing public health emergency assessment,
29 mitigation, preparedness response and recovery for this state.

30 2. Coordinating public health emergency response among state, local
31 and tribal authorities.

32 3. Collaborating with relevant federal government authorities,
33 elected officials of other states, private organizations and private
34 sector companies.

35 4. Coordinating recovery operations and mitigation initiatives
36 subsequent to public health emergencies.

37 5. Organizing public information activities regarding state public
38 health emergency response operations.

39 6. Establishing, in conjunction with applicable professional
40 licensing boards, a process ~~for~~ TO GRANT A temporary waiver of the
41 professional licensure requirements necessary ~~for the implementation of~~ TO
42 IMPLEMENT any measures required to adequately address the state of
43 emergency or state of war emergency.

1 7. Granting temporary waivers of health care institution licensure
2 requirements necessary ~~for implementation of~~ TO IMPLEMENT any measures
3 required to adequately address the state of emergency or state of war
4 emergency.

5 B. In addition to the authority provided in subsection A of this
6 section, during a state of emergency or state of war emergency, the
7 governor, in consultation with the director of the department of health
8 services, may issue orders that:

9 1. Mandate medical examinations for exposed persons.

10 2. Ration medicine and vaccines.

11 3. Provide for transportation of medical support personnel and ill
12 and exposed persons.

13 4. Provide for procurement of medicines and vaccines.

14 C. In addition to the authority provided in subsections A and B OF
15 THIS SECTION, during a state of emergency or state of war emergency in
16 which there is an occurrence or the imminent threat of smallpox, plague,
17 viral hemorrhagic fevers or a highly contagious and highly fatal disease
18 with transmission characteristics similar to smallpox, the governor, in
19 consultation with the director of the department of health services, may
20 issue orders that:

21 1. Mandate treatment or vaccination of persons who are diagnosed
22 with AN illness resulting from exposure or who are reasonably believed to
23 have been exposed or who may reasonably be expected to be exposed. A
24 PERSON MAY REFUSE A VACCINATION REQUIRED BY THIS PARAGRAPH BASED ON THE
25 PERSON'S PERSONAL BELIEFS.

26 2. Isolate and quarantine persons.

27 D. Law enforcement officials of this state and the national guard
28 shall enforce orders issued by the governor under this section.

29 E. Diseases subject to this section do not include acquired immune
30 deficiency syndrome or ANY other infection caused by the human
31 immunodeficiency virus.

32 F. If during a state of emergency or state of war emergency the
33 public health is not endangered ~~nothing in~~ this title ~~shall~~ DOES NOT
34 authorize the department or any of its officers or representatives to
35 impose on any person against the person's will any mode of treatment,
36 provided that sanitary or preventive measures and quarantine laws are
37 complied with by the person. ~~Nothing in~~ This title ~~shall~~ DOES NOT
38 authorize the department or any of its officers or representatives to
39 impose on any person contrary to ~~this~~ THE PERSON'S religious concepts any
40 mode of treatment, provided that sanitary or preventive measures and
41 quarantine laws are complied with by the person.

42 G. At the governor's direction, the department may use reasonable
43 efforts to assist the persons and institutions affected by the state of
44 emergency or state of war emergency declared pursuant to this section in
45 seeking reimbursement of costs incurred as a result of providing services

1 related to ~~the implementation of~~ IMPLEMENTING isolation and quarantine
2 under this article to the extent these services are not otherwise subject
3 to reimbursement.

4 Sec. 12. Section 38-803, Arizona Revised Statutes, is amended to
5 read:

6 38-803. Powers and duties of the board; reporting
7 requirements

8 A. The board, in the administration, management and operation of
9 the plan and fund, shall:

10 1. Account for the operation, administration and investment
11 expenses and allocate them against investment income.

12 2. Contract on a fee basis with an actuary to make an actuarial
13 valuation of the plan based on the valuation method and valuation
14 assumptions recommended by the actuary and approved by the board. The
15 actuary shall be a member of the American academy of actuaries.

16 3. Contract on a fee basis with an independent auditing firm to
17 make an annual audit of the accounting records of the fund and file a copy
18 of the audit with the auditor general.

19 4. Invest the monies in the fund as provided in article 4 of this
20 chapter.

21 5. Within a period of six months after the close of each fiscal
22 year, submit a detailed report of the operation and the investment
23 performance of the plan to the governor, the legislature and the members
24 of the plan.

25 6. By November 1 of each year provide a preliminary report and by
26 December ~~31~~ 1 of each year provide a final report to the governor, the
27 speaker of the house of representatives and the president of the senate on
28 the contribution rate for the ensuing fiscal year.

29 B. The board, in the administration, management and operation of
30 the plan and fund, may:

31 1. Employ services as it deems necessary.

32 2. Either keep invested monies separate or commingle invested
33 monies as it deems appropriate.

34 3. Delegate authority as it deems necessary and prudent to the
35 administrator employed pursuant to section 38-848, subsection M,
36 paragraph 6.

37 4. Do all acts, whether expressly authorized, that are deemed
38 necessary or proper for the protection of the fund.

39 Sec. 13. Section 38-832, Arizona Revised Statutes, is amended to
40 read:

41 38-832. Defined contribution system; annual report; quarterly
42 statements

43 A. The board shall establish, design and administer a defined
44 contribution system to provide for the retirement of elected officials.

1 B. The purpose of this article is to provide a defined contribution
2 system that is fully funded on a current basis from employer and member
3 contributions.

4 C. The legislature intends that the defined contribution system for
5 members under this article be designed to be a qualified government plan
6 under section 401(a) of the internal revenue code, as amended, or
7 successor provisions of law, and be exempt from taxation under section 501
8 of the internal revenue code. The board may adopt any additional
9 provisions to the defined contribution system that are necessary to
10 fulfill this intent. On or before December 31, 2013, the board shall
11 submit to the internal revenue service a request for a determination
12 letter that the defined contribution system is a plan qualified under
13 section 401(a) of the internal revenue code and a private letter ruling
14 that all member contributions that are picked up by the employer as
15 provided in section 38-833 shall be treated as employer contributions
16 pursuant to section 414(h) of the internal revenue code.

17 D. The board may:

18 1. Employ the services of the third-party administrator that is
19 contracted on September 13, 2013 to administer the supplemental defined
20 contribution plan pursuant to article 8 of this chapter to also administer
21 the defined contribution system.

22 2. Employ other services it deems necessary, including legal
23 services, for the operation and administration of the defined contribution
24 system.

25 3. Perform all acts, whether or not expressly authorized, that it
26 deems necessary and proper for the operation and protection of the system.

27 E. The board shall adopt policies regarding the defined
28 contribution system, including the administration of the member and
29 employer contributions, investment options, termination in the defined
30 contribution system, the administration of the payout options under the
31 defined contribution system and the administration of the member
32 distributions.

33 F. On receipt of the determination letter and private letter ruling
34 from the internal revenue service, the board shall participate in a
35 competitive bid process at least once every five years to contract with a
36 private person or any qualified company or companies to administer the
37 defined contribution system established under this section.

38 G. Any contract for a third-party administrator of the defined
39 contribution system shall include competitive fees, quarterly meetings
40 with the public safety personnel retirement system, annual updates to the
41 board on the status of the defined contribution system and quarterly
42 statements to each member. On or before December ~~31~~ 1 of each year, the
43 board shall report the status of the defined contribution system to the
44 governor, the president of the senate, the speaker of the house of
45 representatives and the joint legislative budget committee.

1 Sec. 14. Section 38-840.01, Arizona Revised Statutes, is amended to
2 read:

3 38-840.01. EODC disability program; administration; power and
4 duties of the board; hearing; annual report

5 A. The elected officials' defined contribution retirement system
6 disability program is established for members of the elected officials'
7 defined contribution retirement system. The board shall administer the
8 EODC disability program.

9 B. The board may delegate authority to administer the program as it
10 deems necessary and prudent to the administrator employed pursuant to
11 section 38-848.

12 C. The board, in the administration, management and operation of
13 the program, shall:

14 1. Account for the operation, administration and investment
15 expenses and allocate them against investment income.

16 2. Contract on a fee basis with an actuary to make an actuarial
17 valuation of the program based on the valuation method and valuation
18 assumptions recommended by the actuary and approved by the board. The
19 actuary shall be a member of the American academy of actuaries.

20 3. Contract on a fee basis with an independent auditing firm to
21 make an annual audit of the accounting records of the EODC disability
22 program trust fund and file a copy of the audit with the auditor general.

23 4. Invest the monies in the EODC disability program trust fund as
24 provided in article 4 of this chapter.

25 5. On or before December ~~31~~ 1 of each year, submit to the governor,
26 the speaker of the house of representatives and the president of the
27 senate a detailed report of the operation and the investment performance
28 of the program that includes the contribution rate for the ensuing fiscal
29 year.

30 D. The board, in the administration, management and operation of
31 the program, may:

32 1. Employ services as it deems necessary.

33 2. Either keep invested monies separate or commingle invested
34 monies as it deems appropriate.

35 3. Do all acts, whether expressly authorized, that may be deemed
36 necessary or proper for the protection of the EODC disability program
37 trust fund.

38 4. Determine the rights, benefits or obligations of any person
39 under this article and afford any person dissatisfied with a determination
40 of the person's rights, benefits or obligations under this article with a
41 hearing on the determination.

1 Sec. 15. Section 38-848, Arizona Revised Statutes, is amended to
2 read:

3 38-848. Board of trustees; powers and duties; reporting
4 requirements; independent trust fund;
5 administrator; agents and employees; advisory
6 committee

7 A. ~~Beginning January 1, 2017,~~ The board of trustees shall consist
8 of nine members and shall have the rights, powers and duties that are set
9 forth in this section. The term of office of members shall be five years
10 to expire on the third Monday in January of the appropriate year. The
11 board shall select a chairperson from among its members each calendar
12 year. Members are eligible to receive compensation in an amount of \$50 a
13 day, but not to exceed \$1,000 in any one fiscal year, and are eligible for
14 reimbursement of expenses pursuant to chapter 4, article 2 of this
15 title. ~~Beginning January 1, 2017,~~ The board consists of the following
16 members appointed as follows:

17 1. Two members representing law enforcement, one of whom is
18 appointed by the president of the senate and one of whom is appointed by
19 the governor. A statewide association representing law enforcement in
20 this state shall forward nominations to the appointing elected officials,
21 providing at least three nominees for each position. At least one of the
22 members appointed under this paragraph shall be an elected local board
23 member.

24 2. Two members representing firefighters, one of whom is appointed
25 by the speaker of the house of representatives and one of whom is
26 appointed by the governor. A statewide association representing
27 firefighters in this state shall forward nominations to the appointing
28 elected officials, providing at least three nominees for each position.
29 At least one of the members appointed under this paragraph shall be an
30 elected local board member.

31 3. Three members representing cities and towns in this state, one
32 of whom is appointed by the president of the senate, one of whom is
33 appointed by the speaker of the house of representatives and one of whom
34 is appointed by the governor. An association representing cities and
35 towns in this state shall forward nominations to the appointing elected
36 officials, providing at least three nominees for each position. These
37 nominees shall represent taxpayers or employers and may not be members of
38 the system.

39 4. One member who represents counties in this state and who is
40 appointed by the governor. An association representing county supervisors
41 in this state shall forward nominations to the governor, providing at
42 least three nominees for the position. These nominees shall represent
43 taxpayers or employers and may not be members of the system.

