

ARIZONA STATE SENATE

RESEARCH STAFF



TO: MEMBERS OF THE SENATE
APPROPRIATIONS COMMITTEE

DATE: March 25, 2022

SUBJECT: Strike everything amendment to H.B. 2039, relating to health; innovation; trust fund

LIAM MAHER
LEGISLATIVE RESEARCH ANALYST
APPROPRIATIONS COMMITTEE
Telephone: (602) 926-3171

Purpose

Establishes the Arizona Health Innovation Trust Fund (Fund) and appropriates \$100,000 from the state General Fund (state GF) in FY 2023 to the Fund.

Background

The State Treasurer must: 1) authenticate writings and documents; 2) receive and keep in secure custody all monies that belong to the state that are not required to be kept by some other person; 3) file and keep documentation delivered when monies are deposited into the State Treasury; 4) deliver a confirmation to each person depositing monies into the State Treasury; 5) pay warrants drawn by the Arizona Department of Administration; and 6) keep separate accounts of the different funds and appropriation monies ([A.R.S. § 41-172](#)).

The strike-everything amendment to H.B. 2039 appropriates \$100,000 from the state GF in FY 2023 to the Fund.

Provisions

1. Establishes the Fund, administered by the State Treasurer as a trustee, as a permanent endowment fund consisting of:
 - a) legislative appropriations;
 - b) earnings from the Fund; and
 - c) gifts or grants donated to the Fund.
2. Specifies that Fund monies are continuously appropriated and exempt from lapsing.
3. Requires the State Treasurer to accept, separately account for and hold in trust any Fund monies deposited in the State Treasury and prohibits Fund monies from being commingled with any other monies in the State Treasury for non-investment purposes.
4. Requires the State Treasurer to invest and divest any Fund monies deposited into the State Treasury and requires monies earned from interest and investment income to be credited to the Fund.
5. Requires the State Treasurer to annually allocate four percent of the monies in the Fund to an entity that:
 - a) is a qualified 501(c)(3) charitable organization;
 - b) provides entrepreneurial education, mentoring and support to persons in the health innovation and health care delivery sectors in Arizona;

- c) provides workforce development programs designed to support the talent requirements of employers in health innovation and health care delivery in Arizona;
- d) provides programs that support development and commercialization of health innovation by businesses that are based in Arizona and employ fewer than 100 employees; and
- e) has entered into an endowment agreement with the State Treasurer that meets prescribed requirements.

6. Requires an endowment agreement to include:
 - a) investment procedures and maturity timelines;
 - b) entity reporting requirements, including use of Fund distributions; and
 - c) other requirements established by the State Treasurer.
7. Requires the selected entity, by December 31 of each year, to submit an annual report as prescribed by the State Treasurer to the Governor, President of the Senate, Speaker of the House of Representatives and State Treasurer and provide a copy to the Secretary of State.
8. Appropriates \$100,000 from the state GF in FY 2023 to the Fund.
9. Exempts the appropriation from lapsing.
10. Becomes effective on the general effective date.