

LEGISLATION PROPOSED/PASSED – 2007
48th Legislature – First Regular Session

Directors and staff of Arizona State Library, Archives and Public Records worked closely with Legislators and Legislative staff on the following bills and attended hearings when called upon to provide testimony or supplied other information specifically requested.

HB2111 – Corporation and LLC Omnibus

Sponsors

Representatives: Michele Reagan, Bob Robson

Co-Sponsor

Representative: Adam Driggs

Overview

Makes changes to the statutes to conform the regulations for corporations and limited liability companies.

Background

The Arizona Corporation Commission (ACC) was created by the Arizona Constitution, and currently functions with five elected commissioners. Arizona is one of only 13 states with elected commissioners; all other states have commissioners appointed by the Governor or the Legislature. The ACC operates with the following six divisions: Administration; Hearings; Utilities; Securities; Corporations; Legal. The Corporations Division within the ACC issues corporate or LLC status to businesses (both domestic and foreign), issues licenses and maintains pertinent filings, as well as annual reports.

Title 29, Chapter 4, Arizona Revised Statutes, prescribes the requirements for a Limited Liability Company (LLC) to operate under the jurisdiction and regulatory control of the ACC. Additionally, Title 10, the Corporations and Associations provisions of statute, regulates corporations. In order to conform all corporate statutes to provide the business community with an efficient and consistent means to operate, the ACC has made numerous changes to the statutes over the last several years.

HB 2111 is an omnibus bill that makes further conforming changes to the Arizona Revised Statutes. The provisions also clarify that all filing fees are nonrefundable, electronic images are acceptable and official filings, and the official time for publication begins on the date documents are approved by the ACC.

Provisions

- Clarifies documents may be delivered to the ACC by means of fax or electronic transmission.
- Authorizes the ACC to prescribe the format for filing an electronic document.
- Clarifies the filing fees submitted to the ACC are nonrefundable.
- Clarifies the official time requirement for publication begins on the date the documents are approved by the ACC.
- Permits a person to apply to the ACC for a Certificate of Good Standing for either a domestic or foreign LLC and outlines specific requirements.
- If a state agency can confirm through the ACC that an applicant is entitled to a Certificate of Good Standing, prohibits that agency from requiring the applicant to obtain the certificate.
- Requires Articles of Merger or Consolidation to contain any amendments to the Articles of Organization of the surviving LLC, if the surviving business is an LLC.
- Establishes that if the Articles of Merger include amendments to the Articles of Organization, then they must be filed with the ACC as Articles of Amendment and Merger.
- Rewrites and clarifies the process and procedures after dissolution of the LLC, including the stipulation that a dissolved LLC cannot carry on any business except as necessary to wind up and liquidate its affairs as outlined in current law.

Arizona State Library, Archives and Public Records Involvement with HB2111

According to A.R.S. § 39-101. Permanent public records; quality; storage; violation; classification:

- A. Permanent public records of the state, a county, city or town, or other political subdivision of the state, shall be transcribed or kept on paper or other material which is of durable or permanent quality and which conforms to standards established by the director of the Arizona state library, archives and public records.*
- B. Permanent public records transcribed or kept as provided in subsection A shall be stored and maintained according to standards for the storage of permanent public records established by the director of the Arizona state library, archives and public records.*

The retention schedule for Corporation Filings indicates that these are permanent records and, if maintained in electronic format, .could be costly in terms of ensuring the records exist permanently if the formats do not allow for easy migration and persistence.

Outcome of Legislation

HB2111 was signed by the Governor on April 6, 2007; Laws 2007, Chapter 4.

HB2203 – Schools; Reading Deficiencies; Summer School

Sponsor

Representative: Mark Anderson

Co-Sponsor

Representative: Andrew M. Tobin

Overview

HB2203 allows the Arizona Department of Education (ADE) to use monies from the Failing Schools Tutoring Fund (Fund) to provide summer school programs for any pupil who, at the end of grade three, is not reading at or above the grade three level. Additionally, each pupil who, by the end of grade three, is not reading at or above a grade three level is required to attend and satisfactorily complete summer school instruction that provides intensive reading instruction before the pupil may be promoted to grade four.

Background

A.R.S. Section 15-241 requires the ADE to compile an annual achievement profile for each public school based on data each school submits which is then used to determine a standard measurement of acceptable academic progress. Statute requires the ADE to classify each school under one of only five classifications:

1. An excelling school.
2. A highly performing school.
3. A performing school.
4. An underperforming school.
5. A school failing to meet academic standards.

Current law allows the ADE to use monies from the Fund to provide supplemental instruction to pupils in schools designated as underperforming or failing to meet academic standards and to purchase materials designed to assist students to meet the Arizona Academic Standards and to achieve a passing score on the AIMS test in order to graduate from high school. Fund Monies are derived from a portion of the .6% transaction privilege tax approved as part of Proposition 301 (2000), equaling \$1,500,000 annually.

A.R.S. Section 15-741 requires the State Board of Education (SBE) to implement the Arizona Instrument to Measure Standards test (AIMS) to measure student achievement in reading, writing and mathematics in at least four grades. Currently, pupils must achieve a certain score on the AIMS test and in addition, achieve a specified level of academic standard in at least reading, writing, mathematics, science and social studies and any other criteria as determined by the local school district governing board to be promoted to the next grade.

Provisions

- Allows the ADE to use monies in the Fund to provide summer school programs for any pupil who, at the end of grade three, is not reading at or above the grade three level.
- Requires each pupil who, by the end of grade three, is not reading at or above a grade three level to attend and satisfactorily complete summer school instruction that provides intensive reading instruction before the pupil may be promoted to grade four. A child with a disability who is provided special education services through an individualized education program is exempt from this requirement.
- Makes technical and conforming changes.