1 5. One member who is appointed by the governor from a list of three
2 nominees forwarded by the board. The board shall select the nominees to
3 forward to the governor from a list of at least five nominees received
4 from the advisory committee.

5 B. Each appointment made pursuant to subsection A of this section
6 shall be chosen from the list of nominees provided to the appointing
7 elected official. For any appointment made by the governor pursuant to
8 subsection A of this section, before appointment by the governor, a
9 prospective member of the board shall submit a full set of fingerprints to
10 the governor for the purpose of obtaining a state and federal criminal
11 records check pursuant to section 41-1750 and Public Law 92-544. The
12 department of public safety may exchange this fingerprint data with the
13 federal bureau of investigation. A board member may be reappointed.
14 Notwithstanding section 38-295, a board member may be removed from office
15 only for cause by the appointing power or because the board member has
16 vacated the member's seat on the board. A board member who is removed for
17 cause shall be provided written notice and an opportunity for a response.
18 The appointing power may remove a board member based on written findings
19 that specify the reason for removal. Any vacancy that occurs other than
20 by expiration of a term shall be filled for the balance of the term. All
21 vacancies shall be filled in the same manner as the initial appointment.
22 A board member vacates the office if the member either:

23 1. Is absent without excuse from three consecutive regular meetings
24 of the board.

25 2. Resigns, dies or becomes unable to perform board member duties.

26 C. The members of the board who are appointed pursuant to
27 subsection A of this section and who are not members of the system shall
28 be independent, qualified professionals who are responsible for the
29 performance of fiduciary duties and other responsibilities required to
30 preserve and protect the fund and shall have at least ten years'
31 substantial experience as any one or a combination of the following:

32 1. A portfolio manager acting in a fiduciary capacity.

33 2. A securities analyst.

34 3. A senior executive or principal of a trust institution,
35 investment organization or endowment fund acting either in a management or
36 an investment-related capacity.

37 4. A chartered financial analyst in good standing as determined by
38 the chartered financial analyst institute.

39 5. A current or former professor or instructor at the college or
40 university level in the field of economics, finance, actuarial science,
41 accounting or pension-related subjects.

42 6. An economist.

43 7. Any other senior executive engaged in the field of public or
44 private finances or with experience with public pension systems.

1 8. A senior executive in insurance, banking, underwriting,
2 auditing, human resources or risk management.

3 D. All monies in the fund shall be deposited and held in a public
4 safety personnel retirement system depository. Monies in the fund shall
5 be disbursed from the depository separate and apart from all monies or
6 funds of this state and the agencies, instrumentalities and subdivisions
7 of this state, except that the board may commingle the assets of the fund
8 and the assets of all other plans entrusted to its management in one or
9 more group trusts, subject to the crediting of receipts and earnings and
10 charging of payments to the appropriate employer, system or plan. The
11 monies shall be secured by the depository in which they are deposited and
12 held to the same extent and in the same manner as required by the general
13 depository law of this state. For purposes of making the decision to
14 invest in securities owned by the fund or any plan or trust administered
15 by the board, the fund and assets of the plans and the plans' trusts are
16 subject to the sole management of the board for the purpose of this
17 article except that, on the board's election to invest in a particular
18 security or make a particular investment, the assets comprising the
19 security or investment may be chosen and managed by third parties approved
20 by the board. The board may invest in portfolios of securities chosen and
21 managed by a third party. The board's decision to invest in securities
22 such as mutual funds, commingled investment funds, exchange traded funds,
23 private equity or venture capital limited partnerships, real estate
24 limited partnerships or limited liability companies and real estate
25 investment trusts whose assets are chosen and managed by third parties is
26 not an improper delegation of the board's investment authority.

27 E. All contributions under this system and other retirement plans
28 that the board administers shall be forwarded to the board and shall be
29 held, invested and reinvested by the board as provided in this article.
30 All property and monies of the fund and other retirement plans that the
31 board administers, including income from investments and from all other
32 sources, shall be retained for the exclusive benefit of members, as
33 provided in the system and other retirement plans that the board
34 administers, and shall be used to pay benefits to members or their
35 beneficiaries or to pay expenses of operation and administration of the
36 system and fund and other retirement plans that the board administers.

37 F. The board shall have the full power in its sole discretion to
38 invest and reinvest, alter and change the monies accumulated under the
39 system and other retirement plans and trusts that the board administers as
40 provided in this article. In addition to its power to make investments
41 managed by others, the board may delegate the authority the board deems
42 necessary and prudent to investment management pursuant to section
43 38-848.03, as well as to the administrator, employed by the board pursuant
44 to subsection M, paragraph 6 of this section, and any deputy or assistant
45 administrators to invest the monies of the system and other retirement

1 plans and trusts that the board administers if the administrator,
2 investment management and any deputy or assistant administrators follow
3 the investment policies that are adopted by the board. The board may
4 commingle securities and monies of the fund, the elected officials'
5 retirement plan, the corrections officer retirement plan and other plans
6 or monies entrusted to its care, subject to the crediting of receipts and
7 earnings and charging of payments to the account of the appropriate
8 employer, system or plan. In making every investment, the board shall
9 exercise the judgment and care under the circumstances then prevailing
10 that persons of ordinary prudence, discretion and intelligence exercise in
11 the management of their own affairs, not in regard to speculation but in
12 regard to the permanent disposition of their funds, considering the
13 probable income from their funds as well as the probable safety of their
14 capital, if:

15 1. Not more than eighty percent of the combined assets of the
16 system or other plans that the board manages is invested at any given time
17 in corporate stocks, based on the cost value of the stocks irrespective of
18 capital appreciation.

19 2. Not more than five percent of the combined assets of the system
20 or other plans that the board manages is invested in corporate stock
21 issued by any one corporation, other than corporate stock issued by
22 corporations chartered by the United States government or corporate stock
23 issued by a bank or insurance company.

24 3. Not more than five percent of the voting stock of any one
25 corporation is owned by the system and other plans that the board
26 administers, except that this limitation does not apply to membership
27 interests in limited liability companies.

28 4. Corporate stocks and exchange traded funds eligible for direct
29 purchase are restricted to stocks and exchange traded funds that, except
30 for bank stocks, insurance stocks, stocks acquired for coinvestment in
31 connection with the system's or the plans' or trusts' commingled
32 investments and interests in limited liability companies and mutual funds,
33 are any of the following:

34 (a) Listed or approved on issuance for listing on an exchange
35 registered under the securities exchange act of 1934, as amended
36 (15 United States Code sections 78a through 78pp).

37 (b) Designated or approved on notice of issuance for designation on
38 the national market system of a national securities association registered
39 under the securities exchange act of 1934, as amended (15 United States
40 Code sections 78a through 78pp).

41 (c) Listed or approved on issuance for listing on an exchange
42 registered under the laws of this state or any other state.

43 (d) Listed or approved on issuance for listing on an exchange of a
44 foreign country with which the United States is maintaining diplomatic
45 relations at the time of purchase, except that not more than twenty

1 percent of the combined assets of the system and other plans that the
2 board manages is invested in foreign securities, based on the cost value
3 of the stocks irrespective of capital appreciation.

4 (e) An exchange traded fund that is recommended by the chief
5 investment officer of the system, that is registered under the investment
6 company act of 1940 (15 United States Code sections 80a-1 through 80a-64)
7 and that is both traded on a public exchange and based on a publicly
8 recognized index.

9 G. Notwithstanding any other law, the board is not required to
10 invest in any type of investment that is dictated or required by any
11 entity of the federal government and that is intended to fund economic
12 development projects, public works or social programs, but may consider
13 such economically targeted investments pursuant to its fiduciary
14 responsibility. The board, on behalf of the system and all other plans or
15 trusts the board administers, may invest in, lend monies to or guarantee
16 the repayment of monies by a limited liability company, limited
17 partnership, joint venture, partnership, limited liability partnership or
18 trust in which the system and plans or trusts have a financial interest,
19 whether the entity is closely held or publicly traded and that, in turn,
20 may be engaged in any lawful activity, including venture capital, private
21 equity, the ownership, development, management, improvement or operation
22 of real property and any improvements or businesses on real property or
23 the lending of monies.

24 H. Conference call meetings of the board that are held for
25 investment purposes only are not subject to chapter 3, article 3.1 of this
26 title, except that the board shall maintain minutes of these conference
27 call meetings and make them available for public inspection within
28 twenty-four hours after the meeting. The board shall review the minutes
29 of each conference call meeting and shall ratify all legal actions taken
30 during each conference call meeting at the next scheduled meeting of the
31 board.

32 I. The board is not liable for the exercise of more than ordinary
33 care and prudence in the selection of investments and performance of its
34 duties under the system and is not limited to so-called "legal investments
35 for trustees", but all monies of the system and other plans that the board
36 administers shall be invested subject to all of the conditions,
37 limitations and restrictions imposed by law.

38 J. Except as provided in subsection F of this section, the board
39 may:

40 1. Invest and reinvest the principal and income of all assets that
41 the board manages without distinction between principal and income.

42 2. Sell, exchange, convey, transfer or otherwise dispose of any
43 investments made on behalf of the system or other plans the board
44 administers in the name of the system or plans by private contract or at
45 public auction.

1 3. Also:

2 (a) Vote on any stocks, bonds or other securities.

3 (b) Give general or special proxies or powers of attorney with or
4 without power of substitution.

5 (c) Exercise any conversion privileges, subscription rights or
6 other options and make any payments incidental to the exercise of the
7 conversion privileges, subscription rights or other options.

8 (d) Consent to or otherwise participate in corporate
9 reorganizations or other changes affecting corporate securities, delegate
10 discretionary powers and pay any assessments or charges in connection
11 therewith.

12 (e) Generally exercise any of the powers of an owner with respect
13 to stocks, bonds, securities or other investments held in or owned by the
14 system or other plans whose assets the board administers.

15 4. Make, execute, acknowledge and deliver any other instruments
16 that may be necessary or appropriate to carry out the powers granted in
17 this section.

18 5. Register any investment held by the system or other plans whose
19 assets the board administers in the name of the system or plan or in the
20 name of a nominee or trust.

21 6. At the expense of the system or other plans that the board
22 administers, enter into an agreement with any bank or banks for the
23 safekeeping and handling of securities and other investments coming into
24 the possession of the board. The agreement shall be entered into under
25 terms and conditions that secure the proper safeguarding, inventory,
26 withdrawal and handling of the securities and other investments. Access
27 to and deposit or withdrawal of the securities from any place of deposit
28 selected by the board is not allowed and may not be made except as the
29 terms of the agreement provide.

30 7. Appear before local boards and the courts of this state and
31 political subdivisions of this state through counsel or an appointed
32 representative to protect the fund or the assets of other plans that the
33 board administers. The board is not responsible for the actions or
34 omissions of the local boards under this system but may seek a review or
35 rehearing of actions or omissions of local boards. The board does not
36 have a duty to review actions of the local boards but may do so in its
37 discretion in order to protect the fund. A limitation period does not
38 prohibit the board or administrator from contesting or require the board
39 or administrator to implement or comply with a local board decision that
40 violates the internal revenue code or that threatens to impair the
41 tax-qualified status of the system or any plan administered by the board
42 or administrator.

