

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1826
(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 41-1561, Arizona Revised Statutes, is amended
3 to read:

4 41-1561. Office of defense innovation; powers and duties;
5 annual report; definitions

6 A. The office of defense innovation is established within the
7 authority.

8 B. THE OFFICE SHALL ENTER INTO A PUBLIC-PRIVATE PARTNERSHIP WITH A
9 QUALIFIED PUBLIC OR PRIVATE ENTITY TO ADVANCE THIS STATE'S DEFENSE,
10 AEROSPACE, DUAL USE AND NATIONAL SECURITY INNOVATION ECOSYSTEM. THE OFFICE
11 SHALL ENGAGE WITH AND COORDINATE WITH PRIVATE INDUSTRY, DEFENSE
12 CONTRACTORS, SMALL BUSINESSES, INSTITUTIONS OF HIGHER EDUCATION, RESEARCH
13 INSTITUTIONS, MILITARY INSTALLATIONS AND PRIVATE STAKEHOLDERS TO IMPLEMENT
14 THE DUTIES OF THE OFFICE.

15 ~~B.~~ C. The office may:

16 1. Act as a liaison between this state, the United States
17 department of defense and national security organizations, including
18 federal and state agencies, ~~and law enforcement~~ and industries that
19 support the purposes PRESCRIBED in this ~~subsection~~ SECTION.

20 2. Identify and pursue, as appropriate, opportunities to increase
21 the amount of federal funding to foster the development of products,
22 services and technologies that support the United States department of
23 defense in this state.

24 3. Support, ENHANCE OR EXPAND any ongoing United States department
25 of defense ~~industry development mission that is directed at this state~~
26 MISSIONS WITHIN THIS STATE.

27 4. Support Arizona-based companies that seek federal defense
28 contracts.

29 5. ~~Advance~~ ADVOCATE TO ANY RELEVANT CONSTITUENCIES FOR Arizona's
30 economic interests that are related to the United States department of
31 defense's ~~aerospace mission~~ MISSIONS and AEROSPACE AND defense ~~sectors and~~
32 industries.

33 6. Develop and implement a reoccurring strategic plan to enhance
34 Arizona's competitiveness in defense-related AND NATIONAL SECURITY
35 industries.

36 7. Identify and support emerging technology AND DUAL USE
37 TECHNOLOGY, including commercialization support services to accelerate
38 technology development.

1 8. Collaborate with the Arizona board of regents and universities
2 and research institutions that seek to increase the amount of defense
3 research and development funding for applied research, ~~and~~ advance
4 prototyping of critical defense-related products and technologies; ~~AND~~
5 support rapid technology transfer and transition capabilities.

6 9. Collaborate to enhance workforce development that prepares
7 innovators, ~~and intrapreneurs~~ ENTREPRENEURS AND WORKERS to support DEFENSE
8 AND NATIONAL SECURITY industries ~~of the future~~.

9 10. DEVELOP, IN COORDINATION WITH PUBLIC AND PRIVATE PARTNERS AND
10 CONSISTENT WITH APPLICABLE STATE AND FEDERAL LAW, A PROVING GROUND IN THIS
11 STATE FOR AUTONOMOUS SYSTEMS AND ADVANCED AIR MOBILITY TO ENABLE TESTING,
12 VALIDATION AND COMMERCIALIZATION ACTIVITIES.

13 11. ENTER INTO AGREEMENTS, INCLUDING INTERGOVERNMENTAL AGREEMENTS
14 AND MEMORANDA OF UNDERSTANDING, AS NECESSARY TO IMPLEMENT THIS SECTION.

15 12. APPLY FOR, ACCEPT AND SPEND GRANTS, DONATIONS, AID OR OTHER
16 MONIES RECEIVED FROM THE FEDERAL GOVERNMENT OR ANY AGENCY OF THE FEDERAL
17 GOVERNMENT FOR ANY ADVANCED AIR MOBILITY PURPOSE.

