



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature  
First Regular Session

House: 3<sup>rd</sup> Read 31-25-4-0

Senate: 3<sup>rd</sup> Read 16-12-2-0

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## **HB 2906: governance; audits; training**

**Sponsor: Representative Hoffman, LD 12**

**Transmitted to the Governor**

HB 2906 originally passed the House as [SB 1074](#) and was one of 22 bills recently vetoed by the Governor.

### **Government & Elections**

Senate: GOV DPA 5-3-0-0 | 3<sup>rd</sup> Read 18-12-0-0

House: GE DP 7-6-0-0 | 3<sup>rd</sup> Read 31-29-0-0

Final Read: DP 16-14-0-0

### **Overview**

Requires the certified public accountant (CPA) or auditor to present audit results to certain members within 90 days after a statutory audit and outlines requirements for training of certain employees.

### **History**

Each incorporated city or town must have an audit completed by a CPA who is not an employee of the city or town. These audits must be made each fiscal year for incorporated cities and at least once every two fiscal years for all incorporated towns. Additionally, the audit is required to include financial transactions during both fiscal years ([A.R.S. § 9-481](#)).

Current statute requires the financial statements filed with the auditor general to be posted in a prominent location on the official website of the county or community college district no later than seven business days after the filing of the financial statements. These financial statements must be retained and accessible in a prominent location on the county or community college district's website for at least 60 months ([A.R.S. §§ 11-661, 15-1473](#)).

### **Provisions**

1. Directs each of the following, within 90 days after completing a statutorily required audit, to require the CPA or auditor who performed the audit to present the results and any findings to the following in a regular meeting without the use of a consent agenda:
  - a) The governing body of a city or town;
  - b) The county board of supervisors; and
  - c) The community college district board of directors. (Sec. 1-3)
2. Prohibits this state, a state agency, city, town, county or political subdivision of this state from using public monies for and requiring an employee to engage in orientation, training or therapy that presents any form of *blame or judgment on the basis of race, ethnicity or sex*.
  - a) Specifies that this does not preclude any training on sexual harassment. (Sec. 4)
3. Defines *blame or judgment on the basis of race, ethnicity or sex* as:
  - a) One race, ethnic group or sex is inherently morally or intellectually superior to another race, ethnic group or sex;

- b) An individual, by virtue of the individual's race, ethnicity or sex is inherently racist, sexist or oppressive, whether consciously or unconsciously;
  - c) An individual should be invidiously discriminated against or receive adverse treatment partly or solely because of the race, ethnicity or sex of the individual;
  - d) An individual's moral character is determined by the race, ethnicity or sex of the individual;
  - e) An individual, by virtue of the individual's race, ethnicity or sex bears responsibility for actions committed by other members of the same race, ethnic group or sex;
  - f) An individual should feel discomfort, guilt, anguish or any other form of psychological distress because of the individual's race, ethnicity or sex; and
  - g) Meritocracy or traits such as a hard work ethic are racist or sexist or were created by members of a particular race, ethnic group or sex to oppress members of another race, ethnic group or sex. (Sec. 4)
4. Requires the Arizona Department of Administration to submit an annual report by December 1 that includes state agencies in compliance with the above requirements to the following:
- a) The Governor;
  - b) The President of the Senate;
  - c) The Speaker of the House of Representatives; and
  - d) The Secretary of State. (Sec. 4)
5. Instructs the governing body of a city or town, the county board of supervisors and the community college district board of directors demonstrate compliance with the training and instruction requirements above. (Sec. 1-3)
6. Makes technical changes. (Sec. 1-3)

Prop 105 (45 votes)     Prop 108 (40 votes)     Emergency (40 votes)     Fiscal Note