1 8. Empower the fund administrator to take actions on behalf of the
2 board that are necessary for the protection and administration of the fund
3 or the assets of other plans that the board administers pursuant to the
4 guidelines of the board.

5 9. Do all acts, whether or not expressly authorized, that may be
6 deemed necessary or proper for the protection of the investments held in
7 the fund or owned by other plans or trusts that the board administers.

8 10. Settle threatened or actual litigation against any system or
9 plan that the board administers.

10 K. Investment expenses and operation and administrative expenses of
11 the board shall be accounted for separately and allocated against
12 investment income.

13 L. The board, as soon as possible within a period of six months
14 following the close of any fiscal year, shall transmit to the governor and
15 the legislature a comprehensive annual financial report on the operation
16 of the system and other plans that the board administers that contains,
17 among other things:

18 1. A balance sheet.

19 2. A statement of income and expenditures for the year.

20 3. A report on an actuarial valuation of its assets and
21 liabilities.

22 4. A list of investments owned.

23 5. The total rate of return, yield on cost, and ~~percent~~ PERCENTAGE
24 of cost to market value of the fund and the assets of other plans that the
25 board administers.

26 6. Any other statistical and financial data that may be necessary
27 for the proper understanding of the financial condition of the system and
28 other plans that the board administers and the results of their
29 operations. A synopsis of the annual report shall be published for the
30 information of members of the system, the elected officials' retirement
31 plan or the corrections officer retirement plan.

32 7. An analysis of the long-term level percent of employer
33 contributions and compensation structure and whether the funding
34 methodology is sufficient to pay one hundred percent of the unfunded
35 accrued liability under the elected officials' retirement plan.

36 8. An estimate of the aggregate employer contribution rate for the
37 public safety personnel retirement system for the next ten fiscal years
38 and an estimate of the aggregate employer contribution rate for the
39 corrections officer retirement plan for the next ten fiscal years.

40 9. An estimate of the employer contribution rates for the next ten
41 fiscal years for each of the following employers within the public safety
42 personnel retirement system:

43 (a) Department of liquor licenses and control.

44 (b) Department of public safety.

45 (c) Northern Arizona university.

- 1 (d) University of Arizona.
- 2 (e) Arizona state university.
- 3 (f) Arizona game and fish department.
- 4 (g) Department of law.
- 5 (h) Department of emergency and military affairs.
- 6 (i) Arizona state parks board.
- 7 10. An estimate of the employer contribution rates for the next ten
- 8 fiscal years for each of the following employers within the corrections
- 9 officer retirement plan:
 - 10 (a) State department of corrections.
 - 11 (b) Department of public safety.
 - 12 (c) The judiciary.
 - 13 (d) Department of juvenile corrections.
- 14 11. An estimate of the aggregate fees paid for private equity
- 15 investments, including management fees and performance fees.
- 16 M. The board shall:
 - 17 1. Maintain the accounts of the system and other plans that the
 - 18 board administers and issue statements to each employer annually and to
 - 19 each member who requests a statement.
 - 20 2. Report the results of the actuarial valuations to the local
 - 21 boards and employers.
 - 22 3. Contract on a fee basis with an independent investment counsel
 - 23 to advise the board in the investment management of the fund and assets of
 - 24 other plans that the board administers and with an independent auditing
 - 25 firm to audit the board's accounting.
 - 26 4. ~~Permit~~ ALLOW the auditor general to make an annual audit and
 - 27 transmit the results to the governor and the legislature.
 - 28 5. Contract on a fee basis with an actuary who shall make actuarial
 - 29 valuations of the system and other plans that the board administers, be
 - 30 the technical adviser of the board on matters regarding the operation of
 - 31 the funds created by the provisions of the system, the elected officials'
 - 32 retirement plan, the corrections officer retirement plan and the public
 - 33 safety cancer insurance policy program and perform other duties required
 - 34 in connection therewith. The actuary must be a member of a nationally
 - 35 recognized association or society of actuaries.
 - 36 6. Employ, as administrator, a person, state department or other
 - 37 body to serve at the pleasure of the board.
 - 38 7. Establish procedures and guidelines for contracts with
 - 39 actuaries, auditors, investment counsel and legal counsel and for
 - 40 safeguarding of securities.
- 41 N. The administrator, under the direction of the board, shall:
 - 42 1. Administer this article.
 - 43 2. Be responsible for the recruitment, hiring and day-to-day
 - 44 management of employees.

1 3. Invest the monies of the system and other plans that the board
2 administers as the board deems necessary and prudent as provided in
3 subsections F and J of this section and subject to the investment policies
4 and fund objectives adopted by the board.

5 4. Establish and maintain an adequate system of accounts and
6 records for the system and other plans that the board administers, which
7 shall be integrated with the accounts, records and procedures of the
8 employers so that the system and other plans that the board administers
9 operate most effectively and at minimum expense and that duplication of
10 records and accounts is avoided.

11 5. In accordance with the board's governance policy and procedures
12 and the budget adopted by the board, hire employees and services the
13 administrator deems necessary and prescribe their duties, including the
14 hiring of one or more deputy or assistant administrators to manage the
15 system's operations, investments and legal affairs.

16 6. Be responsible for income, the collection of the income and the
17 accuracy of all expenditures.

18 7. Recommend to the board annual contracts for the system's
19 actuary, auditor, investment counsel, legal counsel and safeguarding of
20 securities.

21 8. Perform additional duties and powers prescribed by the board and
22 delegated to the administrator.

23 0. The system is an independent trust fund and the board is not
24 subject to title 41, chapter 6. Contracts for goods and services approved
25 by the board are not subject to title 41, chapter 23. As an independent
26 trust fund whose assets are separate and apart from all other funds of
27 this state, the system and the board are not subject to the restrictions
28 prescribed in section 35-154 or article IX, sections 5 and 8, Constitution
29 of Arizona. Loans, guarantees, investment management agreements and
30 investment contracts that are entered into by the board are contracts
31 memorializing obligations or interests in securities that the board has
32 concluded, after thorough due diligence, do not involve investments in
33 Sudan or Iran or otherwise provide support to terrorists or in any way
34 facilitate illegal immigration into the United States. These contracts do
35 not involve the procurement, supply or provision of goods, equipment,
36 labor, materials or services that would require the warranties required by
37 section 41-4401.

38 P. The board, the administrator, the deputy or assistant
39 administrators and all persons employed by them are subject to title 41,
40 chapter 4, article 4. The administrator, deputy or assistant
41 administrators and other employees of the board are entitled to receive
42 compensation pursuant to section 38-611.

43 Q. In consultation with the director of the department of
44 administration, the board may enter into employment agreements and

1 establish the terms of those agreements with persons holding any of the
2 following system positions:

- 3 1. Administrator.
- 4 2. Deputy or assistant administrator.
- 5 3. Chief investment officer.
- 6 4. Deputy chief investment officer.
- 7 5. Fiduciary or investment counsel.

8 R. The attorney general or an attorney approved by the attorney
9 general and paid by the fund is the attorney for the board and shall
10 represent the board in any legal proceeding or forum that the board deems
11 appropriate. The board, administrator, deputy or assistant administrators
12 and employees of the board are not personally liable for any acts done in
13 their official capacity in good faith reliance on the written opinions of
14 the board's attorney.

15 S. At least once in each five-year period after the effective date,
16 the actuary shall make an actuarial investigation into the mortality,
17 service and compensation experience of the members and beneficiaries of
18 the system and other plans that the board administers and shall make a
19 special valuation of the assets and liabilities of the monies of the
20 system and plans. Taking into account the results of the investigation
21 and special valuation, the board shall adopt for the system and other
22 plans that the board administers those mortality, service and other tables
23 deemed necessary.

24 T. On the basis of the tables the board adopts, the actuary shall
25 make a valuation of the assets and liabilities of the funds of the system
26 and other plans that the board administers at least every year. By
27 November 1 of each year the board shall provide a preliminary report and
28 by December ~~31~~ 1 of each year provide a final report to the governor, the
29 speaker of the house of representatives and the president of the senate on
30 the contribution rate for the ensuing fiscal year.

31 U. Neither the board nor any member or employee of the board shall
32 directly or indirectly, for ~~himself~~ THE BOARD, THE MEMBER OR THE EMPLOYEE
33 or as an agent, in any manner use the monies or deposits of the fund
34 except to make current and necessary payments, nor shall the board or any
35 member or employee become an endorser or surety or in any manner an
36 obligor for monies loaned by or borrowed from the fund or the assets of
37 any other plans that the board administers.

38 V. Financial or commercial information that is provided to the
39 board, employees of the board and attorneys of the board in connection
40 with investments in which the board has invested or investments the board
41 has considered for investment is confidential, proprietary and not a
42 public record if the information is information that would customarily not
43 be released to the public by the person or entity from whom the
44 information was obtained.

1 W. A person who is a dealer as defined in section 44-1801 and who
2 is involved in securities or investments related to the board's
3 investments is not eligible to serve on the board.

4 X. The public safety personnel retirement system advisory committee
5 is established and shall serve as a liaison between the board and the
6 members and employers of the system. The committee shall be appointed by
7 the chairperson of the board from names submitted to the chairperson by
8 associations representing law enforcement, firefighters, state government,
9 counties, cities and towns and tribal governments. The committee shall
10 select a chairperson from among its members each calendar year. The
11 committee shall consist of the following ten members:

- 12 1. A member who is a law enforcement officer.
- 13 2. A member who is a firefighter.
- 14 3. A member of the elected officials' retirement plan.
- 15 4. A member of the corrections officer retirement plan.
- 16 5. A retiree from the public safety personnel retirement system.
- 17 6. A representative from a city or town in this state.
- 18 7. A representative from a county in this state.
- 19 8. A representative from a fire district in this state.
- 20 9. A representative from a state employer.
- 21 10. A representative from a tribal government located in this
22 state.

23 Sec. 16. Section 38-848.02, Arizona Revised Statutes, is amended to
24 read:

25 38-848.02. Board of trustees; report on employer and employee
26 costs; posting funding ratio

27 A. On or before December ~~31~~ 1 of each year, the board of trustees
28 shall provide to the legislature and the joint legislative budget
29 committee and shall post on its website the shared cost structure of
30 employees and employers, the funding status and the rate of return. The
31 report to the legislature shall include when the trigger to the reduction
32 in the employee rates is being met.

33 B. The board of trustees shall post on its website for each plan
34 the board administers each employer's funding ratio.

35 Sec. 17. Section 38-866, Arizona Revised Statutes, is amended to
36 read:

37 38-866. Defined contribution plan design; purpose; powers and
38 duties of the board; administration; annual report

39 A. The board shall establish, design and administer a defined
40 contribution plan to provide for the retirement of specified participants
41 beginning July 1, 2017.

42 B. The purpose of this article is to provide a defined contribution
43 plan that is fully funded on a current basis from employer and participant
44 contributions.

1 C. The legislature intends that the defined contribution plan for
2 participants under this article be designed to be a qualified governmental
3 plan under section 401(a) of the internal revenue code, as amended, or
4 successor provisions of law, and be exempt from taxation under section 501
5 of the internal revenue code. The board may adopt any additional
6 provision to the defined contribution plan that is necessary to fulfill
7 this intent. Consistent with this intent, the board may submit to the
8 internal revenue service a request for a determination letter that the
9 defined contribution plan is a plan qualified under section 401(a) of the
10 internal revenue code and a private letter ruling that all participant
11 contributions that are picked up by the employer as provided in section
12 38-867 shall be treated as employer contributions pursuant to section
13 414(h) of the internal revenue code.