Amendments

Education (K-12)

- Removes the ability of the ADE to use monies from the Fund for summer school instruction remediation programs.
- Provides that beginning in FY 2008-09 the governing board must require any student who at the end of grade three is not reading at or above the grade three level, as determined by passing scores on the AIMS test, to attend and complete a remediation program approved by the SBE.
- Exempts English language learners from the requirement to complete the summer school instruction remediation programs.
- Requires the ADE to administer the programs and determine the average cost of the remediation program.
- Requires schools to submit a list of students who qualify for the program, and parents of those children must choose to send their children to any approved program.
- Requires schools to submit a grant request based on the number of qualifying students multiplied by the average cost of remediation programs.
- Requires the SBE to adopt rules for these purposes.
- Appropriates \$2,000,000 from the state General Fund in FY 2007-08 to the ADE and exempts the appropriation from lapsing.

Appropriations

- Contains the same provisions as the Committee on Education (K-12) amendment.

Arizona State Library, Archives and Public Records Involvement with HB2203

Literacy is a key focus of libraries.

Outcome of Legislation

HB2203 was given a do pass as amended on February 14, 2007 by the House Education (K-12) Committee and on February 21, 2007 by the House Appropriations Committee and was deemed constitutional and in proper form by the House Rules Committee on March 12, 2007 but the bill was held awaiting the House Committee of the Whole.

HB2208 – Open Meetings; Minutes; Recordings (WAS: Open Meetings; Minutes; Redacted Information)

Sponsor

Representative: Kirk Adams

Overview

HB2208 allows a subcommittee, advisory board or commission of a city or town with a population of 2,500 or more 10 days to post legal action.

Background

A.R.S. § 38-431 sets out the public meeting laws governing the meetings of public bodies. Current law requires that public meeting minutes for all public bodies, with the exception of subcommittees and advisory committees, shall include at least the following information: date, time and location of the meeting, the members present or absent from the public body, a general description of the matters considered and an accurate description of all legal actions proposed, discussed or taken. Persons participating in the meeting by making statements or presenting material to the public body are also included.

The minutes of public meetings must be made available to the public three working days after the meeting took place. Last year, legislation was passed that requires public bodies of cities and towns with a population of more than 2,500 persons and that have an internet Web site to post a statement containing legal action taken within three working days after the meetings, and to post written minutes within two working days of approval.

Provisions

- Allows a subcommittee, advisory board or commission of a city or town with a population of 2,500 or more 10 working days to post on their Web site (if applicable) either:
- A statement showing any legal action taken; or
- Any recordings of the meeting.
- Provides definitions.
- Makes technical and conforming changes.

Arizona State Library, Archives and Public Records Involvement with HB2208

The Records Management Division is responsible for establishing standards, procedures and techniques for effective management of the public records of Arizona state and local government.

Outcome of Legislation

HB2208 was signed by the Governor on April 16, 2007; Laws 2007, Chapter 71.

HB2407 – Centennial; Administrative Costs; Appropriation

Sponsor

Representative: Rich Crandall

Overview

HB2407 allows the Arizona Historical Advisory Commission (AHAC) to accept and spend legislative appropriations to contract for staff in order to plan, develop and coordinate a statewide plan regarding the State's centennial celebration and transfers \$50,000 from previously appropriated monies to the AHAC for planning and hiring purposes.

Background

Arizona will celebrate its 100th anniversary of statehood on February 14, 2012. In May 2004, the Coordinating Committee for the History of Arizona held a workshop with over 90 representatives from every county of the state. During the workshop, the Committee recommended that the AHAC serve as the coordinating entity for the state's centennial plan.

The AHAC is a statutory commission consisting of members appointed by the director of the Arizona State Library, Archives and Public Records who are experts in the disciplines of history, architecture and archaeology, professional librarians and

archivists and other individuals who are associated with the interpretation, research, writing, preservation or teaching of the State's heritage. The AHAC also includes the Director of the Arizona Historical Society, the Director of the State Museum, the Director of the Arizona State Parks Board and the State Historic Preservation Officer. The AHAC advises and makes recommendations to the Legislature and state agencies on matters related to historic preservation and encourages training and education in the field of historic preservation.

Laws 2006, Chapter 350, authorized the AHAC to accept and spend gifts, grants and contributions in order to hire staff to plan for, develop and coordinate a statewide plan regarding the State's centennial celebration. The legislation also appropriated \$2.5 million to Legislative Council for the statewide centennial plan, activities and projects. Monies appropriated would only be made available to the AHAC upon an affirmative vote of Legislative Council and receiving a matching amount of \$5 million from other sources.

Provisions

- Authorizes the AHAC to accept and spend legislative appropriations to contract for staff in order to plan, develop and coordinate a statewide plan regarding the State's centennial celebration.
- Transfers \$50,000 from monies appropriated in FY 2006-07 for the centennial to the AHAC for initial expenses.
- Exempts the \$50,000 transfer from matching and Legislative Council vote requirements.
- Contains an emergency clause.

Arizona State Library, Archives and Public Records Involvement with HB2407

In 1976, the Arizona Historical Advisory Commission (Commission) was established by A. R. S. § 41-1352 under Arizona State Library, Archives and Public Records (Library and Archives) whose Director appoints the members of the Commission.

Outcome of Legislation

HB2407 was signed by the Governor on April 16, 2007; Laws 2007, Chapter 78.

HB2465 – Archives Building; Purchase of Property

Sponsors

Representatives: Russell K. Pearce, Trish Groe
Senator: Linda Gray

Co-Sponsors

Representative: Mark Anderson

Senator: Chuck Gray

Overview

HB 2465 gives the director of the Arizona Department of Administration (ADOA) the authorization to purchase property adjacent to archive buildings using previously appropriated monies.

Background

Laws 2004, Chapter 194 appropriated \$2 million in FY 2004-05 towards design and site preparation for the Polly Rosenbaum State Archives and History Building. Laws 2005, Chapter 298 appropriated \$15 million from the general fund in both FY 2005-06 and FY 2006-07 to Legislative Council for construction of the project. The FY 2006-07 Capital Outlay Bill appropriated an additional \$8 million from the General Fund in FY 2007-08 for increased construction costs of the Archives Building.

A.R.S Section 41-791.02 grants the director of ADOA to purchase real property, buildings, energy systems or energy management systems which are necessary for the use of the state. Buildings or land acquired by purchase must be approved by the Joint Committee on Capital Review and monies must be appropriated by the legislature.

