



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature  
First Regular Session

House: APPROP DP 7-6-0-0 | 3<sup>rd</sup> Read 31-29-0-0  
Senate: APPROP DP 6-4-1-0 | 3<sup>rd</sup> Read 16-14-0-0

## **HB 2891: budget procedures; budget reconciliation; 2021-2022.**

**(Substituted for SB 1819)**

**Sponsor: Representative Cobb, LD 5**

**Transmitted to the Governor**

### **Overview**

Contains budget reconciliation provisions relating to Budget Procedures needed for implementing the FY 2022 budget.

### **History**

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#), Constitution of Arizona, requires the *General Appropriations Act* (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate bills known as *Budget Reconciliation Bills* (BRBs). These BRBs are prepared according to subject area.

### **Provisions**

#### ***Department of Gaming***

1. Requires, by January 1, 2023, the Department of Gaming to convert dog racing permits to harness racing permits if the dog racing permittee meets all necessary qualifications for a harness racing permit. (Sec. 1)
2. Deposits 90% of the monies from the Event Wagering Fund into the state General Fund (GF) on a monthly basis. (Sec. 3)

#### ***Arizona State Lottery***

3. Prohibits the State Lottery from advertising at a professional sporting event or in conjunction with a sports team or franchise and applies the provisions prospectively. (Sec. 2, 41)

#### ***Voter Registration***

4. Authorizes Arizona Game and Fish Department (AGFD) to assist with voter registration when accepting license applications for hunting, fishing or trapping as follows:
  - a) Provide a voter registration form to each in-person applicant; and
  - b) Refer online applicant to the Arizona Department of Transportation voter registration webpage. (Sec. 4)
5. Directs the SOS to provide AGFD with voter registration forms and instructions to applicants. (Sec. 4)
6. Requires the SOS to forward any completed voter registration forms they receive to the appropriate county recorder to determine voter eligibility. (Sec. 4)
7. Maintains privacy of the voter registration information generated by AGFD. (Sec. 4)

<input type="checkbox"/> Prop 105 (45 votes) <input type="checkbox"/> Prop 108 (40 votes) <input type="checkbox"/> Emergency (40 votes) <input type="checkbox"/> Fiscal Note
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8. Specifies that individuals from AGFD that accept a completed voter registration form are not considered to be deputy registrars. (Sec. 4)
9. Directs the SOS and each county recorder within 24 hours to post on their public website a list of each event they attend when providing voter registration services. (Sec. 4)
10. Requires the SOS to provide access to the statewide voter registration database to those designated by the Legislature and to the Election Integrity Unit of the AG's office to determine whether the SOS's maintenance procedures comply with federal law related to eligible voters that vote only for federal offices (federal-only voters). (Sec. 4)
11. Details the process, procedures and reporting requirements for analyzing federal only voter lists. (Sec. 4)
12. Requires the SOS to provide notice to the pertinent county recorder of any ineligible voters and directs their removal from the voter registration rolls. (Sec. 4)
13. Details specific information that each county recorder must submit an annual report to the Legislature regarding federal-only voters. (Sec. 4)
14. Empowers the AG and county recorder to investigate and prosecute any person ineligible to vote and who knowingly registers to vote. (Sec. 4)
15. Requires the SOS, by January 1, 2022, to submit a request to the U.S. Elections Assistance Commission to include Arizona specific instructions for providing proof of citizenship on the federal voter registration form. (Sec. 35)
16. Defines *pertinent terms*. (Sec. 4)

***Election Integrity Fund (Integrity Fund) and Ballot Fraud Countermeasures***

17. Requires a vendor that provides fraud countermeasures that are contained on ballot paper to be certified and prescribes specific fraud countermeasures to be used. (Sec. 5)
18. Creates the Integrity Fund by the State Treasurer and consisting of legislative appropriations. (Sec. 6)
19. Permits monies in the Integrity Fund to be used only to pay county recorders for election security, cybersecurity measures, improvements, reimbursements for post-election hand tabulations and additional staffing. (Sec. 6)
20. Requires county recorders to apply for monies from the Integrity Fund and receive payments once reviewed and approved by the State Treasurer. (Sec. 6)
21. Appropriates \$12 million from the state GF in FY 2022 to the Integrity Fund and exempts the appropriation from lapsing. (Sec. 48)

