

House Engrossed
commerce; 2025-2026

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

HOUSE BILL 2950

AN ACT

AMENDING SECTION 41-1504, ARIZONA REVISED STATUTES; RELATING TO COMMERCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 41-1504, Arizona Revised Statutes, is amended to
3 read:

4 41-1504. Powers and duties; e-verify requirement

5 A. The board of directors, on behalf of the authority, may:

6 1. Adopt and use a corporate seal.

7 2. Sue and be sued.

8 3. Enter into contracts as necessary to carry out the purposes and
9 requirements of this chapter, including intergovernmental agreements
10 pursuant to title 11, chapter 7, article 3 and interagency service
11 agreements as provided by section 35-148.

12 4. Lease real property and improvements to real property for the
13 purposes of the authority. Leases by the authority are exempt from
14 chapter 4, article 7 of this title, relating to management of state
15 properties.

16 5. Employ or retain legal counsel and other consultants as
17 necessary to carry out the purposes of the authority.

18 6. Develop and use written policies, procedures and guidelines for
19 the terms and conditions of employing officers and employees of the
20 authority and may include background checks of appropriate personnel.

21 B. The board of directors, on behalf of the authority, shall:

22 1. Develop comprehensive long-range strategic economic plans for
23 this state and submit the plans to the governor.

24 2. Annually update a strategic economic plan for submission to the
25 governor.

26 3. Accept gifts, grants and loans and enter into contracts and
27 other transactions with any federal or state agency, municipality, private
28 organization or other source.

29 C. The authority shall:

30 1. Assess and collect fees for processing applications and
31 administering incentives. The board shall adopt the manner of computing
32 the amount of each fee to be assessed. Within thirty days after proposing
33 fees for adoption, the chief executive officer shall submit a schedule of
34 the fees for review by the joint legislative budget committee. It is the
35 intent of the legislature that a fee shall not exceed one percent of the
36 amount of the incentive.

37 2. Determine and collect registry fees for the administration of
38 the allocation of federal tax exempt industrial development bonds and
39 student loan bonds authorized by the authority. Such monies collected by
40 the authority shall be deposited, pursuant to sections 35-146 and 35-147,
41 in an application fees fund. Monies in the fund shall be used, subject to
42 annual appropriation by the legislature, by the authority to administer
43 the allocations provided in this paragraph and are exempt from the
44 provisions of section 35-190 relating to the lapsing of appropriations.

1 3. Determine and collect security deposits for the allocation, for
2 the extension of allocations and for the difference between allocations
3 and principal amounts of federal tax exempt industrial development bonds
4 and student loan bonds authorized by the authority. Security deposits
5 forfeited to the authority shall be deposited in the state general fund.

6 4. ~~At the direction of the board~~ SUBJECT TO LEGISLATIVE
7 APPROPRIATION FOR THAT SPECIFIC PURPOSE, establish and supervise the
8 operations of full-time or part-time offices in other states and foreign
9 countries for the purpose of expanding direct investment and export trade
10 opportunities for businesses and industries in this state if, based on
11 objective research, the authority determines that the effort would be
12 beneficial to the economy of this state. ON OR BEFORE DECEMBER 1 OF EACH
13 YEAR, THE AUTHORITY SHALL SUBMIT A REPORT ON THE ACTIVITIES OF EACH TRADE
14 OFFICE OPERATED BY THE AUTHORITY DURING THE PRIOR FISCAL YEAR TO THE JOINT
15 LEGISLATIVE BUDGET COMMITTEE.

16 5. Establish a program by which entrepreneurs become aware of
17 permits, licenses or other authorizations needed to establish, expand or
18 operate in this state.

19 6. Post on its website on an annual basis a report that contains at
20 least the following information, and submit a copy to the governor, the
21 president of the senate and the speaker of the house of representatives:

22 (a) The cumulative progress made toward its goals for direct job
23 creation, capital investment and higher average wages and the estimated
24 number of indirect jobs and induced jobs created as a result of the work
25 and the programs of the authority.

26 (b) To the extent not prohibited by law, information on each
27 incentive application approved by the authority in the fiscal year,
28 including the amount of the incentive approved or awarded and the
29 applicant's activity that is projected or has been achieved, whichever is
30 applicable, to qualify for the incentive.

31 (c) Rural economic development outreach and impact data.

32 (d) Small business outreach and impact data.

33 7. Develop and implement written policies and procedures relating
34 to the administration of grants from the Arizona competes fund established
35 by section 41-1545.01, including the following elements:

36 (a) Procedures for documenting grantee selection and due diligence.

37 (b) Procedures for verification of information submitted by
38 grantees.

39 (c) Procedures for evaluating requests to amend grant terms and for
40 documenting decisions relating to those requests.

41 8. Notwithstanding any other law, on request of the office of
42 economic opportunity, disclose to the office of economic opportunity
43 applicant information for incentives administered, in whole or in part, by
44 the authority. Any confidentiality requirements provided by law

1 applicable to the information disclosed pursuant to this paragraph apply
2 to the office of economic opportunity.

3 9. On or before December 31 of each year, compile the data
4 collected pursuant to subsection F of this section and submit a report to
5 the governor, the president of the senate, the speaker of the house of
6 representatives and the secretary of state.