Provisions

- Authorizes the director of the ADOA to purchase land adjacent to the site of the proposed State Archives Building.
- States that the \$2 million appropriated in FY 2004-05 must be used for the purchase.
- Contains an emergency clause.

Arizona State Library, Archives and Public Records Involvement with HB2465

The Arizona History and Archives Division which is responsible for the Polly Rosenbaum Archives and History Building is a division of Arizona State Library, Archives and Public Records.

Outcome of Legislation

HB2465 was signed by the Governor on April 11, 2007; Laws 2007, Chapter 44.

HB2563 – State Ombudsman; Access to Records

Sponsor

Representative: John B. Nelson

Overview

HB2563 prohibits the Office of Ombudsman-Citizens Aide from accessing certain records.

Background

The Office of Ombudsman-Citizen's Aide (Ombudsman) was established in 1996 as an independent and neutral official where the public can address grievances about the administration of state government. The Ombudsman receives public complaints, investigates administrative acts of state agencies and recommends remedies.

In 2006, the Legislature expanded the Ombudsman to include two assistants to assist in investigating complaints relating to the public access laws involving an agency. Laws 2006 Chapter 370 required the assistants to the Ombudsman to train public officials and educate the public on the rights of the public and the responsibility of public agencies. The bill additionally requires the Ombudsman to submit an annual report, and exempted several types of agency records from their access during an investigation. Current records that the Ombudsman does not have access to includes

- Sealed court records (without a subpoena)
- Active criminal investigation records
- Information protected by specified sections of the Internal Revenue Code
- Other statutorily defined confidential information

HB 2563 expands the list of records the Ombudsman cannot access to include records and facility information that is protected by federal law.

Provisions

- Prohibits the Ombudsman-Citizens Aide from accessing the following documents:
 - Section 214 of the Critical Infrastructure Information Act of 2002 (6 United States Code Section 133a)
 - 49 Code of Federal Regulations Part 1520
 - Critical Infrastructure Information as defined by A.R.S. § 41-1801

Arizona State Library, Archives and Public Records Involvement with HB2563

The Records Management Division is responsible for establishing standards, procedures and techniques for effective management of the public records of Arizona state and local government.

Outcome of Legislation

HB2563 was signed by the Governor on April 18, 2007; Laws 2007, Chapter 92.

HB2656 – Secondary Property Taxes; Limits

Sponsor

Representative: Steven B. Yarbrough

Co-Sponsors

Representatives: Kirk Adams, Rick Murphy, Michele Reagan

Overview

HB2656 would establish statutory levy limits for certain secondary property taxes.

Background

The total tax rate assessed against a parcel of property is the combination of the primary and secondary tax rates levied by all jurisdictions. The state, counties, community college districts, cities, local school districts and most special districts all have the authority to levy property taxes.

Primary tax levies: A primary property tax can be levied by a county, municipality, community college or school district and is dedicated for the maintenance and operation of the respective jurisdiction. Primary taxes are levied to defray the necessary expenses of general government. After approval by the voters in 1980, a constitutional primary property tax levy was initiated in 1982 that limited the amount of revenues that can be raised by this source. These entities are allowed a 2% levy increase on property that was taxed in the preceding year. They are also allowed growth in excess of 2% by taxing new construction and escaped property. Over the years, as some of these entities do not use all their taxing capacity, excess capacity builds up. During the 2006 legislative session, the Legislature addressed the issue of excess capacity and passed HCR 2056, which was approved by the voters as Proposition 101. This proposition rebased the primary levy limits to the 2005 levy amount and eliminated the excess taxing capacity.

Secondary tax levies: Secondary property taxes are levied to pay for voter-approved bond indebtedness, voter-approved budget overrides and special district levies such as a flood, library, jail, fire, etc.. Currently, most districts have no limitations on the growth of secondary tax levies. Some of these special districts do have maximum tax rates which they cannot exceed. Since these districts are not subject to Truth-In-Taxation provisions, a constant rate results in increased taxes equal to the growth in assessed value. There are no controls on the growth of these taxes when assessed valuation increases.

New Secondary Levy Limits: There are two types of levy limits proposed, one for certain county districts and one for education-related bonds.

County Districts: This bill will establish statutory levy limits for county flood, library, jail and public health services districts. This new levy is the same computation used currently for a Special Health Care district. The secondary levy will be limited in growth each year to the same percentage increase in the county’s constitutional primary levy limit. Each year the new limit will be calculated off of the previous year’s limit, not necessarily the amount actually levied. Currently, these districts have various restrictions or no restrictions on what they can levy.

Taxing District	Statutory Limit
County Flood Control	Total principle of all outstanding indebtedness cannot exceed 5% of assessed value from the previous assessment roll before bonds are issued.
County Free Library	No limit – allowed to raise sufficient funds to establish the district and insure payment of salaries, maintenance and operation and other necessary expenses.
County Jail	20 cents per \$100 of assessed value
County Public Health Services	25 cents per \$100 of assessed value
Special Health Care (Maricopa County only)	Limited to the growth each year equal to the growth in the primary levy limit for the county

Education Bonds: The bill establishes statutory levy limits for K-12 and K-3 Maintenance & Operation (M&O) overrides. These levies would be capped over the life of the override at a fixed amount approved by the voters. The amount requested by the district would be limited to 10% of the current budget year’s Revenue Control Limit (RCL) for K-12 overrides and 5% of the current budget year’s RCL for K-3 overrides. The bill also establishes a levy limit for K-12 capital outlay overrides which will be limited to a fixed amount in the year of approval. The amount requested by the district could not exceed 100% of the district’s Capital Outlay Revenue Limit (CORL).

CORL - Capital Outlay Revenue Limit: This source of funds originally was meant to be state assistance for books, equipment and supplies. However, the statute was changed to allow this money to be transferred to the M&O budget. The amount is based on a district’s weighted student count. A district can exceed (override) the CORL with voter

approval. The override is paid for with a secondary property tax rate in the district.