***Authorization of a State of Emergency***

22. Prescribes the Governor's authority to proclaim a state of emergency as follows:
  - a) An initial 30-day public health emergency beginning January 2, 2023;
  - b) An extension in 30-day increments, not to exceed 120 days total. (Sec. 8)
23. Prohibits the Governor from proclaiming a new state of emergency without consent of the Legislature through concurrent resolution. (Sec. 8)
24. Requires termination of the state of emergency after 120 days, unless extended by concurrent resolution of the Legislature. (Sec. 8)
25. Outlines the process and procedures for any extension including necessary time frames. (Sec. 8)

26. Details the responsibilities of the Joint House and Senate Health and Human Services Committee or their successor committees related to the extension. (Sec. 8)
27. Specifies reporting requirements by the Governor's office and Department of Health Services to the Legislature when extending a public health emergency. (Sec. 8)

***Department of Forestry and Fire Management (DFFM)***

28. Stipulates that liabilities in excess of \$200,000 incurred by DFFM may be reimbursed upon approval of the Governor or the State Emergency Council. (Sec. 9)
29. Requires any reimbursements to be made according to administrative rules adopted by the State Forester or the Department of Emergency and Military Affairs. (Sec. 9)

***Joint Task Force on Unreported In-Kind Political Contributions (Joint Task Force)***

30. Forms the Unreported In-Kind Political Contributions Task Force Fund (Task Force Fund) administered by the Attorney General (AG).
31. Specifies that monies in the Task Force Fund are continuously appropriated and exempt from lapsing. (Sec. 21 )
32. Permits the Task Force Fund to be used for the Joint Task Force on Unreported In-Kind Political Contributions (Joint Task Force). (Sec. 21)
33. Prescribes membership of the Joint Task Force as designees of the AG and SOS and specifies unlawful political actions the Joint Task Force may investigate. (Sec. 21)
34. Details the procedures and enforcement actions for the Joint Task Force to investigate the business practices of social media platforms and search engines that result in unreported political contributions to candidates in Arizona.
35. Appropriates \$500,000 annually from the state GF to the Task Force Fund beginning in FY 2022. (Sec. 49)

***Automation Projects Fund (APF)***

36. Requires all unexpended and unencumbered monies remaining in an APF subaccount to revert to the fund of origin on completion of an automation and information technology project. (Sec. 21)
37. Requires the Arizona Department of Administration (ADOA) to submit an annual report to JLBC on each reversion made in the prior FY by September 1. (Sec. 21)

***Governor Regulatory Review Council (GRRC)***

38. Allows GRRC to initiate a review if it receives information that the agency practice, policy statement or final rule does not meet statutory requirements in addition to current law that requires a petition to be submitted. (Sec. 23)

***JLBC***

39. Modifies the JLBC reporting requirement for state debt and obligations (Report) to include information for the upcoming FY instead of the prior FY. (Sec. 24)
40. Eliminates the requirement that the Report be based on data available from ADOA's searchable database on incurred debt and a link to the database be posted on JLBC's website. (Sec. 24)

***Office of Auditor General (OAG)***

41. Allows the OAG to review the process and statutory requirements used to maintain early voter lists, statewide and county voter registration databases with a population of more than 1 million people. (Sec. 25)

42. Requires the SOS and county recorders to notify the OAG of the total expenditures made for voter registration programs and events and outlines reporting requirements. (Sec. 25)
43. Requires the OAG to submit a report on its findings to the Legislature and a copy to the SOS by June 30 of each even-numbered year. (Sec. 25)
44. Appropriates \$500,000 from the state GF to the OAG in each FY for auditing purposes and exempts the appropriation from lapsing. (Sec. 50)