7 D. The authority, through the chief executive officer, may:

8 1. Contract and incur obligations reasonably necessary or desirable
9 within the general scope of the authority's activities and operations to
10 enable the authority to adequately perform its duties.

11 2. Use monies, facilities or services to provide matching
12 contributions under federal or other programs that further the objectives
13 and programs of the authority.

14 3. Accept gifts, grants, matching monies or direct payments from
15 public or private agencies or private persons and enterprises for the
16 conduct of programs that are consistent with the general purposes and
17 objectives of this chapter.

18 4. Assess business fees for promotional services provided to
19 businesses that export products and services from this state. The fees
20 shall not exceed the actual costs of the services provided.

21 5. Establish and maintain one or more accounts in banks or other
22 depositories, for public or private monies of the authority, from which
23 operational activities, including payroll, vendor and grant payments, may
24 be conducted. Individual funds that are established by law under the
25 jurisdiction of the authority may be maintained in separate accounts in
26 banks or other depositories, but shall not be commingled with any other
27 monies or funds of the authority.

28 E. The chief executive officer shall:

29 1. Hire employees and prescribe the terms and conditions of their
30 employment as necessary to carry out the purposes of the authority. The
31 board of directors shall adopt written policies, procedures and
32 guidelines, similar to those adopted by the department of administration,
33 regarding officer and employee compensation, observed holidays, leave and
34 reimbursement of travel expenses and health and accident insurance. The
35 officers and employees of the authority are exempt from any laws
36 regulating state employment, including:

37 (a) Chapter 4, articles 5 and 6 of this title, relating to state
38 service.

39 (b) Title 38, chapter 4, article 1 and chapter 5, article 2,
40 relating to state personnel compensation, leave and retirement.

41 (c) Title 38, chapter 4, article 2, relating to reimbursement of
42 state employee expenses.

43 (d) Title 38, chapter 4, article 4, relating to health and accident
44 insurance.

1 2. Maintain three full-time employees to serve as advocates for
2 small and rural businesses on economic development and regulatory matters
3 before cities, towns, counties or state agencies. Two of the full-time
4 employees shall be dedicated to small business growth, support and
5 regulation, one of whom shall serve as a small business ombudsman. One of
6 the full-time employees shall be dedicated to rural economic development.

7 3. On a quarterly basis, provide public record data in a manner
8 prescribed by the department of administration related to the authority's
9 revenues and expenditures for inclusion in the comprehensive database of
10 receipts and expenditures of state monies pursuant to section 41-725.

11 F. On or before September 30 of each year, each city, town and
12 county in this state shall submit to the authority the city's, town's or
13 county's statistics for the preceding fiscal year that include all of the
14 following:

15 1. The average time from the submission of an initial building
16 permit application to a certificate of occupancy.

17 2. The average time from the submission of a zoning application to
18 zoning approval.

19 3. The average time from the submission of a final plat to the
20 recordation of the final plat.

21 4. Any other statistics as determined by the authority or the
22 municipality time frames advisory committee established by section 41-1527
23 relating to municipal and county support for economic development
24 projects.

25 G. In addition to any other requirement, in order to qualify for
26 any grant, loan, reimbursement, tax incentive or other economic
27 development incentive pursuant to this chapter, an applicant that is an
28 employer must register with and participate in the e-verify program in
29 compliance with section 23-214. The authority shall require verification
30 of compliance with this subsection as part of any application process.

31 H. Notwithstanding any other law, the authority is subject to
32 chapter 3.1, article 1 of this title, relating to risk management.

33 I. The authority is exempt from title 18, chapter 1, articles 1 and
34 2, relating to statewide information technology. The authority shall
35 adopt policies, procedures and guidelines regarding information
36 technology.

37 J. The authority is exempt from state general accounting and
38 finance practices and rules adopted pursuant to chapter 4, article 3 of
39 this title, but the board shall adopt written accounting practices,
40 systems and procedures for the economic and efficient operation of the
41 authority. The authority shall adopt policies pursuant to this subsection
42 that prohibit using state monies as defined in section 35-321 to provide
43 business executives lodging, alcoholic beverages, personal transportation
44 or tickets to entertainment events for the purposes of attracting
45 businesses to this state.

1 K. The authority is exempt from section 41-712, relating to the
2 installation and maintenance of telecommunication systems.

3 L. The authority may lease or purchase motor vehicles for use by
4 employees to conduct business activities. The authority is exempt from
5 section 28-472, relating to the state motor vehicle fleet, and title 38,
6 chapter 3, article 10, relating to vehicle usage and markings.

7 M. Any tangible or intangible record submitted to or compiled by
8 the board or the authority in connection with its work, including the
9 award of monies, is subject to title 39, chapter 1, unless an applicant
10 shows, or the board or authority determines, that specific information
11 meets either of the following:

12 1. If made public, the information would divulge the applicant's or
13 potential applicant's trade secrets, as defined in section 44-401.

14 2. If made public, the information could potentially harm the
15 applicant's, the potential applicant's or this state's competitive
16 position relating to potential business development opportunities and
17 strategies.

18 N. The authority is exempt from chapter 25, article 1 of this
19 title, relating to government competition with private enterprise.