14 D. The board shall:

15 1. Enter into a contract with a provider or providers to provide
16 retirement plan investments, plan administration and services to
17 participants in the defined contribution plan. The plan shall provide for
18 appropriate long-term retirement-oriented investments and shall include
19 both fixed and variable deferred annuity options. The board shall
20 consider all of the following when determining a company with which to
21 contract:

22 (a) The financial stability of the company and the ability of the
23 company to provide the contracted rights and benefits to the participants.

24 (b) The cost of the investments, plan administration and services
25 to the participants.

26 (c) The experience of the company in providing defined contribution
27 retirement plans in lieu of defined benefit plan participation to public
28 employees.

29 (d) The experience of the company in paying retirement income to
30 public employees.

31 (e) The experience of the company in providing plan education,
32 counseling and advice to participants in public employee retirement plans
33 that are offered in lieu of state defined benefit plan participation.

34 2. Require under a contract that a provider provide education,
35 counseling and objective participant-specific plan advice to participants.
36 Any participant-specific advice and counseling shall be administered by a
37 federally registered investment advisor. The federally registered
38 investment advisor shall act as a fiduciary to participants and is
39 required to act in the participant's best interest.

40 3. Require under the contract that the defined contribution plan
41 include not less than five and not more than twenty-five predetermined
42 investment portfolio options to participants. The predetermined
43 investment portfolio options shall include options that reflect different
44 risk profiles and options that automatically reallocate and rebalance
45 contributions as a participant ages. In addition, the defined

1 contribution plan may ~~permit~~ ALLOW participants to construct investment
2 portfolios using some or all of the investment options comprising the
3 predetermined investment portfolio options.

4 4. Require under a contract that the defined contribution
5 retirement plan offer participants a menu of lifetime annuity options,
6 either fixed or variable or a combination of both.

7 E. The board may:

8 1. Employ other services it deems necessary, including legal
9 services, for the operation and administration of the defined contribution
10 plan.

11 2. Perform all acts, whether or not expressly authorized, that it
12 deems necessary and proper for the operation and protection of the plan.

13 F. The board shall adopt policies regarding the defined
14 contribution plan, including the administration of the participant and
15 employer contributions, investment options, termination of participation
16 in the defined contribution plan, administration of the payout options
17 under the defined contribution plan and administration of the participant
18 distributions.

19 G. The board shall participate in a competitive bid process at
20 least once every five years to contract with a private person or any
21 qualified company or companies to administer the defined contribution plan
22 established pursuant to this article.

23 H. Any contract for a third-party administrator of the defined
24 contribution plan shall include competitive fees and provisions requiring
25 quarterly meetings with the system, annual updates to the board on the
26 status of the defined contribution plan and quarterly statements to each
27 participant. On or before December ~~31~~ 1 of each year, the board shall
28 report the status of the defined contribution plan to the governor, the
29 president of the senate, the speaker of the house of representatives and
30 the joint legislative budget committee.

31 Sec. 18. Section 38-883, Arizona Revised Statutes, is amended to
32 read:

33 38-883. Board of trustees; powers and duties; reporting
34 requirements

35 A. The board shall:

36 1. Maintain records of the operation and administration of the plan
37 and fund.

38 2. Contract on a fee basis for an independent annual audit of the
39 accounting records of the plan and fund and file a copy of the audit
40 report with the auditor general.

41 3. Employ on a fee basis an independent firm of actuaries to
42 perform annual actuarial valuations for each participating employer of the
43 plan and fund based on an actuarial cost method and actuarial assumptions
44 recommended by the actuary and adopted by the board. The actuarial
45 valuations shall be performed by or under the direct supervision of an

1 actuary who is a member of the American academy of actuaries. By
2 November 1 of each year, the board shall provide a preliminary report and
3 by December ~~31~~ 1 of each year provide a final report to the governor, the
4 speaker of the house of representatives and the president of the senate on
5 the contribution rate for the ensuing fiscal year.

6 4. Invest and reinvest the monies and assets of the fund in
7 accordance with the investment provisions of the public safety personnel
8 retirement system. The board may commingle securities and monies of the
9 fund subject to the crediting of receipts and earnings and charging of
10 payments to the account of the appropriate employer.

11 5. Submit a detailed annual report of the operation and investment
12 performance of the plan and fund to the governor, the legislature and the
13 members of the plan. The board shall submit the annual report ~~no~~ NOT
14 later than six months after the end of the fiscal year to which it
15 pertains.

16 B. The board of trustees may:

17 1. Employ services it deems necessary, including legal services,
18 for the operation and administration of the plan and fund.

19 2. Utilize separate or commingled investment vehicles.

20 3. Delegate authority to the administrator employed pursuant to
21 section 38-848, subsection M, paragraph 6.

22 4. Appear before local boards and the courts and political
23 subdivisions of this state through counsel or appointed representatives to
24 protect the fund. The board of trustees is not responsible for the
25 actions or omissions of the local boards under this plan but may seek
26 review or a rehearing of actions or omissions of local boards. The board
27 of trustees does not have a duty to review actions of the local boards but
28 may do so, in its discretion, in order to protect the fund.

29 5. Perform all acts, whether or not expressly authorized, that it
30 deems necessary and proper for the protection of the plan and fund.

31 Sec. 19. Section 39-201, Arizona Revised Statutes, is amended to
32 read:

33 39-201. Definition of newspaper

34 ~~A.~~ In this chapter, unless the context otherwise requires,
35 "newspaper" means a publication regularly issued for dissemination of news
36 of a general and public character at stated short intervals of time. Such
37 publication shall be from a known office of publication and shall bear
38 dates of issue and be numbered consecutively. It shall not be designed
39 primarily for advertising, free circulation or circulation at nominal
40 rates, but shall have a bona fide list of paying subscribers.

41 ~~B. "Newspaper" shall not include a publication which has not been~~
42 ~~admitted under federal law as second-class matter in the United States~~
43 ~~mails for at least one year.~~

Sec. 20. Section 41-121.02, Arizona Revised Statutes, is amended to read:

41-121.02. Department of state

A. ~~There is established~~ The department of state, ~~which IS~~
ESTABLISHED AND shall be composed of the office of the secretary of state.

B. The secretary of state shall have charge of and direct the department of state.

C. Except as otherwise provided by law, employees of the department are subject to chapter 4, article 4 and, as applicable, articles 5 and 6 of this title.

D. Purchases and contracts for goods and services **IN THE AMOUNT OF \$150,000 OR LESS THAT ARE** entered into by the Arizona state library, archives and public records are exempt from chapter 23 of this title.

E. The Arizona state library, archives and public records is exempt from chapter 6 of this title.

Sec. 21. 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.

1 Sec. 22. Section 41-714, Arizona Revised Statutes, is amended to
2 read:

3 41-714. Automation projects fund; subaccounts; exemption;
4 annual report; purpose; joint legislative budget
5 committee review

6 A. The automation projects fund is established consisting of monies
7 appropriated by the legislature. The department of administration shall
8 administer the fund. Monies in the fund are subject to legislative
9 appropriation. The director shall establish a separate subaccount for
10 each agency that implements, upgrades or maintains automation and
11 information technology projects. Monies in each subaccount are subject to
12 legislative appropriation. Monies may not be transferred between agency
13 subaccounts. ~~Monies in the fund~~ AND are exempt from the provisions of
14 section 35-190 relating to lapsing of appropriations, EXCEPT THAT ON
15 COMPLETION OF AN AUTOMATION AND INFORMATION TECHNOLOGY PROJECT, ALL
16 UNEXPENDED AND UNENCUMBERED MONIES REMAINING IN THE SUBACCOUNT REVERT TO
17 THEIR FUND OF ORIGIN. ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE
18 DEPARTMENT SHALL SUBMIT A REPORT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE
19 ON EACH REVERSION MADE PURSUANT TO THIS SUBSECTION IN THE PRIOR FISCAL
20 YEAR.

21 B. Monies in the fund shall be used to implement, upgrade or
22 maintain automation and information technology projects for any state
23 agency.

24 C. Before the expenditure of any monies from the fund, the joint
25 legislative budget committee shall review the expenditure plan presented
26 by the department for the fiscal year in which the monies are to be spent.
27 The expenditure plan shall include the project cost, deliverables,
28 timeline for completion and method of procurement.

29 Sec. 23. Section 41-1033, Arizona Revised Statutes, as amended by
30 Laws 2021, chapter 340, section 1, is amended to read:

31 41-1033. Petition for a rule or review of an agency practice,
32 substantive policy statement, final rule or unduly
33 burdensome licensing requirement; notice

34 A. Any person may petition an agency to do either of the following:

- 35 1. Make, amend or repeal a final rule.
36 2. Review an existing agency practice or substantive policy
37 statement that the petitioner alleges to constitute a rule.

38 B. An agency shall prescribe the form of the petition and the
39 procedures for the petition's submission, consideration and disposition.
40 The person shall state on the petition the rulemaking to review or the
41 agency practice or substantive policy statement to consider revising,
42 repealing or making into a rule.

1 C. Not later than sixty days after submission of the petition, the
2 agency shall either:

3 1. Reject the petition and state its reasons in writing for
4 rejection to the petitioner.

5 2. Initiate rulemaking proceedings in accordance with this chapter.

6 3. If otherwise lawful, make a rule.

7 D. The agency's response to the petition is open to public
8 inspection.

9 E. If an agency rejects a petition pursuant to subsection C of this
10 section, the petitioner has thirty days to appeal to the council to review
11 whether the existing agency practice or substantive policy statement
12 constitutes a rule. The council chairperson shall place this appeal on
13 the agenda of the council's next meeting if at least three council members
14 make such a request of the council chairperson within two weeks after the
15 filing of the appeal.

16 F. A person may petition the council to request a review of a final
17 rule based on the person's belief that the final rule does not meet the
18 requirements prescribed in section 41-1030.

19 G. A person may petition the council to request a review of an
20 existing agency practice, substantive policy statement, final rule or
21 regulatory licensing requirement that the petitioner alleges is not
22 specifically authorized by statute, is unduly burdensome or is not
23 demonstrated to be necessary to specifically fulfill a public health,
24 safety or welfare concern. On receipt of a properly submitted petition
25 pursuant to this section, the council shall review the existing agency
26 practice, substantive policy statement, final rule or regulatory licensing
27 requirement as prescribed by this section. This subsection does not apply
28 to an individual or institution that is subject to title 36, chapter 4,
29 article 10 or chapter 20.

30 H. If the council receives information ~~contained in the petition~~
31 that indicates how an existing agency practice or substantive policy
32 statement may constitute a rule, that a final rule does not meet the
33 requirements prescribed in section 41-1030 or that an existing agency
34 practice, substantive policy statement, final rule or regulatory licensing
35 requirement does not meet the guidelines prescribed in subsection G of
36 this section and at least four council members request of the chairperson
37 that the matter be heard in a public meeting:

38 1. Within ninety days after receipt of the fourth council member's
39 request, the council shall determine whether ANY OF THE FOLLOWING APPLIES:

40 (a) The agency practice or substantive policy statement constitutes
41 a rule.

42 (b) The final rule meets the requirements prescribed in section
43 41-1030.