**Secretary of State (SOS)**

45. Exempts from the state procurement code purchases and contracts for goods and services in the amount of \$150,000 or less entered into by the State Library Archives and Public Records. (Sec. 20)
46. Transfers oversight and authority of the State Capitol Museum (State Museum) and Museum Gift Shop Revolving Fund from the SOS to the Director of Legislative Council. (Sec. 26,27)

**SOS Session Law Provisions**

47. Declares that the Legislature reaffirms that the legal defense of Arizona election laws and procedures are of statewide concern and that the AG has the sole authority to defend such laws. (Sec. 33)
48. Stipulates that in any disagreement between the AG, SOS or any other state official concerning the defense of state election law, the authority of the AG to defend the law is paramount. (Sec. 33)
49. Clarifies legislative intent, through January 2, 2023, that in any proceeding in which the validity of state election law is challenged the AG speaks for the state and may intervene on its behalf. (Sec. 33)
50. States that Legislative Council succeeds to the authority, powers, duties and responsibilities of the SOS regarding the State Museum. (Sec. 44)
51. Specifies that the provisions do not alter the effect of any actions taken or impair the valid obligations of the SOS regarding the State Museum before the effective date. (Sec. 44)
52. Transfers, from the SOS to Legislative Council regarding the State Museum:
  - a) All administrative matters, contracts, judicial and quasi-judicial actions and their status;
  - b) Validity of all certificates, licenses, registrations, permits and other indicia of qualification and authority issued by the SOS;
  - c) All equipment, records, furnishings, property, data, investigative findings, obligations and monies that remain unexpended and unencumbered; and
  - d) All personnel employed by the SOS to comparable positions in the respective administrative units of Legislative Council. (Sec. 44)

**Monument and Memorial Repair Fund**

53. Allows the use of the Monument and Memorial Repair fund to include altering, modifying, maintaining monuments and memorials. (Sec. 28)

**Arizona Commerce Authority (ACA)**

54. Establishes the Major Events Fund (Fund) administered by the ACA and consisting of monies appropriated to the fund by the Legislature and private donations. (Sec. 29)
55. Stipulates that monies in the Fund are continuously appropriated and exempt from lapsing. (Sec. 29)
56. Outlines use of monies for major events as follows:

- a) To support the competitive bid process by planning and operating in coordination with the Arizona Office of Tourism (AOT), marketing, organization and local organizing committees;
  - b) To negotiate and award grants to local organizing committees for operating costs; and
  - c) To assist with other economic development activities. (Sec. 29)
57. Prohibits monies from supplanting routine operating costs of political subdivisions. (Sec. 29)
58. States that grants for events cannot exceed 25% of operating costs required under a contract between the host organization and local organizing committee. (Sec. 29)
59. Specifies that prior to awarding a grant, the ACA must prepare a written statement that assesses the direct economic impact and a finding that the award is in the best interest of the state. (Sec. 29)
60. Requires the ACA to submit semiannual reports, by July 15 and December 15, to JLBC and the Governor's Office of Strategic Planning and Budgeting that outlines expenditures and a plan for all remaining monies by purpose. (Sec. 29)
61. Conditions the enactment of the aforementioned provisions based on [Laws, 2021, Chapter 234, Sec. 4](#) relating to event wagering. (Sec. 52)