RCL – Revenue Control Limit: This limit is the sum of the base support level and the amount allowed by the transportation revenue control limit. The RCL, along with the CORL, establish a district's M&O expenditure limit (budget).

Provisions

- Beginning July 1, 2007, limits secondary levies for education overrides as follows:
 - K-12 capital outlay overrides to 100% of the school district's CORL.
 - K-3 M&O overrides and K-12 M&O overrides to a fixed amount over the life of the override, as approved by the voters. The fixed amount is the percentage of the RCL allowed for current overrides in the budget year of the election.
- Beginning in 2007, limits the secondary levies of special taxing districts to an amount equal to the change in their primary levy limits between the current year and the preceding year for the county in which the special district is located.
- Provides a definition of special taxing district to mean a county flood control district, a county free library district, a county jail district, a special health care district and a public health services district.
- Requires the Property Tax Oversight Commission (PTOC) to review the secondary property tax levies of each special taxing district to determine if there are any violations.
- Allows special taxing jurisdictions the same appeals process that is currently allowed for primary property tax levy disputes.
- Requires the PTOC to use any corrected secondary property tax levies for purposes of determining the following year's levy limit.
- Contains technical and conforming changes, along with blending enactments from 2006.

Amendments

Ways and Means:

- Removes all provisions that would place limits on secondary levies for education overrides.

Arizona State Library, Archives and Public Records Involvement with HB2656

Secondary property taxes are levied to pay for libraries as well as for other purposes.

Outcome of Legislation

HB2656 failed February 12, 2007 in the House Committee on Ways and Means.

HB2781 – General Appropriations; 2007-2008 (NOW: General Appropriations; 2007-2008; 2008-2009)

Sponsor

Representative: Tom Boone

Overview

Makes state General Fund and other fund appropriations for FY 2007-2008 and FY 2008-2009 for the operation of state government.

Provisions

ASLAPR is on p. 83 of Senate Engrossed House Bill 2781 (pdf page 84):

Arizona state library, archives and public records

	<u>2007-08</u>	<u>2008-09</u>
FTE positions	115.8	115.8
Operating lump sum appropriation	\$ 7,450,400	\$ 7,450,400
Grants-in-aid	651,400	651,400
Statewide radio reading service for the blind	97,000	97,000
Total appropriation – Arizona state library, archives and public records	\$ 8,198,800 *	\$ 8,198,800 *

Fund sources:

State general fund	\$ 7,536,300	\$ 7,536,300
Records services fund	662,500	662,500

Performance measures:

Customer satisfaction rating (Scale 1-8)	7.4	7.4
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All records services fund receipts, including prior year fund balances, received by the Arizona state library, archives and public records in excess of \$662,500 in fiscal year 2007-2008 and fiscal year 2008-2009 are appropriated to the Arizona state library, archives and public records. Before the expenditure of records services fund receipts in excess of \$662,500 in fiscal year 2007 2008 and fiscal year 2008-2009, the Arizona state library, archives and public records shall submit the intended use of the monies for review by the joint legislative budget committee.

This is from section 109 on pp. 119-120 of Senate Engrossed House Bill 2781(pdf pages 120-121)

State employee health insurance adjustments

The amount appropriated for state employee health insurance adjustments shall be for fiscal year 2007-2008 increases in the employer share of state employee health insurance premiums. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency's or department's employee-related expenditures an amount for the employer share of the employee health insurance increases. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of state employee health insurance adjustments.

State employee retirement adjustments

The amount appropriated for state employee retirement contribution adjustments shall be for fiscal year 2007-2008 increases in the employer share of state employee retirement contributions. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency's or department's employee-related expenditures an amount for the employer share of the employee retirement contribution increase. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of state employee retirement contribution adjustments.

Salary adjustments

The amount appropriated for salary adjustments includes personal services and employee-related expenditures for state officers and employees in accordance with this act.

For fiscal year 2007-2008, the joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for these adjustments. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of salary adjustments.

The annual salary level of each employee shall be increased by 3.00 per cent. In addition to the 3.00 per cent general salary adjustment, the amount appropriated also includes 0.25 per cent for a salary adjustment which shall be designated as performance pay and subject to section 38-618.01, Arizona Revised Statutes, or for those employees who are not subject to the performance pay provisions of section 38-618.01, Arizona Revised Statutes, the salary adjustments shall be in accordance with the department's or agency's compensation plan.

The following exceptions apply to the salary adjustments. All adjustments are effective July 1, 2007 and shall apply to less than full time employees on a prorated basis. For personnel employed by the Arizona board of regents or a university under the jurisdiction of the Arizona board of regents, the salary adjustments shall

be in accordance with the board's approved compensation plans. Board and commission members who are paid on a per diem basis and agency heads who are appointed for a fixed term of office shall not receive the salary adjustments pursuant to this section.

This is from section 116 on p. 123 of Senate Engrossed House Bill 2781(pdf page 124)

For the purposes of this act, "*" means this appropriation is a continuing appropriation and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Arizona State Library, Archives and Public Records Involvement with HB2781

ASLAPR is a state agency which relies on the General Fund for funding most of its operations.

Outcome of Legislation

HB2781 was signed by the Governor on June 25, 2007; Laws 2007, Chapter 255.

HB2783 – Capital Outlay; Appropriations

Sponsors

Representative: John McComish

Overview

HB 2783 appropriates \$13,341,300 in other funds (OF) for maintenance and repair of state buildings and \$294,391,100 OF and \$51,914,000 from the state General Fund (GF) for various major capital projects in FY 2007-08. In addition, HB 2783 makes various other capital related appropriations including \$6,000,000 from the General Fund in FY 2007-08 to Legislative Council for the planning, design, and other costs associated with capitol renovations and projects..

Background

A team of Arizona State University College of Design architects and planners, working under the auspices of the Phoenix Urban Research Laboratory, developed the Capitol Mall Centennial Plan. The plan was presented to the Legislative Governmental Mall Commission on November 6, 2006. The plan makes key infrastructural and landscape recommendations directed toward the goal of revitalizing the Capitol Mall District as Arizona prepares to celebrate its centennial in 2012.

