

REFERENCE TITLE: state contracts; federal government; applicability

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HB 2763

Introduced by
Representative Volk

AN ACT

AMENDING SECTION 38-511, ARIZONA REVISED STATUTES; RELATING TO STATE
CONTRACTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 38-511, Arizona Revised Statutes, is amended to read:

38-511. Cancellation of political subdivision and state contracts

A. ~~The~~ THIS state, its political subdivisions or any department or agency of either ~~may~~, within three years after its execution, MAY cancel any contract, without penalty or further obligation, made by ~~the~~ THIS state, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of ~~the~~ THIS state, its political subdivisions or any of the departments or agencies of either ~~is~~, at any time while the contract or any extension of the contract is in effect, IS an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

B. Leases of state trust land for terms longer than ten years ~~cancelled~~ CANCELED under this section shall respect those rights given to mortgagees of the lessee by section 37-289 and other lawful provisions of the lease.

C. The cancellation under this section by ~~the~~ THIS state or its political subdivisions shall be effective when written notice from the governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time.

D. The cancellation under this section by any department or agency of ~~the~~ THIS state or its political subdivisions shall be effective when written notice from such party is received by all other parties to the contract unless the notice specifies a later time.

E. In addition to the right to cancel a contract as provided in subsection A of this section, ~~the~~ THIS state, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of ~~the~~ THIS state, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract.

F. Notice of this section shall be included in every contract to which ~~the~~ THIS state, its political subdivisions, or any of the departments or agencies of either is a party.

G. For purposes of this section: ~~—~~

1. ANY OTHER PARTY DOES NOT INCLUDE THE FEDERAL GOVERNMENT OR ANY FEDERAL AGENCY.

2. ~~—~~Political subdivisions ~~do~~ DOES not include entities formed or operating under title 48, chapter 11, 12, 13, 17, 18, 19 or 22.