

House Engrossed
governance; audits; training

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

HOUSE BILL 2906

AN ACT

AMENDING SECTIONS 9-481, 11-661 AND 15-1473, ARIZONA REVISED STATUTES;
AMENDING TITLE 41, CHAPTER 9, ARIZONA REVISED STATUTES, BY ADDING
ARTICLE 10; RELATING TO STATE AND LOCAL GOVERNMENT PRACTICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 9-481, Arizona Revised Statutes, is amended to
3 read:

4 9-481. Audits of cities and towns; posting; budget; accepting
5 audit results

6 A. The governing body of each incorporated city or town shall cause
7 an audit to be made by a certified public accountant who is currently
8 certified by the Arizona state board of accountancy or who has a limited
9 reciprocity privilege pursuant to section 32-725 and who is not an
10 employee of the city or town. Audits shall be made for each fiscal year
11 for all incorporated cities. Audits shall be made at least once for every
12 two fiscal years for all incorporated towns, and the audit shall include
13 financial transactions during both fiscal years.

14 B. The audit and the audit report shall include all of the accounts
15 and funds of the city or town, including operating, special, utility,
16 debt, trust and pension, and all other money or property for which the
17 city or town, or any department or officer of the city or town, is
18 responsible either directly or indirectly. The audits shall be made in
19 accordance with generally accepted auditing standards. The consequent
20 audit report shall contain financial statements that are in conformity
21 with generally accepted municipal accounting principles and shall set
22 forth the financial position and results of the operations for each fund
23 and account of the city or town. The audit report shall also include the
24 following:

25 1. The professional opinion of the accountant or accountants with
26 respect to the financial statements or, if an opinion cannot be expressed,
27 a declaration of the reasons an opinion cannot be expressed.

28 2. A determination as to whether ARIZONA highway user revenue fund
29 monies received by the city or town pursuant to title 28, chapter 18,
30 article 2 and any other dedicated state transportation revenues received
31 by the city or town are being used solely for the authorized
32 transportation purposes.

33 C. The audit shall begin as soon as possible after the close of the
34 fiscal year, although interim auditing may be performed during the year or
35 years under audit. The audit shall be completed and the final audit
36 report shall be submitted within six months after the close of the fiscal
37 year or years audited.

38 D. At least three copies of the audit report shall be signed by the
39 auditor and filed with the city or town. The city or town shall
40 immediately do the following:

41 1. Make one copy of the report a public record that is open to the
42 public for inspection.

43 2. File one copy of the report with the auditor general pursuant to
44 section 41-1279.07, subsection C.

45 3. Submit one copy of the report to the secretary of state.

1 E. The financial statements required to be filed with the auditor
2 general pursuant to section 41-1279.07, including the audit report, must
3 be posted in a prominent location on the official website of the city or
4 town ~~to~~ NOT later than seven business days after the date of filing the
5 financial statements with the auditor general. The financial statements
6 must be retained and accessible in a prominent location on the official
7 website for at least sixty months. If the financial statements are not
8 filed pursuant to section 41-1279.07, the form as prescribed by subsection
9 F of this section shall be posted on the website of the city or town in
10 place of the financial statements until the financial statements are
11 filed.

12 F. If the financial statements for a city or town are not completed
13 and filed as prescribed by section 41-1279.07 on or before the adoption of
14 the city or town budget in the subsequent fiscal year, the governing body
15 shall include a form, as prescribed by the auditor general, in the
16 published budget in the subsequent fiscal year pursuant to sections
17 42-17103 and 42-17105 stating that the financial statements required to be
18 filed with the auditor general pursuant to section 41-1279.07 are pending,
19 the reasons for the delay and the estimated date of completion.

20 G. If the governing body of a city or town is required to complete
21 the form as prescribed by subsection F of this section, the governing body
22 shall send a copy of the form to the auditor general, the speaker of the
23 house of representatives and the president of the senate.

24 H. WITHIN NINETY DAYS AFTER COMPLETING AN AUDIT PURSUANT TO THIS
25 SECTION, THE GOVERNING BODY OF THE CITY OR TOWN SHALL REQUIRE THE
26 CERTIFIED PUBLIC ACCOUNTANT WHO PERFORMED THE AUDIT TO PRESENT THE AUDIT
27 RESULTS AND ANY FINDINGS TO THE GOVERNING BODY IN A REGULAR MEETING
28 WITHOUT THE USE OF A CONSENT AGENDA, AND THE GOVERNING BODY SHALL
29 DEMONSTRATE COMPLIANCE WITH SECTION 41-1494.