#### **State Permitting Dashboard**

62. Establishes laws governing the State Permitting Dashboard. (Sec. 30)
63. Instructs the Governor to appoint a state permitting director (Director). (Sec. 30)
64. Requires the Director to establish and maintain an online database, known as the permitting dashboard, that displays the progress to completion for state authorizations for participating projects. (Sec. 30)
65. Requires the Director, at the request of the JLBC chairperson, to appear before JLBC to report on the findings from administering the permitting dashboard. (Sec. 30)
66. Authorizes a project sponsor of an *eligible project* to submit a notice to the Director that the project sponsor is initiating a proposed project.
- a) Outlines the content of the notice. (Sec. 30)
67. Mandates that the Director determine whether the proposed project qualifies as an eligible project and whether to include it as a participating project, no later than 30 days after receiving the notice. (Sec. 30)
68. Requires each agency identified by the project sponsor to submit all authorizations for each project, no later than 45 days after the determination date, including both:
- a) The steps required by the agency and project sponsor to complete each authorization; and
  - b) The target completion time for each step. (Sec. 30)
69. Directs an agency to provide the Director with a written statement of cause for an additional authorization if an agency requires an authorization for completion of a participating project that was not submitted. (Sec. 30)
70. Specifies that each identified agency must submit any decision made that materially affects the status of a participating project and any significant document associated with the decision. (Sec. 30)
71. Prohibits an agency from requiring an eligible project to participate in the permitting dashboard. (Sec. 30)

72. States that the permitting dashboard must include a visual interface that tracks the status of each authorization required for participating projects. (Sec. 30)
73. Instructs the Director to coordinate with the outlined agencies for authorizations for a participating project. (Sec. 30)
74. Outlines certain information that the Director may display on the dashboard. (Sec. 30)
75. Stipulates that each agency must carry out its obligations with respect to a participating project in conjunction with other authorizations being conducted by other agencies or local governments, unless the agency determines that doing so would impair its ability to carry out the agency's statutory obligations. (Sec. 30)
76. States that the Director must mediate any dispute related to the permitting timetable in consultation with the relevant agency and project sponsor. (Sec. 30)
77. Mandates that the Director notify GRRRC if no resolution is reached and review the dispute with the Directors of the relevant agency. (Sec. 30)
78. Directs GRRRC to recommend a course of action, within 30 days after notification of the dispute, to the Director and allows the director to require agency action to resolve the dispute. (Sec. 30)
79. Instructs the Director, by December 1, 2023, to submit a report of findings from administering the permitting dashboard that includes specified items to the Governor, Legislature and SOS. (Sec. 45)
80. Stipulates that the position of the Director does not result in an additional full-time equivalent (FTE) position and is included in the FTE positions in the Governor's Office. (Sec. 46)
81. Defines pertinent terms. (Sec. 30)
82. Sunsets the State Permitting dashboard on January 1, 2029. (Sec. 31)

***Study Committee on Missing and Murdered Indigenous Peoples (MMIP)***

83. Changes the name of the former *Study Committee on Missing and Murdered Indigenous Woman and Girls* to *MMIP*. (Sec. 32)
84. Makes modifications to the duties, responsibilities and membership of MMIP. (Sec. 32)
85. Requires MMIP to submit a report regarding its activities and recommendations for administrative or legislative action to the Governor, Legislature and a copy to the SOS annually on December 1 for the next three years. (Sec. 32)
86. Extends the repeal date of MMIP from October 1, 2021 to October 1, 2025. (Sec. 32)

***Advisory Committee on the Formation of a Southern Arizona Regional Sports Authority (Advisory Committee)***

87. Establishes a 13-member Advisory Committee consisting of legislators and public members knowledgeable about regional sports authority, economic development and other pertinent issues relating to the development of a regional sports authority. (Sec. 40)
88. Requires the Committee to research and report on the economic development, fiscal and related impacts of the formation of a southern Arizona regional sports authority. (Sec. 40)
89. Directs the Senate President and Speaker to each designate one appointed legislative member to serve as co-chairpersons of the Committee and permits the Committee to meet at any place deemed necessary or convenient by the co-chairpersons. (Sec. 40)