1 (c) An existing agency practice, substantive policy statement,
2 final rule or regulatory licensing requirement meets the guidelines
3 prescribed in subsection G of this section.

4 2. Within ten days after receipt of the fourth council member's
5 request, the council shall notify the agency that the matter has been or
6 will be placed on an agenda.

7 3. Not later than thirty days after receiving notice from the
8 council, the agency shall submit a statement to the council that addresses
9 whether ANY OF THE FOLLOWING APPLIES:

10 (a) The existing agency practice, substantive policy statement
11 constitutes a rule.

12 (b) The final rule meets the requirements prescribed in section
13 41-1030.

14 (c) An existing agency practice, substantive policy statement,
15 final rule or regulatory licensing requirement meets the guidelines
16 prescribed in subsection G of this section.

17 I. For the purposes of subsection H of this section, the council
18 meeting shall not be scheduled until the expiration of the agency response
19 period prescribed in subsection H, paragraph 3 of this section.

20 J. An agency practice, substantive policy statement, final rule or
21 regulatory licensing requirement considered by the council pursuant to
22 this section shall remain in effect while under consideration of the
23 council. If the council determines that the agency practice or
24 substantive policy statement constitutes a rule or that the final rule
25 does not meet the requirements prescribed in section 41-1030, the
26 practice, policy statement, rule or regulatory licensing requirement shall
27 be considered void. If the council determines that the existing agency
28 practice, substantive policy statement, final rule or regulatory licensing
29 requirement is unduly burdensome or is not demonstrated to be necessary to
30 specifically fulfill a public health, safety or welfare concern, the
31 council may modify, revise or declare void any such existing agency
32 practice, substantive policy statement, final rule or regulatory licensing
33 requirement.

34 K. A council decision pursuant to this section shall include
35 findings of fact and conclusions of law, separately stated. Conclusions
36 of law shall specifically address the agency's authority to act consistent
37 with section 41-1030.

38 L. A decision by the council pursuant to this section is not
39 subject to judicial review, except that, in addition to the procedure
40 prescribed in this section or in lieu of the procedure prescribed in this
41 section, a person may seek declaratory relief pursuant to section 41-1034.

42 M. Each agency and the secretary of state shall post prominently on
43 their websites notice of an individual's right to petition the council for
44 review pursuant to this section.

1 Sec. 24. Section 41-1277, Arizona Revised Statutes, is amended to
2 read:

3 41-1277. Joint legislative budget committee; annual report;
4 state debt and obligations; definitions

5 A. On or before January 31 of each year, the joint legislative
6 budget committee staff shall present to the appropriations committees of
7 the senate and the house of representatives a report on state debt and
8 obligations, including:

9 1. Outstanding general obligation bonds.
10 2. Long-term notes and obligations.
11 3. Certificates of participation and other obligations pursuant to
12 any lease-purchase agreements.

13 4. Revenue bonds.

14 5. Deferred rollover payment obligations.

15 B. The report shall contain, for the ~~most recent~~ NEXT fiscal year:

16 1. The statewide aggregate level of outstanding principal and the
17 principal and interest payments, by type of debt or obligation. ~~The~~
18 ~~report shall be based on data available from the searchable database~~
19 ~~required by section 18-304.~~

20 2. ~~AN~~ itemization, by budget unit, of the original due date of each
21 deferred payment for deferred rollover payment obligations, the amount of
22 interest paid to date due to the deferral and the amount of yearly
23 interest to be paid in the most recent and the next fiscal year due to the
24 deferral.

25 3. Information on per capita state debt and obligations.

26 4. Information on the ~~ten year~~ TEN-YEAR history of state debt and
27 obligations based on available data.

28 C. The report ~~and a link to the searchable database required by~~
29 ~~section 18-304~~ shall be posted on the joint legislative budget committee's
30 website, and a copy of the report shall be provided to any member of the
31 public who makes a request.

32 D. For the purposes of this section:

33 1. "Deferred rollover payment obligation" means an obligation to
34 make a payment in a fiscal year that was due in and deferred from a
35 previous fiscal year.

36 2. "State debt and obligations" means debt and obligations ~~whose~~
37 ~~FOR WHICH THE~~ principal or interest is paid with state funds.

38 Sec. 25. Section 41-1279.03, Arizona Revised Statutes, is amended
39 to read:

40 41-1279.03. Powers and duties

41 A. The auditor general shall:

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

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

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

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

24 5. Annually on or before the fourth Monday of December, prepare a
25 written report to the governor and to the committee that contains a
26 summary of activities for the previous fiscal year.

27 6. In the tenth year and in each fifth year thereafter in which a
28 transportation excise tax is in effect in a county as provided in section
29 42-6106 or 42-6107, conduct a performance audit that:

30 (a) Reviews past expenditures and future planned expenditures of
31 the transportation excise revenues and determines the impact of the
32 expenditures in solving transportation problems within the county and, for
33 a transportation excise tax in effect in a county as provided in section
34 42-6107, determines whether the expenditures of the transportation excise
35 revenues comply with section 28-6392, subsection B.

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

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

1 7. If requested by the committee, conduct performance audits of
2 counties and incorporated cities and towns receiving ARIZONA highway user
3 revenue fund monies pursuant to title 28, chapter 18, article 2 to
4 determine whether the monies are being spent as provided in section
5 28-6533, subsection B.

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

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

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

16 ~~10.~~ 11. Annually review per diem compensation and reimbursement of
17 expenses for employees of this state and members of a state board,
18 commission, council or advisory committee by judgmentally selecting
19 samples and evaluating the propriety of per diem compensation and expense
20 reimbursements.

21 B. The auditor general may:

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

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

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

32 D. The department of transportation, the board of supervisors of a
33 county that has approved a county transportation excise tax as provided in
34 section 42-6106 or 42-6107 and the governing bodies of counties, cities
35 and towns receiving ARIZONA highway user revenue fund monies shall
36 cooperate with and provide necessary information to the auditor general or
37 the auditor general's consultant.

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

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

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

4 Sec. 26. Title 41, chapter 8, article 1, Arizona Revised Statutes,
5 is amended by adding section 41-1306, to read:

6 41-1306. State capitol museum; management

7 THE DIRECTOR OF THE ARIZONA LEGISLATIVE COUNCIL SHALL DIRECT AND
8 MANAGE THE STATE CAPITOL MUSEUM.

9 Sec. 27. Section 41-151.24, Arizona Revised Statutes, is
10 transferred and renumbered for placement in title 41, chapter 8, article
11 1, Arizona Revised Statutes, as section 41-1307 and, as so renumbered, is
12 amended to read:

13 41-1307. Museum gift shop revolving fund; exemption

14 A. The museum gift shop revolving fund is established consisting of
15 gift shop proceeds received from the sale of goods, gifts, nonfederal
16 grants and donations. The director OF THE ARIZONA LEGISLATIVE COUNCIL
17 shall administer the fund. Monies in the fund are continuously
18 appropriated. The director shall use the monies in the fund to provide to
19 the public goods for sale that are reflective of the themes of the state
20 capitol museum and this state.

21 B. Monies in the fund are exempt from the provisions of section
22 35-190 relating to lapsing of appropriations.

23 Sec. 28. Section 41-1365, Arizona Revised Statutes, is amended to
24 read:

25 41-1365. State monument and memorial repair fund; purpose;
26 annual report; exemption

27 A. The state monument and memorial repair fund is established
28 consisting of:

29 1. Donations.

30 2. Monies from ~~fund-raising~~ FUNDRAISING activities.

31 3. Monies that are collected by the proponents of a monument or
32 memorial and that are deposited pursuant to section 41-1363.

33 4. Grants received for monuments or memorials, except for otherwise
34 specifically dedicated grants.

35 5. Legislative appropriations.

36 B. The department of administration shall administer the fund. All
37 monies in the fund are subject to legislative appropriation. Subject to
38 this section, the department shall use monies appropriated from the fund
39 ~~for~~ TO:

40 1. ~~The maintenance~~ ALTER, MODIFY, MAINTAIN, repair, ~~reconditioning~~
41 RECONDITION or ~~relocation of~~ RELOCATE monuments or memorials. ~~and for~~

42 2. ~~Supporting~~ SUPPORT mechanical equipment in the governmental
43 mall.

1 C. The department shall separately account for monies to a specific
2 monument or memorial that is dedicated to this state for ~~maintenance,~~
3 ~~repair~~ MAINTAINING, REPAIRING, reconditioning or ~~relocation of~~ RELOCATING
4 that monument or memorial as follows:

5 1. Monies that are donated for the benefit of the specific monument
6 or memorial.

7 2. Monies that are derived from ~~fund-raising~~ FUNDRAISING activities
8 and that are collected for the benefit of a specific monument or memorial.

9 3. Monies that are collected and deposited pursuant to subsection
10 A, paragraph 3 of this section.

11 D. On or before November 1 of each year, the department of
12 administration shall submit to the joint legislative budget committee a
13 report that accounts for all monies deposited in the fund. The report
14 shall include the sources of the monies received for deposit, by category,
15 and the purposes for which the monies were used during the preceding
16 fiscal year.

17 E. The department of administration shall hold the monies in the
18 fund in trust for the citizens of this state until spent on an authorized
19 monument or memorial, and monies in the fund shall not be spent or
20 appropriated for any other purpose.

21 F. Monies in the fund are exempt from the provisions of section
22 35-190 relating to lapsing of appropriations.

23 Sec. 29. Title 41, chapter 10, article 1, Arizona Revised Statutes,
24 is amended by adding section 41-1506.02, to read:

25 41-1506.02. Major events fund; purpose; report

26 A. THE MAJOR EVENTS FUND IS ESTABLISHED CONSISTING OF MONIES
27 APPROPRIATED TO THE FUND BY THE LEGISLATURE AND PRIVATE DONATIONS. THE
28 AUTHORITY SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY
29 APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING
30 TO LAPSING OF APPROPRIATIONS. MONIES IN THE FUND MAY BE USED:

31 1. TO SUPPORT THE PLANNING AND OPERATION OF THE COMPETITIVE BID
32 PROCESS FOR MAJOR EVENTS IN COORDINATION WITH THE OFFICE OF TOURISM,
33 DESTINATION MARKETING ORGANIZATIONS AND LOCAL ORGANIZING COMMITTEES.

34 2. TO NEGOTIATE AND MAKE GRANTS TO LOCAL ORGANIZING COMMITTEES OR
35 EQUIVALENT ORGANIZATIONS FOR THE OPERATING COSTS OF MAJOR EVENTS. MONIES
36 MAY NOT BE USED TO SUPPLANT ROUTINE OPERATING EXPENSES OF ANY POLITICAL
37 SUBDIVISION OF THIS STATE. THE GRANT FOR AN EVENT MAY NOT BE MORE THAN
38 TWENTY-FIVE PERCENT OF THE OPERATING EXPENDITURES REQUIRED UNDER THE EVENT
39 SUPPORT CONTRACT BETWEEN THE HOST ORGANIZATION AND THE LOCAL ORGANIZING
40 COMMITTEE OR EQUIVALENT ORGANIZATION.

41 3. FOR OTHER ECONOMIC DEVELOPMENT ACTIVITIES ASSOCIATED WITH MAJOR
42 EVENT OPERATIONS.

