



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

REVISED
FACT SHEET FOR H.B. 2209

economic opportunity; industrial development authority

Purpose

Continues the Office of Economic Opportunity (OEO) for four years. Modifies requirements relating to the Arizona Finance Authority (AFA) Board of Directors' (Board's) membership and terms, meetings and powers.

Background

[Laws 2016, Chapter 372](#) established OEO to facilitate the beneficial economic growth and development of Arizona and to promote prosperity through development and protection of the legitimate interests of Arizona business, industry and commerce within and outside Arizona. OEO must: 1) monitor Arizona's tax and regulatory competitiveness; 2) serve as Arizona's workforce planning coordinator and provide economic and demographic research and analysis; 3) provide administrative and analytical support to the AFA; 4) develop data-informed policy and regulatory reform recommendations and provide assistance with state tax and regulatory matters; and 5) provide analytical support to the Arizona Commerce Authority, the Arizona-Mexico Commission and the Arizona Office of Tourism.

The AFA is established within OEO. The AFA Board must: 1) establish the Arizona Industrial Development Authority (AZIDA) and serve as the AZIDA Board of Directors; 2) serve as the Greater Arizona Development Authority Board; 3) approve the AFA's budget; and 4) allocate the state ceiling for private activity bonds as imposed by federal law (A.R.S. §§ [35-902](#); [41-5352](#); and [41-5356](#)). The AZIDA is a nonprofit corporation and a political subdivision of the state that is authorized to issue taxable and tax-exempt conduit bonds to borrowers for various projects as outlined in statute. Conduit bonds are state and local bonds that are issued for private business or nongovernmental use ([A.R.S. Title 35, Ch. 5](#)).

The Senate Commerce and House Commerce Joint Committee of Reference (COR) met on January 10, 2023, to conduct a sunset review of OEO. The COR recommended that OEO be continued for eight years ([COR Report](#)). OEO is statutorily set to terminate on July 1, 2023, unless continued by the Legislature ([A.R.S. § 41-3023.25](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

OEO

1. Continues, retroactive to July 1, 2023, OEO until July 1, 2027.

2. Repeals OEO on January 1, 2028, if OEO has:
 - a) no outstanding contractual obligations with the United States or any U.S. agency;
 - b) no debts, obligations or guarantees that were issued; and
 - c) otherwise provided for paying or retiring its debts or obligations.
3. Continues, if any debt or obligation exists and no satisfactory provision has been made to pay or retire the debt or obligation, OEO and OEO statutes until the debt or obligation is fully satisfied.
4. Eliminates the authority of the Director of OEO to provide staffing support to an industrial development authority.
5. Contains a purpose statement.

AFA & AZIDA

6. Allows a Board member to continue to serve until reappointment or until a replacement is appointed if the member's term expires and the member has not been reappointed or replaced by a newly appointed member.
7. Exempts, from the requirement to submit fingerprints to the Governor for a state and federal criminal records check, a Board member that is reappointed to the Board.
8. Specifies that Board members are prohibited from having any direct or indirect personal financial interest in any project financed by the AFA or the AZIDA.
9. Specifies that an advisory board established by the Board has the right to review, evaluate and recommend programs for approval.
10. Eliminates the prohibition on the Board meeting in executive session by audio- or videoconference.
11. Defines the *AZIDA* as the industrial development authority established by the AFA.
12. Includes, in the definition of *bonds*, bonds issued by the AZIDA.

Miscellaneous

13. Makes technical and conforming changes.
14. Becomes effective on the general effective date, with a retroactive provision as noted.

Revisions

- Corrects the provision relating to the authority of the Director of OEO to provide staffing support to an industrial development authority.

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House Action

COM	2/14/23	DP	7-2-1-0
3 rd Read	3/23/23		46-14-0

Prepared by Senate Research

March 27, 2023

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