Provisions

In addition to other provisions, this is specific to the Capitol Mall:

- Appropriates \$6,000,000 from the General Fund in FY 2007-08 to legislative council for the planning, design, and other costs associated with capitol renovations and projects.
- Allows legislative council to contract for assistance with capitol renovations and projects.

Arizona State Library, Archives and Public Records Involvement with HB2783

Two Divisions of Arizona State Library, Archives and Public Records are housed in the Arizona Capitol and in the 1938 annex.

Outcome of Legislation

HB2783 passed the House on May 23, 2007 by 31-29. The Capitol Mall appropriation was NOT included in the Senate version of the bill which was signed by the Governor on June 25, 2007; Laws 2007, Chapter 257.

HCM2006 – Arizona Centennial

Sponsors

Representatives: Adam Driggs, Lucy Mason

Co-Sponsors

Representatives: Doug Clark, Rich Crandall, Mark DeSimone, Bill Konopnicki, Michele Reagan, Andrew M. Tobin

Overview

HCM2006 urges elected officials of political subdivisions and Indian tribes to appoint a centennial committee to identify and develop legacy projects to commemorate Arizona's centennial.

Background

Arizona will reach its 100th anniversary of statehood on February 14, 2012. In 2005, the Legislature required the Arizona Historical Advisory Commission (AHAC) to develop and coordinate a statewide plan regarding the state's centennial.

Laws 2006, Chapter 350 appropriated \$2.5 million in FY 2006-2007 from the state General Fund to Legislative Council for statewide planning, activities and projects relating to the Arizona centennial celebration. The legislation also specified that no amount of the appropriation shall be spent until a matching amount of \$5 million from sources other than the state is collected by the AHAC. These matching monies may be spent as they are collected but the AHAC is required to keep an accounting so that Legislative Council can qualify the state match.

Provisions

- Urges elected officials of political subdivisions and Indian tribes to appoint a centennial committee to identify and develop legacy projects to commemorate Arizona's centennial.
- Requires the Secretary of State to transmit copies of the memorial to elected officials of each political subdivision and Indian tribe.

Arizona State Library, Archives and Public Records Involvement with HCM2006

In 1976, the Arizona Historical Advisory Commission (Commission) was established by A. R. S. § 41-1352 under Arizona State Library, Archives and Public Records (Library and Archives) whose Director appoints the members of the Commission.

Outcome of Legislation

HCM2006 was passed by the House 26 - 1 with 3 not voting on April 3, 2007 and transmitted to the Secretary of State on April 4, 2007.

SB1104 – Information Security and Privacy Office

Sponsors

Senators: Robert "Bob" Burns, Marsha Arzberger

Co-Sponsors

Senator: John Huppenthal
Representative: Bill Konopnicki

Overview

Establishes and sets forth responsibilities for the Statewide Information Security and Privacy Office (SISPO) within the Government Information Technology Agency (GITA). Appropriates \$1,795,300 from the state General Fund in FY 2007-2008 to GITA.

Background

A budget unit is a department, commission, board, institution or other agency of the state that receives, expends or disburses state funds or incurs obligations of the state, including the Arizona Board of Regents but excluding the universities under the jurisdiction of the Arizona Board of Regents, the community college districts and the legislative or judicial branches. Information technology is all computerized and auxiliary automated information processing, telecommunications and related technology, including hardware, software, vendor support and related services, equipment and projects.

The Auditor General, in the 2005 Sunset Review, stated that “GITA needs to improve state-wide IT management, should strengthen IT project reviews and better help agencies manage IT projects.” The proposed SISPO operates under GITA.

GITA’s operating budget consists of a .15 percent pro rata charge on agencies’ payroll. In FY 2005-2006, this generated \$2.5 million. There is a \$1,795,300 appropriation from the state General Fund.

Provisions

1. Establishes the SISPO within GITA, to strategically serve, plan, facilitate and coordinate information technology security in the state.
2. Specifies that individual budget units maintain operational responsibility for security.
3. Requires the Director of GITA (Director) to appoint a Chief Information Security Officer to oversee SISPO, and to have that office report back to the Director.
4. Requires SISPO to develop, implement, maintain and ensure compliance by each budget unit with a coordinated statewide assurance plan for information security and privacy.
5. Directs SISPO to:
 - a) direct information security and privacy protection compliance reviews with each budget unit.
 - b) identify information security and privacy protection risks and require each unit to adopt mitigation strategies, methods and procedures to lessen risk.
 - c) report compliance within rules of SISPO privacy protection policies, standards and procedures.
 - d) coordinate information security and privacy protection awareness and training programs.
6. Allows SISPO and its budget units to temporarily suspend owned, leased, outsourced and shared operations of information infrastructure.
7. Requires each budget unit and its contractors to identify and immediately report security incidents to SISPO, and deploy mitigation strategies as directed.
8. Appropriates \$1,795,300 from the state General Fund in FY 2007-2008 for three FTE positions and a statewide security risk assessment.
9. Becomes effective on the general effective date.

Arizona State Library, Archives and Public Records Involvement with SB1104

The Records Management Division is responsible for establishing standards, procedures and techniques for effective management of the public records of Arizona state and local government.

Outcome of Legislation

An amendment to make an appropriation for three FTE positions and a statewide security risk assessment was offered in the Senate Committee on Government and the Senate Appropriations Committee and SB1104 was given a do pass as amended on January 16, 2007 by both committees but the bill was never heard in the Senate Rules Committee.

SB1114 – Monuments; Memorials; Governmental Mall

Sponsors

Senators: Jake Flake, Robert Blendu

Overview

SB1114 requires Governmental Mall Commission (Commission) approval of writings on mall monuments, expands Commission duties for alterations or modifications of existing monuments or memorials and establishes the State Monument and Memorial Repair Fund (Fund).

Background

The Commission was established by Laws 1985, Chapter 23, to promote the interest and welfare of the state by providing for the orderly and beneficial growth and development of the Governmental Mall (Mall). The Mall is bounded on the north by Van Buren Street, on the south by the Harrison Street alignment, on the east by 7th Avenue and on the west by 19th Avenue.