43 B. BEFORE AWARDING A GRANT PURSUANT TO SUBSECTION A, PARAGRAPH 2 OF
44 THIS SECTION, THE AUTHORITY SHALL PREPARE A WRITTEN STATEMENT SIGNED BY
45 THE CHIEF EXECUTIVE OFFICER THAT ASSESSES THE DIRECT ECONOMIC IMPACT OF

1 THE GRANT AND CONTAINS A FINDING THAT THE AWARD OF THE GRANT IS IN THE
2 BEST INTEREST OF THIS STATE.

3 C. THE AUTHORITY SHALL SUBMIT A SEMIANNUAL REPORT TO THE JOINT
4 LEGISLATIVE BUDGET COMMITTEE AND THE GOVERNOR'S OFFICE OF STRATEGIC
5 PLANNING AND BUDGETING ON OR BEFORE JULY 15 AND DECEMBER 15 OF EACH YEAR.
6 EACH REPORT SHALL INCLUDE, AT A MINIMUM, THE AMOUNT OF ACTUAL EXPENDITURES
7 FROM THE FUND BY PURPOSE AND AN EXPENDITURE PLAN FOR ALL REMAINING MONIES
8 BY PURPOSE.

9 Sec. 30. Title 41, Arizona Revised Statutes, is amended by adding
10 chapter 16, to read:

11 CHAPTER 16

12 STATE PERMITTING DASHBOARD

13 ARTICLE 1. GENERAL PROVISIONS

14 41-2101. Definitions

15 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

16 1. "AGENCY":

17 (a) MEANS ANY EXECUTIVE DEPARTMENT OF THIS STATE.

18 (b) DOES NOT INCLUDE THE CORPORATION COMMISSION.

19 2. "AUTHORIZATION" MEANS A LICENSE, PERMIT, APPROVAL, FINDING, LAND
20 USE PERMIT, DETERMINATION OR OTHER ADMINISTRATIVE DECISION THAT IS ISSUED
21 BY THIS STATE TO SITE, CONSTRUCT, RECONSTRUCT OR COMMENCE OPERATIONS OF AN
22 ELIGIBLE PROJECT THAT IS ADMINISTERED BY AN AGENCY.

23 3. "DIRECTOR" MEANS THE STATE PERMITTING DIRECTOR.

24 4. "ELIGIBLE PROJECT" MEANS AN ACTIVITY IN THIS STATE THAT REQUIRES
25 AUTHORIZATION BY AN AGENCY, THAT INVOLVES INFRASTRUCTURE CONSTRUCTION FOR
26 RENEWABLE OR CONVENTIONAL ENERGY PRODUCTION, ELECTRICITY TRANSMISSION,
27 MINING, LAND REVITALIZATION, SURFACE TRANSPORTATION, AVIATION, WATER
28 RESOURCE PROJECTS, WASTEWATER PROJECTS, BROADBAND, PIPELINES OR
29 MANUFACTURING OR ANY OTHER ACTIVITY AS DETERMINED BY THE DIRECTOR AND THAT
30 MEETS BOTH OF THE FOLLOWING:

31 (a) IS SUBJECT TO APPLICABLE STATE ENVIRONMENTAL LAWS, PERMITTING
32 REGULATIONS AND OTHER RELEVANT GOVERNMENT AUTHORIZATIONS, THE SIZE AND
33 COMPLEXITY OF WHICH WILL MAKE THE ELIGIBLE PROJECT BENEFIT FROM ENHANCED
34 OVERSIGHT AND COORDINATION.

35 (b) REQUIRES A TOTAL CONSTRUCTION INVESTMENT OF MORE THAN
36 \$25,000,000, OR IF THE TOTAL CONSTRUCTION INVESTMENT IS LESS THAN
37 \$25,000,000, THE DIRECTOR FINDS THAT OTHER FACTORS MAKE ENHANCED OVERSIGHT
38 AND COORDINATION BENEFICIAL TO THE ELIGIBLE PROJECT.

39 5. "PARTICIPATING PROJECT" MEANS AN ELIGIBLE PROJECT INCLUDED IN
40 THE PERMITTING DASHBOARD ESTABLISHED PURSUANT TO SECTION 41-2104.

41 6. "PERMITTING DASHBOARD" MEANS AN ONLINE TOOL FOR AGENCIES,
42 PROJECT DEVELOPERS AND INTERESTED MEMBERS OF THE PUBLIC TO TRACK
43 AUTHORIZATIONS BY AGENCIES FOR PARTICIPATING PROJECTS.

44 7. "PROJECT SPONSOR" MEANS THE ENTITY THAT UNDERTAKES AN ELIGIBLE
45 PROJECT.

1 41-2102. State permitting director

2 A. THE GOVERNOR SHALL APPOINT A STATE PERMITTING DIRECTOR TO
3 IMPLEMENT THIS CHAPTER.

4 B. AT THE REQUEST OF THE CHAIRPERSON OF THE JOINT LEGISLATIVE
5 BUDGET COMMITTEE, THE DIRECTOR SHALL APPEAR BEFORE THE JOINT LEGISLATIVE
6 BUDGET COMMITTEE TO REPORT ON FINDINGS FROM ADMINISTERING THE PERMITTING
7 DASHBOARD.

8 41-2103. Participating projects; notice; agency designation

9 A. A PROJECT SPONSOR OF AN ELIGIBLE PROJECT MAY SUBMIT TO THE
10 DIRECTOR A NOTICE THAT THE PROJECT SPONSOR IS INITIATING A PROPOSED
11 PROJECT. EACH NOTICE SHALL INCLUDE ALL OF THE FOLLOWING:

12 1. A STATEMENT OF THE PURPOSES AND OBJECTIVES OF THE PROPOSED
13 PROJECT.

14 2. A PROJECT DESCRIPTION WITH GEOGRAPHIC INFORMATION, INCLUDING THE
15 LOCATION OF THE PROPOSED PROJECT AND GEOSPATIAL INFORMATION.

16 3. A STATEMENT REGARDING THE TECHNICAL AND FINANCIAL ABILITY OF THE
17 PROJECT SPONSOR TO CONSTRUCT THE PROPOSED PROJECT.

18 4. A LIST OF AGENCIES THAT MAY REQUIRE AUTHORIZATIONS FOR
19 COMPLETION OF THE PROPOSED PROJECT.

20 5. A STATEMENT OF ANY AUTHORIZATION THAT IS ANTICIPATED TO BE
21 REQUIRED TO COMPLETE THE PROPOSED PROJECT.

22 6. AN ASSESSMENT THAT THE PROPOSED PROJECT MEETS THE DEFINITION OF
23 AN ELIGIBLE PROJECT UNDER THIS CHAPTER AND A STATEMENT OF REASONS
24 SUPPORTING THE ASSESSMENT.

25 B. NOT LATER THAN THIRTY DAYS AFTER RECEIVING THE NOTICE SPECIFIED
26 IN SUBSECTION A OF THIS SECTION, THE DIRECTOR SHALL DETERMINE WHETHER THE
27 PROPOSED PROJECT QUALIFIES AS AN ELIGIBLE PROJECT AND WHETHER TO INCLUDE
28 THE PROPOSED PROJECT AS A PARTICIPATING PROJECT.

29 C. NOT LATER THAN FORTY-FIVE DAYS AFTER THE DATE OF THE
30 DETERMINATION MADE IN SUBSECTION B OF THIS SECTION, EACH AGENCY IDENTIFIED
31 BY THE PROJECT SPONSOR SHALL SUBMIT TO THE DIRECTOR ALL ANTICIPATED
32 AUTHORIZATIONS REQUIRED FOR EACH PARTICIPATING PROJECT, INCLUDING BOTH OF
33 THE FOLLOWING:

34 1. THE STEPS REQUIRED BY THE PROJECT SPONSOR AND THE AGENCY TO
35 COMPLETE EACH AUTHORIZATION.

36 2. THE TARGET COMPLETION TIME FOR EACH STEP.

37 D. IF AN AGENCY REQUIRES AN AUTHORIZATION TO COMPLETE A
38 PARTICIPATING PROJECT THAT WAS NOT SUBMITTED PURSUANT TO SUBSECTION C OF
39 THIS SECTION, THE AGENCY SHALL PROVIDE TO THE DIRECTOR A WRITTEN STATEMENT
40 OF CAUSE FOR THE ADDITIONAL AUTHORIZATION.

41 E. EACH AGENCY IDENTIFIED BY THE PROJECT SPONSOR SHALL NOTIFY THE
42 DIRECTOR REGARDING ANY DECISION MADE THAT MATERIALLY AFFECTS THE STATUS OF
43 A PARTICIPATING PROJECT AND SHALL SUBMIT ANY SIGNIFICANT DOCUMENT
44 ASSOCIATED WITH THE DECISION AS ALLOWED BY STATE AND FEDERAL LAW.

1 F. AN AGENCY MAY NOT REQUIRE AN ELIGIBLE PROJECT TO PARTICIPATE IN
2 THE PERMITTING DASHBOARD.

3 41-2104. Permitting dashboard; permitting timetable

4 A. THE DIRECTOR SHALL ESTABLISH AND MAINTAIN AN ONLINE DATABASE TO
5 BE KNOWN AS THE PERMITTING DASHBOARD THAT DISPLAYS THE PROGRESS TO
6 COMPLETION FOR STATE AUTHORIZATIONS FOR PARTICIPATING PROJECTS. THE
7 PERMITTING DASHBOARD MUST INCLUDE A VISUAL INTERFACE THAT TRACKS THE
8 STATUS OF EACH AUTHORIZATION REQUIRED FOR PARTICIPATING PROJECTS.

9 B. THE DIRECTOR SHALL COORDINATE WITH THE DEPARTMENT OF
10 ENVIRONMENTAL QUALITY, DEPARTMENT OF TRANSPORTATION, STATE LAND
11 DEPARTMENT, DEPARTMENT OF WATER RESOURCES, ARIZONA COMMERCE AUTHORITY,
12 ARIZONA GAME AND FISH DEPARTMENT AND STATE HISTORIC PRESERVATION OFFICE
13 AND ANY OTHER AGENCY THAT REQUIRES AUTHORIZATION FOR A PARTICIPATING
14 PROJECT.

15 C. FOR EACH PARTICIPATING PROJECT THAT IS ADDED TO THE PERMITTING
16 DASHBOARD, THE DIRECTOR MAY DISPLAY ON THE PERMITTING DASHBOARD, TO THE
17 EXTENT CONSISTENT WITH APPLICABLE LAW, ALL OF THE FOLLOWING:

18 1. THE NOTICE SUBMITTED UNDER SECTION 41-2103, SUBSECTION A.

19 2. THE APPLICATION AND SUPPORTING DOCUMENTS, IF APPLICABLE, THAT
20 THE PROJECT SPONSOR HAS SUBMITTED FOR ANY REQUIRED AUTHORIZATION OR A
21 NOTICE EXPLAINING HOW THE PUBLIC MAY OBTAIN ACCESS TO THE DOCUMENTS IF THE
22 DOCUMENTS ARE NOT AVAILABLE ON THE WEBSITE.

23 3. A DESCRIPTION OF ANY DECISION MADE THAT MATERIALLY AFFECTS THE
24 STATUS OF A PARTICIPATING PROJECT.

25 4. A LIST OF ROLES AND RESPONSIBILITIES FOR ALL ENTITIES WITH
26 AUTHORIZATION RESPONSIBILITY FOR THE PARTICIPATING PROJECT.