90. Allows the Committee, in consultation with AOT to employ a private group or professional to study the economic development, fiscal and other issues resulting from the development of a regional sports authority. (Sec. 40)
91. Directs any state agency or political subdivision, upon request, to provide the Committee with services, equipment, documents, personnel and facilities to the extent possible without costs. (Sec. 40)
92. Requires the Committee, by June 30, 2022, to submit a report of its findings and recommendations to the Governor, Legislature and a copy to the SOS. (Sec. 40)
93. Repeals the Committee on October 1, 2023. (Sec. 40)

***Special Committee on the Election Audit (Special Committee)***

94. Creates a Special Committee of the Senate Government Committee to review the findings of the Senate audit of the 2020 general election in Maricopa County.(Sec. 47)
95. Outlines the authorities and duties of the Special Committee, including appropriate legislative action based on the audit findings. (Sec. 47)
96. Repeals the Special Committee by January 1, 2022. (Sec. 47)

***Miscellaneous***

97. Authorizes DHS to adopt rules pertaining to the collection of data from health care institutions. (Sec. 11)
98. Changes the Board of Trustees of the Public Safety Personal Retirement System (PSPRS Board) annual submittal date for various reports from December 31 to December 1. (Sec. 12-18)
99. Entitles a person to refuse a mandated vaccination due to personal beliefs. (Sec. 11)
100. Removes the statutory definition of newspaper. (Sec. 19)
101. Stipulates that any unrestricted federal monies received beginning July 1, 2021 through June 30, 2022 be deposited in the state GF to pay essential governmental services. (Sec. 34)
102. Specifies the Capital Outlay Stabilization Fund rental rates for state-owned buildings in FY 2022 are \$17.87 per square foot for office space and \$6.43 per square foot for storage space. (Sec. 36)
103. Allows ADOA to approve agency rent exemptions in FY 2022 without recommendation from the Joint Committee on Capital Review. (Sec. 36)
104. Requires ADOA to report to JLBC on each proposed agency rent exemption before approving the exemption. (Sec. 36)
105. Specifies that the Legislature is not required to appropriate monies or transfer monies from the Budget Stabilization Fund in FY 2022 through FY 2024. (Sec. 37)
106. Stipulates that before spending more than \$10,000,000 from the American Rescue Plan Act the listed entities must provide notification on intended use each calendar quarter through June 30, 2024 and provide semi-annual reports to the Legislature and JLBC Director on the following:
  - a) The Governor's Office - actual expenditures from the Coronavirus State Fiscal Recovery Fund, the Coronavirus Capital Projects Fund;
  - b) The Superintendent of Public Instruction - actual expenditures from the Elementary and Secondary School Emergency Fund; and

- c) The Arizona Board of Regents - actual expenditures from the Higher Education Emergency Relief Fund. (Sec. 38)
107. Requires the aforementioned reports to delineate expenditures by agency, program and purpose. (Sec. 38)
108. States that the Legislature intends that the executive branch of state government report on its planned and actual use of any major additional federal aid to the state through federal legislation enacted by the end of FY 2022 and that these reports be submitted semiannually. (Sec. 38)
109. Allows the chair and vice-chair of JLBC to provide recommendations to the executive branch concerning any additional federal legislation. (Sec. 38)
110. Confirms the COVID-19 pandemic as a matter of statewide concern and outlines limitations for cities, towns and counties regarding issuance of rules, ordinances or regulations for mitigating the COVID-19 pandemic. (Sec. 39)
111. Stipulates that the appropriation to the Department of Public Safety for body cameras is exempt from review and approval by the information technology authorization committee, independent third-party verification and project investment justification reporting requirements. (Sec. 42)
112. Exempts the Department of Liquor Licenses and Control from rulemaking requirements for the purpose of adopting rules regulating mixed cocktails and off-sale privilege permits and leases as enacted by [House Bill 2773](#). (Sec. 43)
113. Allows by July 1, 2022, a condominium to be terminated only by agreement of 100% of unit owners in the association and outlines exceptions. (Sec. 51)
114. Makes technical and conforming changes. (Sec. 3,7-11,15,17-20, 22-25, 28)