Currently, modifications to monuments or memorials undergo the same process prescribed in building or creating a monument or memorial. Statute does not specify a separate process for altering a monument or memorial once it has been completed.

Provisions

State Monument and Memorial Repair Fund

- Establishes the State Monument and Memorial Repair Fund (Fund) consisting of donations, grants, legislative appropriations and monies derived from fundraising activities of the proponents.
- Requires the Arizona Department of Administration (ADOA) to manage the Fund and submit an annual report to the Commission.
- Subjects the Fund to legislative appropriation and exempts the amounts from lapsing.
- Stipulates use of Fund monies and prohibits ADOA from spending monies in the Fund for any other purpose.
- Stipulates that the proponents collect 10 percent of the artistic design and construction costs of any monument or memorial to be deposited into the Fund before construction begins.
- Allows donor monies, other than the 10 percent collected for artistic design and construction costs, to be designated for a specific monument and memorial. If a specific monument or memorial is designated, these monies must be separately accounted for.
- Allows ADOA to relocate monuments or memorials that are located in the Mall upon review and approval of the Commission

Governmental Mall Alterations or Modifications

- Requires the Commission to approve any statement, declaration, writing or inscription that will be imprinted or stamped on any memorial or monument in the governmental mall. Also requires the Commission to approve the minimum dollar amount required for deposit in the Fund.
- Requires monument proponents to be responsible for any costs of correcting deviations from the approved design.
- Requires the original proponent of an existing monument or memorial within the Governmental Mall to submit any plan for alteration or modification to the Commission.
- Requires the Commission to:
 - a) Accept recommendations from the Historical Advisory Commission on any impact an alteration would have on the historical integrity of the existing monument
 - b) Negotiate with proponents of any alterations.
 - c) Approve or reject the proposed alteration.
- Requires the proponents of any alteration, after approval but before the beginning of construction, to enter into a contract with ADOA specifying the scope of alterations, a list of artists, contractors and subcontractors that will be employed and verification that all employees for the project are insured.
- Requires that the alterations or modifications shall be completed within two years after the approval of the Commission.
- Specifies that all fundraising, fund administration and contracts for the alteration or modification are the sole responsibility of the proponents.
- Makes technical and conforming changes.

- Contains an emergency clause.

Arizona State Library, Archives and Public Records Involvement with SB1114

The Arizona Historical Advisory Commission (Commission) is often involved in verifying the historical accuracy of monuments or memorials that are placed in Wesley Bolin Plaza which is within the boundaries of the Governmental Mall. In 1976, the Arizona Historical Advisory Commission (Commission) was established by A. R. S. § 41-1352 under Arizona State Library, Archives and Public Records (Library and Archives) whose Director appoints the members of the Commission.

Outcome of Legislation

SB1114 was signed by the Governor on June 20, 2007; Laws 2007, Chapter 250

SB1169 – County Recorders; Social Security Numbers

Sponsors

Senators: Barbara Leff, Jack W. Harper, John Huppenthal

Co-Sponsors

Senators: Pamela Gorman, Chuck Gray, Jay Tibshraeny
Representative: Mark DeSimone

Overview

Requires the county recorder to redact references, on specified dates, to recorded social security numbers.

Background

Beginning on January 1, 2005, a person or entity may not make an individual's social security number (SSN) available to the general public (Laws 2003, Chapter 137). This includes postings to public websites without a password, insecure Internet transmissions and mailed items and cards redeemed for public services. The Arizona Department of Revenue (DOR), law enforcement agencies of counties, towns and cities and other political subdivisions of the state are exempt from this legislation.

Because of the highly personal nature of the information accessed by SSNs, the Privacy Act of 1974 requires all government agencies that request SSNs to provide a disclosure statement on the form. SSNs belong exclusively to one individual, therefore making the number an efficient way to maintain and disburse information and services to the

particular members of the public in need of that information and services. Government agencies frequently use SSNs for record keeping purposes such as tracking employee files, background checks, medical records, health insurance accounts, credit and banking accounts, and university identification cards and records.

According to the Federal Trade Commission, identity theft occurs when identity thieves acquire access to an individual's personal identifying information; this includes an individual's SSN, birth date and any financial information.

There is an undetermined fiscal impact to the state General Fund associated with this legislation. The county recorder may incur a cost depending on the volume of records to be redacted.

Provisions

1. Directs the county recorder in a county with a population of more than 800,000, before January 2, 2009, to redact references to SSNs that are recorded after December 31, 1985, and on the recorder's website.
2. Allows the county recorder to use monies in the Document Storage and Retrieval Conversion and Maintenance Fund to redact SSNs.
3. Allows the county recorder to retain SSNs on instruments that are not available on the website.
4. Requires the county recorder in a county with a population of less than 800,000 to redact references to SSNs recorded prior to January 1, 1986, and available on the website, upon request of the holder of the SSN.
5. Exempts the county recorder from liability for any errors or cases of stolen identity resulting from redacting the specified records.
6. Prohibits the use of a defendant's SSN on an eviction judgment if his/her SSN is included in the complaint.
7. Prohibits DOR from imprinting the full SSN or other taxpayer identification on a tax refund check, voucher or other credit documentation issued to a taxpayer.
8. Becomes effective on the general effective date.

Amendments Adopted by Committee

- Changes the date for counties to comply with redaction requirements.

Amendments Adopted by Committee of the Whole

1. Adds redaction provision to DOR issued documents.
2. Makes redaction provision related to defendant's SSN.

Amendments Adopted by House of Representatives

1. Applies redaction requirements to a county with a population of two million or more.

2. Requires counties with populations of less than two million to redact references, at the request of the SSN holder, to nine digit SSNs on instruments that are available on the record's website.

Amendments Adopted by Conference Committee

1. Reduces population thresholds.
2. Allows county recorders to use monies from the Document Storage and Retrieval Conversion and Maintenance Fund.

Arizona State Library, Archives and Public Records Involvement with SB1169

The Records Management Division is responsible for establishing standards, procedures and techniques for effective management of the public records of Arizona state and local government.

Outcome of Legislation

SB1169 was signed by the Governor on July 2, 2007; Laws 2007, Chapter 284.