27 5. A PERMITTING TIMETABLE THAT SETS FORTH A COMPREHENSIVE SCHEDULE
28 OF DATES BY WHICH ALL AUTHORIZATIONS AND, TO THE MAXIMUM EXTENT
29 PRACTICABLE, STATE PERMITS, REVIEWS AND APPROVALS WILL BE MADE.

30 6. THE COMPLETION STATUS OF THE AUTHORIZATION INCLUDED IN THE
31 PERMITTING TIMETABLE.

32 41-2105. State and local government coordination

33 TO INTEGRATE AUTHORIZATIONS, EACH AGENCY, TO THE MAXIMUM EXTENT
34 PRACTICABLE, SHALL CARRY OUT ITS OBLIGATIONS WITH RESPECT TO A
35 PARTICIPATING PROJECT UNDER ANY OTHER APPLICABLE LAW CONCURRENTLY AND IN
36 CONJUNCTION WITH OTHER AUTHORIZATIONS BEING CONDUCTED BY OTHER AGENCIES OR
37 LOCAL GOVERNMENTS UNLESS THE AGENCY DETERMINES THAT DOING SO WOULD IMPAIR
38 THE AGENCY'S ABILITY TO CARRY OUT ITS STATUTORY OBLIGATIONS.

39 41-2106. Dispute resolution; governor's regulatory review
40 council; rules

41 A. THE DIRECTOR, IN CONSULTATION WITH THE PROJECT SPONSOR AND ANY
42 RELEVANT AGENCY, AS NECESSARY, SHALL MEDIATE ANY DISPUTE RELATED TO THE
43 PERMITTING TIMETABLE.

1 B. IF A RESOLUTION FOR A DISPUTE IS NOT REACHED PURSUANT TO
2 SUBSECTION A OF THIS SECTION, THE DIRECTOR SHALL NOTIFY THE GOVERNOR'S
3 REGULATORY REVIEW COUNCIL AND REVIEW THE DISPUTE WITH THE DIRECTORS OF THE
4 RELEVANT AGENCY. WITHIN THIRTY DAYS AFTER THE DIRECTOR NOTIFIES THE
5 GOVERNOR'S REGULATORY REVIEW COUNCIL OF THE DISPUTE, THE GOVERNOR'S
6 REGULATORY REVIEW COUNCIL SHALL RECOMMEND A COURSE OF ACTION TO THE
7 DIRECTOR, AND THE DIRECTOR MAY REQUIRE AGENCY ACTION TO RESOLVE THE
8 DISPUTE.

9 C. THE GOVERNOR'S REGULATORY REVIEW COUNCIL MAY ADOPT RULES
10 REGARDING THE IMPLEMENTATION OF THIS SECTION.

11 Sec. 31. Delayed repeal

12 Title 41, chapter 16, Arizona Revised Statutes, as added by this
13 act, is repealed from and after December 31, 2028.

14 Sec. 32. Laws 2019, chapter 232, section 1 is amended to read:

15 Section 1. Study committee on missing and murdered indigenous
16 peoples; membership; duties; reports; delayed
17 repeal

18 A. The study committee on missing and murdered indigenous ~~women and~~
19 ~~girls~~ PEOPLES is established consisting of the following members:

20 1. ~~Four~~ THREE members of the house of representatives who are of
21 indigenous descent or who attend meetings and actively work on issues
22 relating to indigenous peoples. The speaker of the house of
23 representatives shall appoint these members. The appointed representatives
24 shall select by a majority vote one representative to serve as chairperson
25 of the study committee.

26 2. ~~Four~~ THREE members of the senate who are of indigenous descent
27 or who attend meetings and actively work on issues relating to indigenous
28 peoples. The president of the senate shall appoint these members. The
29 appointed senators shall select by a majority vote one senator to serve as
30 vice chairperson of the study committee.

31 3. The attorney general or the attorney general's designee.

32 4. The director of the department of public safety or the
33 director's designee.

34 5. The following members who are appointed by the speaker of the
35 house of representatives:

36 (a) One county attorney and one sheriff from a county with a
37 population of eight hundred fifty thousand persons or more.

38 (b) One victim advocate.

39 ~~(c) One peace officer who works and resides on a federally~~
40 ~~recognized American Indian reservation in this state.~~

41 ~~(d) One representative who is from the southwest indigenous women's~~
42 ~~coalition, a tribal statewide organization that provides advocacy for or~~
43 ~~counseling to indigenous women and girls who have been victims of~~
44 ~~violence.~~

1 ~~(e)~~ (c) One member who works with the Phoenix or Tucson Indian
2 center.

3 ~~(f)~~ (d) One member who works in the Phoenix area Indian health
4 services.

5 6. The following members who are appointed by the president of the
6 senate:

7 ~~(a) One county attorney and one sheriff from a county with a~~
8 ~~population of less than eight hundred fifty thousand persons.~~

9 ~~(b)~~ (a) One representative of a tribal government.

10 ~~(c) One chief of police who is from a tribal police department.~~

11 (b) ONE ATTORNEY GENERAL OR JUDGE FROM A TRIBAL JURISDICTION.

12 ~~(d)~~ (c) One social worker who works with a tribal, statewide or
13 local organization that provides services to indigenous ~~women and girls~~
14 PEOPLES.

15 ~~(e) One representative who works with a tribal, statewide or local~~
16 ~~organization that provides legal services to indigenous women and girls.~~

17 B. The study committee shall meet quarterly or more frequently as
18 the chairperson deems necessary.

19 C. Committee members are not eligible to receive compensation, but
20 members who are appointed by the governor are eligible for reimbursement
21 of expenses under title 38, chapter 4, article 2, Arizona Revised
22 Statutes.

23 D. The study committee shall:

24 1. Conduct a comprehensive study to determine how this state can
25 reduce and end violence against indigenous ~~women and girls~~ PEOPLES in this
26 state.

27 2. ~~Establish methods for tracking and collecting~~ CONTINUE TO WORK
28 WITH LAW ENFORCEMENT TO TRACK AND COLLECT data on violence against
29 indigenous ~~women and girls~~ PEOPLES, including data on missing and murdered
30 indigenous ~~women and girls~~ PEOPLES.

31 3. CONTINUE TO review policies and practices that impact violence
32 against indigenous ~~women and girls~~ PEOPLES, such as child welfare policies
33 and practices.

34 4. CONTINUE TO review prosecutorial trends and practices relating
35 to crimes of gender violence against indigenous ~~people~~ PEOPLES.

36 5. CONTINUE TO gather data on THE PREVALENCE AND CONTEXTUAL
37 CHARACTERISTICS OF violence against indigenous ~~women and girls in this~~
38 ~~state~~ PEOPLES, INCLUDING VARIATIONS BY GENDER, AGE AND SEXUAL IDENTITY.

39 ~~6. Determine the number of missing and murdered indigenous women~~
40 ~~and girls in this state.~~

41 ~~7. Identify barriers to providing more state resources in tracking~~
42 ~~violence against indigenous women and girls and reducing the incidences of~~
43 ~~violence.~~

1 ~~8.~~ 6. Propose measures to ensure access to culturally appropriate
2 victim services for indigenous ~~women and girls~~ PEOPLES who have been
3 victims of violence.

4 7. GATHER INFORMATION TO UNDERSTAND THE LIVED EXPERIENCES AMONG
5 INDIGENOUS PEOPLES SURROUNDING MISSING AND MURDERED INDIGENOUS PEOPLES IN
6 AN EFFORT TO ENSURE THAT POLICY RECOMMENDATIONS ARE CULTURALLY ACCURATE.

7 ~~9.~~ 8. Propose legislation to address issues identified by the
8 study committee.

9 ~~10.~~ 9. Submit a report regarding the study committee's activities
10 and recommendations for administrative or legislative action on or before
11 ~~November 1, 2020~~ DECEMBER 1, 2022, DECEMBER 1, 2023 AND DECEMBER 1, 2024
12 to the governor, the president of the senate and the speaker of the house
13 of representatives and provide a copy of ~~this report~~ THESE REPORTS to the
14 secretary of state.

15 E. This section is repealed from and after September 30, ~~2021~~ 2025.

16 Sec. 33. Attorney general; defense of state election laws;
17 secretary of state

18 A. The powers and duties of the secretary of state and attorney
19 general are prescribed by law pursuant to article V, section 9,
20 Constitution of Arizona. The legislature reaffirms that the legal defense
21 of state election laws and procedures is of statewide importance and
22 therefore the attorney general has the authority to defend such laws
23 pursuant to the legal authority established by the legislature. In any
24 disagreement between the attorney general and the secretary of state or
25 any other state official concerning the defense of a state election law,
26 the authority of the attorney general to defend the law is paramount. The
27 exercise of the attorney general's authority to defend state election laws
28 is not limited by the attorney general's advisory duties to any other
29 state officer or agency.

30 B. Except as otherwise provided in section 16-960, Arizona Revised
31 Statutes, in furtherance of the principles prescribed in subsection A of
32 this section and to clarify legislative intent, through January 2, 2023,
33 in any proceeding in which the validity of a state election law is
34 challenged, the attorney general speaks for this state and shall be
35 allowed to intervene on behalf of this state if the attorney general
36 determines, in the attorney general's sole discretion, that the
37 intervention is appropriate. The attorney general may intervene at any
38 stage of the proceeding, including to appeal or petition any decision,
39 regardless of whether any state agency, any political subdivision or any
40 officer or employee of this state or any state agency or political
41 subdivision is, or seeks to become, a party. Among state officials, the
42 attorney general has sole authority to direct the defense of the state
43 election law or laws being challenged.

1 Sec. 34. Unrestricted federal monies; essential government
2 services; retroactivity

3 A. Any unrestricted federal monies received by this state beginning
4 July 1, 2021 through June 30, 2022 shall be deposited in the state general
5 fund. The monies shall be used to pay essential governmental services.

6 B. This section applies retroactively to from and after June 30,
7 2021.

8 Sec. 35. Secretary of state; United States election
9 assistance commission request; forms

10 On or before December 31, 2021 and pursuant to the national voter
11 registration act of 1993 (P.L. 103-31; 107 Stat. 77; 52 United States Code
12 section 20505(a)(2)), the secretary of state shall submit to the United
13 States election assistance commission a request that the commission
14 include on the federal voter registration form this state's state-specific
15 instructions to provide proof of citizenship.

16 Sec. 36. Rental rates; state-owned buildings; fiscal year
17 2021-2022; exemptions

18 Notwithstanding section 41-792.01, subsection D, Arizona Revised
19 Statutes:

20 1. The capital outlay stabilization fund rental rates for
21 state-owned buildings in fiscal year 2021-2022 are \$17.87 per square foot
22 for office space and \$6.43 per square foot for storage space.

23 2. The department of administration may approve whole or partial
24 rent exemptions in fiscal year 2021-2022 without recommendation from the
25 joint committee on capital review. The department shall report to the
26 joint legislative budget staff on each proposed agency rent exemption
27 before approving the exemption.

28 Sec. 37. Budget stabilization fund; exceptions

29 Notwithstanding section 35-144, Arizona Revised Statutes, for fiscal
30 years 2021-2022, 2022-2023 and 2023-2024 the legislature is not required
31 to appropriate monies to or transfer monies from the budget stabilization
32 fund.