18 13. ON BEHALF OF THIS STATE OR IN COORDINATION WITH ANY APPROPRIATE
19 STATE AGENCY, APPLY FOR AND HOLD FEDERAL AVIATION ADMINISTRATION
20 CERTIFICATES, WAIVERS OR AUTHORIZATIONS NECESSARY TO IMPLEMENT THIS
21 SECTION.

22 ~~10.~~ 14. Coordinate with the governor and the legislature on the
23 office's activities, achievements and recommendations.

24 D. THIS SECTION DOES NOT ALLOW THE OFFICE TO EXERCISE REGULATORY
25 AUTHORITY OVER ANY PUBLIC OR PRIVATE ENTITY.

26 ~~E.~~ E. On or before December 31, 2026 and each year thereafter, the
27 office shall submit a report regarding the OFFICE'S activities and
28 recommendations to the governor, the president of the senate and the
29 speaker of the house of representatives and shall provide a copy of the
30 report to the secretary of state.

31 F. ON OR BEFORE SEPTEMBER 1, 2029, THE OFFICE SHALL SUBMIT TO THE
32 GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
33 REPRESENTATIVES A COMPREHENSIVE REPORT THAT INCLUDES ALL OF THE FOLLOWING:

34 1. A SUMMARY OF THE OFFICE'S ACTIVITIES AND ACCOMPLISHMENTS.

35 2. AN ASSESSMENT OF THE ECONOMIC AND NATIONAL SECURITY IMPACT OF
36 THE OFFICE.

37 3. RECOMMENDATIONS REGARDING THE CONTINUATION, MODIFICATION OR
38 TERMINATION OF THE OFFICE.

39 G. FOR THE PURPOSES OF THIS SECTION:

40 1. "ADVANCED AIR MOBILITY" HAS THE SAME MEANING PRESCRIBED IN
41 SECTION 28-8601.

42 2. "DUAL USE TECHNOLOGY" MEANS TECHNOLOGY THAT HAS BOTH CIVILIAN
43 AND DEFENSE OR NATIONAL SECURITY APPLICATIONS.

44 3. "QUALIFIED PUBLIC OR PRIVATE ENTITY" MEANS AN ENTITY THAT
45 DEMONSTRATES EXPERIENCE, CAPACITY AND CREDIBILITY IN DEFENSE AND NATIONAL
46 SECURITY INNOVATION AND THAT HAS THE ABILITY TO DO ALL OF THE FOLLOWING:

47 (a) SUPPORT FEDERAL DEFENSE AND NATIONAL SECURITY MISSIONS,
48 INCLUDING ENGAGING WITH THE UNITED STATES DEPARTMENT OF DEFENSE AND
49 RELATED AGENCIES.

1 (b) MANAGE COMPLEX PROGRAMS THAT INVOLVE COORDINATION AMONG PUBLIC
2 AND PRIVATE STAKEHOLDERS, INCLUDING INDUSTRY, ACADEMIA AND GOVERNMENT.

3 (c) FACILITATE TECHNOLOGY DEVELOPMENT, TESTING, VALIDATION OR
4 TRANSITION ACTIVITIES IN SUPPORT OF DEFENSE OR DUAL USE APPLICATIONS.

5 (d) OPERATE IN ENVIRONMENTS THAT MAY REQUIRE SPECIALIZED
6 COMPLIANCE, CREDENTIALING OR SECURITY CONDITIONS AND SUPPORT
7 DEFENSE-RELATED CONTRACTING OR FEDERAL PROGRAM REQUIREMENTS.

8 Sec. 2. Appropriation; office of defense innovation

9 The sum of \$2,000,000 is appropriated from the advanced air mobility
10 fund established by section 28-8604, Arizona Revised Statutes, in fiscal
11 year 2026-2027 to the office of defense innovation established by section
12 41-1561, Arizona Revised Statutes, as amended by this act, for the purpose
13 of advanced air mobility."

14 Amend title to conform

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