

budget procedures; budget reconciliation; 2021-2022

State of Arizona  
Senate  
Fifty-fifth Legislature  
First Regular Session  
2021

# SENATE BILL 1819

## 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, PHOTOCROMIC 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 ~~G~~ 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 ~~his~~ 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.~~



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

3           41-121.02. Department of state

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

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

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

11           D. Purchases and contracts for goods and services **IN THE AMOUNT OF**  
12 **\$150,000 OR LESS THAT ARE** entered into by the Arizona state library,  
13 archives and public records are exempt from chapter 23 of this title.

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

16           Sec. 21. Title 41, chapter 1, article 5, Arizona Revised Statutes,  
17 is amended by adding section 41-191.12, to read:

18           41-191.12. Unreported in-kind political contributions task  
19 force fund; joint task force on unreported  
20 in-kind political contributions; exemption

21           A. **THE UNREPORTED IN-KIND POLITICAL CONTRIBUTIONS TASK FORCE FUND**  
22 **IS ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS. THE ATTORNEY**  
23 **GENERAL SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY**  
24 **APPROPRIATED. MONIES IN THE FUND MAY BE USED ONLY TO FUND THE JOINT TASK**  
25 **FORCE ON UNREPORTED IN-KIND POLITICAL CONTRIBUTIONS ESTABLISHED BY THIS**  
26 **SECTION.**

27           B. **THE JOINT TASK FORCE ON UNREPORTED IN-KIND POLITICAL**  
28 **CONTRIBUTIONS IS ESTABLISHED CONSISTING OF DESIGNEES OF THE ATTORNEY**  
29 **GENERAL AND THE SECRETARY OF STATE. THE JOINT TASK FORCE SHALL**  
30 **INVESTIGATE WHETHER AND TO WHAT EXTENT THE BUSINESS OR OTHER PRACTICES OF**  
31 **SOCIAL MEDIA PLATFORMS AND INTERNET SEARCH ENGINES RESULT IN UNREPORTED**  
32 **IN-KIND POLITICAL CONTRIBUTIONS TO CANDIDATES IN THIS STATE IN VIOLATION**  
33 **OF TITLE 16, CHAPTER 6 AND MAY TAKE ENFORCEMENT ACTION AS APPROPRIATE.**  
34 **THE JOINT TASK FORCE MAY INVESTIGATE THE FOLLOWING ACTIONS AS POSSIBLE**  
35 **UNLAWFUL POLITICAL CONTRIBUTIONS:**

36           1. **PERMANENT OR TEMPORARY CANCELLATION OR OTHER RESTRICTIONS ON A**  
37 **CANDIDATE'S ACCESS TO A SOCIAL MEDIA PLATFORM.**

38           2. **ALGORITHMIC BIAS AGAINST ONE OR MORE CANDIDATES OR A POLITICAL**  
39 **PARTY.**

40           3. **ALGORITHMIC PROMOTION OF ONE OR MORE CANDIDATES OR A POLITICAL**  
41 **PARTY.**

42           C. **MONIES IN THE UNREPORTED IN-KIND POLITICAL CONTRIBUTIONS TASK**  
43 **FORCE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO**  
44 **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.