30 Sec. 2. Section 11-661, Arizona Revised Statutes, is amended to
31 read:

32 11-661. Posting of financial statements; budget; accepting
33 audit results

34 A. The financial statements required to be filed with the auditor
35 general pursuant to section 41-1279.07 must be posted in a prominent
36 location on the official website of the county ~~to~~ NOT later than seven
37 business days after the date of filing the financial statements with the
38 auditor general. The financial statements must be retained and accessible
39 in a prominent location on the official website for at least sixty
40 months. If the financial statements are not filed pursuant to section
41 41-1279.07, the form as prescribed by subsection B of this section shall
42 be posted on the website of the county in place of the financial
43 statements until the financial statements are filed.

1 B. If the financial statements for a county are not completed and
2 filed as prescribed by section 41-1279.07 on or before the adoption of the
3 county budget in the subsequent fiscal year, the board of supervisors must
4 include a form, prescribed by the auditor general, in the published budget
5 in the subsequent fiscal year pursuant to sections 42-17103 and 42-17105
6 stating that the financial statements required to be filed with the
7 auditor general pursuant to section 41-1279.07 are pending, the reasons
8 for the delay and the estimated date of completion.

9 C. If the board of supervisors of a county is required to complete
10 the form as prescribed by subsection B of this section, the board of
11 supervisors shall send a copy of the form to the auditor general, the
12 speaker of the house of representatives and the president of the senate.

13 D. WITHIN NINETY DAYS AFTER COMPLETING AN AUDIT PURSUANT TO THIS
14 SECTION, THE BOARD OF SUPERVISORS SHALL REQUIRE THE AUDITOR WHO PERFORMED
15 THE AUDIT TO PRESENT THE AUDIT RESULTS AND ANY FINDINGS TO THE BOARD IN A
16 REGULAR MEETING WITHOUT THE USE OF A CONSENT AGENDA, AND THE BOARD SHALL
17 DEMONSTRATE COMPLIANCE WITH SECTION 41-1494.

18 Sec. 3. Section 15-1473, Arizona Revised Statutes, is amended to
19 read:

20 15-1473. Uniform system of accounting for community college
21 districts; duties of auditor general; posting;
22 budget; accepting audit results

23 A. The auditor general shall determine the accounting systems,
24 accounting methods and accounting procedures for use by the community
25 college districts.

26 B. The auditor general, in conjunction with the community college
27 districts, shall prescribe a uniform system of accounting as provided in
28 section 41-1279.21 for use by all community college districts.

29 C. The financial statements required to be filed with the auditor
30 general pursuant to section 41-1279.07 must be posted in a prominent
31 location on the official website of the community college district ~~to~~ NOT
32 later than seven business days after the date of filing the financial
33 statements with the auditor general. The financial statements must be
34 retained and accessible in a prominent location on the official website
35 for at least sixty months. If the financial statements are not filed
36 pursuant to section 41-1279.07, the form as prescribed by subsection D of
37 this section shall be posted on the website of the community college
38 district in place of the financial statements until the financial
39 statements are filed.

40 D. If the financial statements for a community college district are
41 not completed and filed as prescribed by section 41-1279.07 on or before
42 the adoption of the community college district budget in the subsequent
43 fiscal year, the board of directors must include a form, prescribed by the
44 auditor general, in the published budget in the subsequent fiscal year
45 pursuant to section 15-1461 stating that the financial statements required

1 to be filed with the auditor general pursuant to section 41-1279.07 are
2 pending, the reasons for the delay and the estimated date of completion.

3 E. If the community college district board of directors is required
4 to complete the form as prescribed by subsection D of this section, the
5 board of directors shall send a copy of the form to the auditor general,
6 the speaker of the house of representatives and the president of the
7 senate.

8 F. WITHIN NINETY DAYS AFTER COMPLETING AN AUDIT PURSUANT TO THIS
9 SECTION, THE COMMUNITY COLLEGE DISTRICT BOARD OF DIRECTORS SHALL REQUIRE
10 THE AUDITOR WHO PERFORMED THE AUDIT TO PRESENT THE AUDIT RESULTS AND ANY
11 FINDINGS TO THE BOARD IN A REGULAR MEETING WITHOUT THE USE OF A CONSENT
12 AGENDA, AND THE BOARD SHALL DEMONSTRATE COMPLIANCE WITH SECTION 41-1494.