33 Sec. 38. COVID-related expenditures; reporting requirements;
34 intent

35 A. Before spending monies from the coronavirus state fiscal
36 recovery fund and the coronavirus capital projects fund as appropriated by
37 section 9901 of the American rescue plan act of 2021 (P.L. 117-2) in the
38 amount of \$10,000,000 or more for one designated purpose, the office of
39 the governor shall notify the president of the senate, the speaker of the
40 house of representatives, the chairpersons of the senate and house of
41 representatives appropriations committees and the director of the joint
42 legislative budget committee of the intended use of the monies.

43 B. Within thirty days after the last day of each calendar quarter
44 through June 30, 2024, the office of the governor shall report to the
45 president of the senate, the speaker of the house of representatives, the

1 chairpersons of the senate and house of representatives appropriations
2 committees and the director of the joint legislative budget committee the
3 actual expenditures from the coronavirus state fiscal recovery fund and
4 the coronavirus capital projects fund as appropriated by section 9901 of
5 the American rescue plan act of 2021 (P.L. 117-2).

6 C. Before spending monies allocated to the superintendent of public
7 instruction from the elementary and secondary school emergency relief fund
8 as appropriated by section 2001 of the American rescue plan act of 2021
9 (P.L. 117-2) in the amount of \$10,000,000 or more for one designated
10 purpose, the superintendent of public instruction shall notify the
11 president of the senate, the speaker of the house of representatives, the
12 chairpersons of the senate and house of representatives appropriations
13 committees and the director of the joint legislative budget committee of
14 the intended use of the monies.

15 D. Within thirty days after the last day of each calendar quarter
16 through June 30, 2024, the superintendent of public instruction shall
17 report to the president of the senate, the speaker of the house of
18 representatives, the chairpersons of the senate and house of
19 representatives appropriations committees and the director of the joint
20 legislative budget committee the actual expenditure of monies allocated to
21 the superintendent of public instruction from the elementary and secondary
22 school emergency relief fund as appropriated by section 2001 of the
23 American rescue plan act of 2021 (P.L. 117-2).

24 E. Before spending monies from the higher education emergency
25 relief fund as appropriated by section 2003 of the American rescue plan
26 act of 2021 (P.L. 117-2) in the amount of \$10,000,000 or more for one
27 designated purpose, the Arizona board of regents shall report to the
28 president of the senate, the speaker of the house of representatives, the
29 chairpersons of the senate and house of representatives appropriations
30 committees and the director of the joint legislative budget committee the
31 intended use of the monies by Arizona state university, the university of
32 Arizona, and northern Arizona university.

33 F. Within thirty days after the last day of each calendar quarter
34 through June 30, 2024, the Arizona board of regents shall report to the
35 president of the senate, the speaker of the house of representatives, the
36 chairpersons of the senate and house of representatives appropriations
37 committees and the director of the joint legislative budget committee the
38 actual expenditure of monies from the higher education emergency relief
39 fund as appropriated by section 2003 of the American rescue plan act of
40 2021 (P.L. 117-2) by Arizona state university, the university of Arizona,
41 and northern Arizona university.

42 G. Reports required pursuant to this section shall delineate
43 expenditures by agency and program and include descriptions of the purpose
44 of the expenditures.

1 H. The legislature intends that the executive branch of state
2 government report on its planned and actual use of any major additional
3 federal aid to the state of Arizona through federal legislation enacted by
4 the end of fiscal year 2021-2022. The timing and frequency of these
5 reports should be the same as required by subsections A through F of this
6 section. The chairman and vice chairman of the joint legislative budget
7 committee may provide recommendations to the executive branch concerning
8 federal legislation that would qualify under this subsection.

9 Sec. 39. COVID-19; mitigation; state preemption

10 Notwithstanding section 26-307, Arizona Revised Statutes, the
11 COVID-19 pandemic is a matter of statewide concern. A county, city or
12 town may not make or issue any order, rule, ordinance or regulation
13 related to mitigating the COVID-19 pandemic that impacts private
14 businesses, schools, churches or other private entities, including an
15 order, rule, ordinance or regulation that mandates using face coverings,
16 requires closing a business or imposes a curfew. A county, city or town
17 may set and enforce mitigation policies in a building that is owned by the
18 county, city or town.

19 Sec. 40. Advisory committee on the formation of a southern
20 Arizona regional sports authority; membership;
21 duties; report; delayed repeal

22 A. The advisory committee on the formation of a southern Arizona
23 regional sports authority is established consisting of the following
24 members:

25 1. Three members of the house of representatives who are appointed
26 by the speaker of the house of representatives, not more than two of whom
27 are members of the same political party. The speaker of the house of
28 representatives shall designate one of these members to serve as
29 cochairperson of the committee.

30 2. Three members of the senate who are appointed by the president
31 of the senate, not more than two of whom are members of the same political
32 party. The president of the senate shall designate one of these members
33 to serve as cochairperson of the committee.

34 3. Three public members who are appointed by the speaker of the
35 house of representatives and who are knowledgeable about regional sports
36 authorities, economic development and fiscal and other problems that
37 currently exist or may exist in the future as a result of the development
38 of a regional sports authority.

39 4. Three public members who are appointed by the president of the
40 senate and who are knowledgeable about regional sports authorities,
41 economic development and fiscal and other problems that currently exist or
42 may exist in the future as a result of the development of a regional
43 sports authority.

44 5. One member who is appointed by the governor.

1 B. The committee shall research and report on the economic
2 development and fiscal and related impacts of the formation of a southern
3 Arizona regional sports authority.

4 C. A majority of the members of the committee constitutes a quorum.
5 The committee shall meet at any place deemed necessary or convenient by
6 the cochairpersons.

7 D. The committee, in consultation with the office of tourism, may
8 employ a private group or outside professional to study the economic
9 development and fiscal and other problems that currently exist or may
10 exist in the future as a result of the development of a regional sports
11 authority.

12 E. On request of the committee, an agency of this state or a
13 political subdivision of this state shall provide the committee with its
14 services, equipment, documents, personnel and facilities to the extent
15 possible without cost to the committee.

16 F. On or before June 30, 2022, the committee shall submit a report
17 of its findings and recommendations to the governor, the president of the
18 senate and the speaker of the house of representatives and provide a copy
19 of this report to the secretary of state.

20 G. This section is repealed from and after September 30, 2023.

21 Sec. 41. Applicability

22 Section 5-576, Arizona Revised Statutes, as added by this act,
23 applies to any contract or other agreement entered into, amended or
24 extended on or after the effective date of this act.

25 Sec. 42. Exemption; department of public safety; body-worn
26 cameras; information technology authorization
27 committee

28 Notwithstanding title 18, chapter 1, Arizona Revised Statutes, and
29 related administrative rules, the amount appropriated in fiscal year
30 2021-2022 to the department of public safety for body cameras is exempt
31 from:

32 1. The requirements relating to review and approval by the
33 information technology authorization committee.

34 2. Independent third-party validation and verification
35 requirements.

36 3. Project investment justification reporting requirements.

37 Sec. 43. Exemption from rulemaking; liquor; delivery;
38 off-sale permits; leases

39 For the purposes of House Bill 2773, fifty-fifth legislature, first
40 regular session, as transmitted to the governor, the department of liquor
41 licenses and control is exempt from the rulemaking requirements of title
42 41, chapter 6, Arizona Revised Statutes, for one year after the effective
43 date of that act.

1 Sec. 44. Succession: state capitol museum: Arizona
2 legislative council

3 A. As provided by this act, the Arizona legislative council
4 succeeds to the authority, powers, duties and responsibilities of the
5 secretary of state regarding the state capitol museum.

6 B. This act does not alter the effect of any actions that were
7 taken or impair the valid obligations of the secretary of state regarding
8 the state capitol museum before the effective date of this act.

9 C. All administrative matters, contracts and judicial and
10 quasi-judicial actions, whether completed, pending or in process, of the
11 secretary of state regarding the state capitol museum on the effective
12 date of this act are transferred to and retain the same status with the
13 Arizona legislative council.

14 D. All certificates, licenses, registrations, permits and other
15 indicia of qualification and authority that were issued by the secretary
16 of state regarding the state capitol museum retain their validity for the
17 duration of their terms of validity as provided by law.

18 E. All equipment, records, furnishings and other property, all data
19 and investigative findings, all obligations and all appropriated monies
20 that remain unexpended and unencumbered on the effective date of this act
21 of the secretary of state regarding the state capitol museum are
22 transferred to the Arizona legislative council.

23 F. All personnel who are employed by the secretary of state
24 regarding the state capitol museum are transferred to comparable positions
25 in the respective administrative units of the Arizona legislative council
26 on the effective date of this act.

27 Sec. 45. Permitting dashboard; report

28 On or before December 1, 2023, the director as defined in section
29 41-2101, Arizona Revised Statutes, as added by this act, shall submit a
30 report of findings from administering the permitting dashboard, including
31 authorization completion times by agency, permitting completion times for
32 participating projects and frequency of statements of cause for additional
33 authorizations. The director shall submit this report to the governor,
34 the president of the senate, the speaker of the house of representatives,
35 and the chairpersons of the senate appropriations committee, the senate
36 natural resources, energy and water committee, the house of
37 representatives appropriations committee and the house of representatives
38 natural resources, energy and water committee, or their successor
39 committees, and shall provide a copy of this report to the secretary of
40 state and the joint legislative budget committee.

41 Sec. 46. State permitting director

42 The state permitting director position established by section
43 41-2102, Arizona Revised Statutes, as added by this act, does not result
44 in an additional full-time equivalent position. The state permitting

1 director position is included in the full-time equivalent positions in the
2 office of the governor as of the effective date of this act.

3 Sec. 47. Special committee on the election audit; duties;
4 delayed repeal

5 A. The special committee on the election audit is established
6 consisting of the members of the senate government committee.

7 B. The special committee shall:

8 1. Receive and review the findings of the senate audit of the 2020
9 general election in Maricopa county.

10 2. Recommend to the president of the senate the appropriate
11 legislative action based on the findings of the audit, including a call
12 for a special session of the legislature to implement the special
13 committee's recommendations.

14 C. This section is repealed from and after December 31, 2021.

15 Sec. 48. Appropriation; election integrity fund; exemption

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

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

22 Sec. 49. Appropriation; unreported in-kind political
23 contributions task force fund

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

28 Sec. 50. Appropriation; auditor general; exemption

29 A. The sum of \$500,000 is appropriated from the state general fund
30 in fiscal year 2021-2022 to the auditor general for the purposes
31 prescribed by section 41-1279.03, subsection A, paragraph 10, Arizona
32 Revised Statutes, as added by this act.

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

36 Sec. 51. Termination of condominium; exception

37 Notwithstanding section 33-1228, Arizona Revised Statutes, until
38 from and after June 30, 2022, a condominium may be terminated only by
39 agreement of unit owners of units to which one hundred percent of the
40 votes in the association are allocated except:

41 1. In the case of a taking of all the units by eminent domain.

42 2. If the declaration specifies a smaller percentage, but only if
43 all of the units in the condominium are restricted exclusively to
44 nonresidential uses.

1 3. That nothing in this section may impair or otherwise interfere
2 with an existing contract.

3 Sec. 52. Conditional enactment

4 Section 5-1318, Arizona Revised Statutes, as amended by this act,
5 becomes effective on the date prescribed by Laws 2021, chapter 234,
6 section 4 but only on the occurrence of the condition prescribed by Laws
7 2021, chapter 234, section 4.