SB1192 – Appropriation; Code Talkers Monument

Sponsors

Senators: Karen Johnson, Amanda Aguirre, Linda Gray, Albert Hale, Leah Landrum Taylor, Richard Miranda, Rebecca Rios
Representative: Lena S. Saradnik

Co-Sponsors

Senators: Paula Aboud, Meg Burton Cahill, Ken Chevront, Jake Flake, Jack W. Harper, John Huppenthal, Debbie McCune Davis, Victor Soltero
Representatives: Mark Anderson, Pete Rios

Overview

SB1192 allocates \$100,000 in FY 2007-2008 for a Navajo Code Talkers monument.

Background

During World War II, American military forces encountered difficulties on the front as a result of Japanese code breaking. In 1942, a Navajo named Philip Johnson presented the idea of using the Navajo language as a code to high-ranking Marine officials, realizing that Native American language had been used in World War I to encode

messages. Twenty-nine Navajo were enlisted as Navajo Code Talkers. They took part in every assault the U.S. Marines conducted in the Pacific from 1942 to 1945, transmitting messages by telephone and radio in their native language, which the Japanese never broke.

Statute requires any monument or memorial constructed in Wesley Bolin Plaza to follow these procedures:

- a) The monument or memorial must be authorized by Legislation.
- b) Proponents of the monument or memorial submit the design, dimensions and location to the Arizona Department of Administration (ADOA), which reviews the concept and determines the appropriate location.
- c) ADOA makes recommendations to the Legislative Governmental Mall Commission (LGMC) referencing the maintenance of the monument or memorial.
- d) The Historical Advisory Commission reviews the monument or memorial's historical integrity, which then receives a final approval from the LGMC.
- e) Proponents of the monument or memorial enter into a contract with ADOA before construction begins.
- f) The approved monument or memorial is completed within two years after the legislation's effective date.

The sum of \$100,000 is appropriated from the state General Fund in FY 2007-2008.

Provisions

1. Appropriates \$100,000, exempt from lapsing, for the Navajo Code Talkers monument.
2. Requires the Navajo Tribe to donate \$100,000 before appropriating any monies from the state General Fund.
3. Becomes effective on the general effective date.

Arizona State Library, Archives and Public Records Involvement with SB1192

The Arizona Historical Advisory Commission (Commission) is required to review the monument's historical integrity. In 1976, the Arizona Historical Advisory Commission (Commission) was established by A. R. S. § 41-1352 under Arizona State Library, Archives and Public Records (Library and Archives) whose Director appoints the members of the Commission.

Outcome of Legislation

SB1192 was given a do pass by the Senate Committee on Government and the Senate Appropriations Committee on January 23, 2007 but the bill was never heard in the Senate Rules Committee.

SB1264 – Appropriation; Independent Living; Visually Impaired

Sponsors

Senators: Linda Gray, Jorge Luis Garcia, Rebecca Rios

Representatives: Ed Ableser, Ray Barnes, David Bradley, Jack A. Brown, Olivia Cajero Bedford, Ann Kirkpatrick, Linda Lopez, David Lujan, Lena S. Saradnik, David Schapira, Kyrsten Sinema

Co-Sponsors

Senators: Robert Blendu, Ken Chevront, Chuck Gray, John Huppenthal, Victor Soltero

Representatives: Chad Campbell, Cloves C. Campbell, Jr., Rich Crandall, Adam Driggs, Marian McClure, Michele Reagan, Pete Rios

Overview

Appropriates \$500,000 from the state General Fund in FY 2007-2008 to the Department of Economic Security (DES) for the Rehabilitation Services Administration Independent Living Program for the visually impaired (Program).

Background

The Program was created to assist states in providing services to individuals to enable them to live and function more independently within their home or community. To be eligible for the Program you must be a person with a significant physical, mental, cognitive or sensory impairment, which substantially limits your ability to function independently in your family, home or community. There must be a reasonable expectation that the Program will assist you to improve your ability to function, continue functioning or move towards functioning more independently. There is no upper or lower age limit for independent living services; however, the vast majority of clients receiving independent living services are 16 years of age or older.

In FY 2006-2007, the budget provided \$2,491,900 for the Program. This amount consisted of \$784,200 from the state General Fund and \$1,707,700 from the Spinal and Head Injuries Trust Fund. These amounts were unchanged from FY 2005-2006. The Program line item assists severely disabled individuals in living more independently. Funds are also used to purchase technology assistance, adaptive aids and devices, home modifications, independent living skills training, eye exams and glasses to financially needy persons.

Funding for the Program is broken down in the following manner: a) services to individuals, including \$540,100 from the state General Fund and \$1,707,700 from the Spinal and Head Injuries Trust Fund used to provide independent living services such as case management, counseling, or contracted services to an estimated 7,563 clients; b) sight conservation, including \$244,100 from the state General Fund used to provide

9,208 eye examinations and 6,139 pairs of eye glasses and other eye appliances at an average cost of \$26.51 per person.

This legislation appropriates \$500,000 from the state General Fund in FY 2007-2008.

Provisions

1. Appropriates \$500,000 from the state General Fund in FY 2007-2008 to DES for the Program for the blind and the visually impaired.
2. Exempts the appropriation from lapsing
3. Becomes effective on the general effective date.

Amendment Adopted by the PSHS Committee

- Specifies that the appropriated monies will be used for the Program for the blind as well as the visually impaired.

Amendments Adopted by the Appropriations Committee

1. Specifies that the appropriated monies will be used for the Program for the blind as well as the visually impaired.
2. Reduces the appropriation from \$1,000,000 to \$500,000.X

Arizona State Library, Archives and Public Records Involvement with SB1264

The Braille and Talking Book Library, a division of Arizona State Library, Archives and Public Records, is interested in programs that impact the visually impaired.

Outcome of Legislation

SB1264 was amended in the Senate Committee on Public Safety and Human Services on February 1, 2007 and in the Senate Appropriations Committee on February 20, 2007 but the bill was never heard in the Senate Rules Committee.