13 Sec. 4. Title 41, chapter 9, Arizona Revised Statutes, is amended
14 by adding article 10, to read:

15 ARTICLE 10. TRAINING AND INSTRUCTION

16 41-1494. Training, orientation and therapy; blame and
17 judgment; prohibition; political subdivisions;
18 annual report; definition

19 A. THIS STATE, A STATE AGENCY OR A CITY, TOWN, COUNTY OR POLITICAL
20 SUBDIVISION OF THIS STATE MAY NOT REQUIRE AN EMPLOYEE TO ENGAGE IN
21 TRAINING, ORIENTATION OR THERAPY THAT PRESENTS ANY FORM OF BLAME OR
22 JUDGMENT ON THE BASIS OF RACE, ETHNICITY OR SEX. THIS SUBSECTION DOES NOT
23 PRECLUDE ANY TRAINING ON SEXUAL HARASSMENT.

24 B. THIS STATE, A STATE AGENCY OR A CITY, TOWN, COUNTY OR POLITICAL
25 SUBDIVISION OF THIS STATE MAY NOT USE PUBLIC MONIES FOR TRAINING,
26 ORIENTATION OR THERAPY THAT PRESENTS ANY FORM OF BLAME OR JUDGMENT ON THE
27 BASIS OF RACE, ETHNICITY OR SEX. THIS SUBSECTION DOES NOT PRECLUDE ANY
28 TRAINING ON SEXUAL HARASSMENT.

29 C. ON OR BEFORE DECEMBER 1 OF EACH YEAR THE DEPARTMENT OF
30 ADMINISTRATION SHALL SUBMIT A REPORT THAT INCLUDES STATE AGENCIES IN
31 COMPLIANCE WITH THIS SECTION TO THE GOVERNOR, THE PRESIDENT OF THE SENATE
32 AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND SUBMIT A COPY OF THIS
33 REPORT TO THE SECRETARY OF STATE.

34 D. "BLAME OR JUDGMENT ON THE BASIS OF RACE, ETHNICITY OR SEX" MEANS
35 THE FOLLOWING CONCEPTS:

36 1. ONE RACE, ETHNIC GROUP OR SEX IS INHERENTLY MORALLY OR
37 INTELLECTUALLY SUPERIOR TO ANOTHER RACE, ETHNIC GROUP OR SEX.

38 2. AN INDIVIDUAL, BY VIRTUE OF THE INDIVIDUAL'S RACE, ETHNICITY OR
39 SEX, IS INHERENTLY RACIST, SEXIST OR OPPRESSIVE, WHETHER CONSCIOUSLY OR
40 UNCONSCIOUSLY.

41 3. AN INDIVIDUAL SHOULD BE INVIDIOUSLY DISCRIMINATED AGAINST OR
42 RECEIVE ADVERSE TREATMENT SOLELY OR PARTLY BECAUSE OF THE INDIVIDUAL'S
43 RACE, ETHNICITY OR SEX.

44 4. AN INDIVIDUAL'S MORAL CHARACTER IS DETERMINED BY THE
45 INDIVIDUAL'S RACE, ETHNICITY OR SEX.

1 5. AN INDIVIDUAL, BY VIRTUE OF THE INDIVIDUAL'S RACE, ETHNICITY OR
2 SEX, BEARS RESPONSIBILITY FOR ACTIONS COMMITTED BY OTHER MEMBERS OF THE
3 SAME RACE, ETHNIC GROUP OR SEX.

4 6. AN INDIVIDUAL SHOULD FEEL DISCOMFORT, GUILT, ANGUISH OR ANY
5 OTHER FORM OF PSYCHOLOGICAL DISTRESS BECAUSE OF THE INDIVIDUAL'S RACE,
6 ETHNICITY OR SEX.

7 7. MERITOCRACY OR TRAITS SUCH AS A HARD WORK ETHIC ARE RACIST OR
8 SEXIST OR WERE CREATED BY MEMBERS OF A PARTICULAR RACE, ETHNIC GROUP OR
9 SEX TO OPPRESS MEMBERS OF ANOTHER RACE, ETHNIC GROUP OR SEX.