

Fiscal Note

BILL # HB 2737

TITLE: corporation commission actions; investigation

SPONSOR: Parker

STATUS: As Amended by House NREW

PREPARED BY: Ryan Fleischman

Description

The bill would require the Attorney General (AG) to investigate Arizona Corporation Commission (ACC) decisions, orders, rules, and statutory adherence at the request of a Member of the Legislature. The bill gives the AG the authority to file a special action to the Arizona Supreme Court. If the Supreme Court agrees that Corporation Commission has committed a violation, the Arizona Department of Administration (ADOA) is to withhold 10% of the ACC budget.

Estimated Impact

The AG estimates the bill would cost \$60,000 to \$80,000 to fund an additional .5 FTE to accommodate additional investigations.

We cannot determine in advance the impact on the ACC budget based on responses to potential violations as determined by the Arizona Supreme Court.

Analysis

The bill would require the AG to conduct investigations into any ACC decision, order, or rule, and determine if it is following statute at the request of one or more Members of the Legislature. Within 30 days of the request, the AG must submit a report of findings and conclusions. If the AG determines that ACC has failed to resolve the issue within 30 days, the AG would then file a special action with the Supreme Court. If the Supreme Court rules that there has been a violation, ADOA is required to withhold 10% of the ACC operating budget for the current fiscal year. If applicable, the withholding will repeat each fiscal year until the violation is resolved.

The bill also gives ACC the option to request from the AG its determination whether a proposed decision, order, or rule violates State Law or the Arizona Constitution. If ACC receives such a determination from the AG, actions made related to that specific determination would be exempt from any withholding described in this bill.

A.R.S. § 41-194.01 requires the AG to investigate alleged violations of state statute or the Arizona Constitution by a county, city or town and respond within 30 days of complaint. The AG's Office has received approximately 16 of these complaints since the law's effective date in 2016. Since the law was enacted, the AG has received a low of 2 complaints in a year and a high of 5 complaints in 2017.

While the AG's Office cannot estimate how many additional A.R.S. § 41-194.01 complaints would be filed if HB 2737 was signed into law, they estimate that \$60,000 to \$80,000 will be needed for .5 FTE to accommodate additional investigations.

Local Government Impact

None

2/19/21

JLBC