SB1348 – Telecoil Hearing Aids; Consumer Information

Sponsors

Senator: Amanda Aguirre

Representatives: David Bradley, Steve M. Gallardo, Lynne Pancrazi, Theresa Ulmer

Co-Sponsors

Senators: Richard Miranda, Rebecca Rios, Victor Soltero

Representative: Phil Lopes

Overview

SB 1348 requires hearing aid dispensers and audiologists to include information about telecoil technology and the Arizona Telecommunications Equipment Distribution Program (AzTEDP) in their bills of sale.

Background

A.R.S. § 36-1909 requires hearing aid dispensers and dispensing audiologists to provide a bill of sale to every client they supply with a hearing aid. The bill of sale must be signed by the dispenser or audiologist, and must include his or her license number, the address of his or her place of practice, the amount charged, a description of the make and model of the hearing aid, its serial number and a statement as to whether it is new, used or rebuilt.

Telecoils are devices that work by induction to convert magnetic signals to electric signals. They can be used in conjunction with hearing aids to facilitate telephone communication and the use of assisted listening devices for people with hearing loss.

A.R.S. § 36-1947 established the AzTEDP in 1985. The AzTEDP operates under the Arizona Commission for the Deaf and Hard of Hearing, and provides demonstrations, training and free assistive telecommunications devices to Arizona residents with hearing loss.

Provisions

- Requires all bills of sale to include language verifying that the client has been informed about audio switch technology and its benefits, such as increased access to telephones and assistive listening devices.
- Stipulates that, if a hearing device purchased by a client has audio switch technology, the client be informed about the proper use of the technology and of the fact that an audio switch is also referred to as a telecoil, t-coil or t-switch.
- Specifies that all bills of sale shall contain language informing the client about the AzTEDP.

Arizona State Library, Archives and Public Records Involvement with SB1348

ASLAPR clients include those with visual and hearing impairments.

Outcome of Legislation

SB1348 was signed by the Governor on April 16, 2007; Laws 2007, Chapter 57.

SB1390 – Appropriation; Capitol Mall

Sponsors

Senators: Albert Hale, Amanda Aguirre

Co-Sponsors

Senators: Marsha Arzberger, Meg Burton Cahill, Jorge Luis Garcia, Richard Miranda

Overview

SB1390 appropriates \$40,000,000 (non-lapsing) to the Department of Administration to implement core components of the Capitol Mall Centennial Plan.

Background

A team of Arizona State University College of Design architects and planners, working under the auspices of the Phoenix Urban Research Laboratory, developed the Capitol Mall Centennial Plan. The plan was presented to the Legislative Governmental Mall Commission on November 6, 2006. The plan makes key infrastructural and landscape recommendations directed toward the goal of revitalizing the Capitol Mall District as Arizona prepares to celebrate its centennial in 2012.

Provisions

\$40,000,000 (non-lapsing) is appropriated from the state general fund in fiscal year 2007-2008 to the department of administration for:

1. Implementing core components of the capitol mall centennial plan, including renovation and modernization of the former state health laboratory.
2. Designing and developing the core area of the capitol mall.

Arizona State Library, Archives and Public Records Involvement with SB1390

Two Divisions of Arizona State Library, Archives and Public Records are housed in the Arizona Capitol and in the 1938 annex.

Outcome of Legislation

SB1390 was never heard in the Senate Appropriations Committee or the Senate Rules Committee.

SB1433 – Arizona Centennial 2012; Commission Responsibilities (WAS: Arizona Statehood Centennial Commission)

Sponsors

Senator: Karen Johnson

Co-Sponsors

Senator: Jorge Luis Garcia

Overview

SB1433 adds to the responsibilities of the Arizona Historical Advisory Commission (Commission) and requires the Commission to create centennial medallions.

Background

Arizona will celebrate its 100-year anniversary of statehood on February 14, 2012. In May 2004, the Coordinating Committee for the History of Arizona (Committee) held a workshop with over 90 representatives from every county of the state. During the workshop, the Committee recommended that the Commission serve as the coordinating entity for the state's centennial plan.

The Commission is a statutory commission consisting of members appointed by the Director of the Arizona State Library, Archives and Public Records who are experts in the disciplines of history, architecture and archaeology, professional librarians and archivists and other individuals who are associated with the interpretation, research, writing, preservation or teaching of the state's heritage. The Commission also includes the Director of the Arizona Historical Society, the Director of the State Museum, the Director of the Arizona State Parks Board and the State Historic Preservation Officer. The Commission advises and makes recommendations to the Legislature and state agencies on matters related to historic preservation and encourages training and education in the field of historic preservation.

This bill has an undetermined fiscal impact to the state General Fund. Costs incurred depend on any future state appropriation for making the medallions.

Provisions

1. Expands the Commission's membership from 20 to 25 and includes the Director of the Office of Tourism and the Superintendent of Public Instruction or their designees.
2. Requires the Commission to issue medals, seals, license plates and certificates of recognition.

3. Requires the Commission to recommend proposals for legislation and perform administrative action that the Commission considers necessary to carry out its recommendations.
4. Requires the Commission to design medallions and specifies requirements for the coins.
5. Requires the Department of Weights and Measures to certify the weight and purity of the coins.
6. Requires the Commission to negotiate the sale of the coins and caps the sale price at no more than ten percent of the manufacturing cost.
7. Requires the Commission to produce the coins to meet demand.
8. Exempts coins from state and local transaction privilege taxes.
9. Requires cooperation of related state agencies to aid the Commission in fulfilling its responsibilities.
10. Becomes effective on the general effective date.

Amendments Adopted by Committee

- Adopted the strike everything amendment.

Amendments Adopted by House of Representatives

- Clarifies that the medallions are exempt from state and local transaction privilege taxes.

Arizona State Library, Archives and Public Records Involvement with SB1433

In 1976, the Arizona Historical Advisory Commission (Commission) was established by A. R. S. § 41-1352 under Arizona State Library, Archives and Public Records (Library and Archives) whose Director appoints the members of the Commission.

Outcome of Legislation

SB1433 was signed by the Governor on May 1, 2007; Laws 2007, Chapter 169.