

## 2023 Legislative Summary\*

### ASRS INITIATIVES

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#### **HB2008 ASRS; Contribution Prepayment (Sponsor: Livingston) – PASSED & SIGNED**

Removes the requirement for an Employer to begin amortizing its prepaid contributions a specific time and indicates that the rate of return on prepaid contributions may be the actual rate of return of a short-term investment account.  
*Effective Date: October 30, 2023*

#### **HB2009 ASRS; Retirement Application; Changes (Sponsor: Livingston) – PASSED & SIGNED**

Allows a member to make changes to their retirement application within 60 days after the member's retirement date.  
*Effective Date: October 30, 2023*

#### **HB2029 ASRS; Supplemental Deferral Plan; Participation (Sponsor: Livingston) – PASSED & SIGNED**

Allows a political subdivision or political subdivision entity that is not participating in the ASRS to elect to allow its employees to participate in a supplemental deferred compensation plan that is overseen by ASRS.  
*Effective Date: October 30, 2023*

### BILLS IMPACTING ASRS

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#### **HB2020 ASRS; Contribution Prepayment; Appropriation (Sponsor: Livingston) – FAILED**

Appropriated monies to the ASRS prepayment program from the State General Fund.

#### **HB2144 Open Meetings; Capacity; Posting; Violation (Sponsor: Dunn) – FAILED**

All public bodies are required to provide for an amount of seating sufficient to accommodate the reasonably anticipated attendance of all persons desiring to attend the deliberations and proceedings, when feasible. The agenda for a public meeting is required to include notice of the time that the public will have physical access to the meeting place.

#### **HB2156 Governmental Entities; Proxy Voting; Prohibitions (Sponsor: Livingston) – FAILED**

A governmental entity that establishes or maintains a "plan" (defined as any plan, fund, or program established or maintained by the state or a political subdivision to provide retirement income or benefits to employees, defer income by employees, or invest taxpayer monies for any purpose) is required to make all direct investment decisions based solely on pecuniary factors when evaluating an investment, and is required to vote all directly held shares, or have the directly held shares voted, based solely on pecuniary factors when voting proxies. Also, all state investments made by the State Treasurer are required to be made in the sole interest of the beneficiary taxpayer.

#### **HB2433 Pensions; Domestic Relations Orders (Sponsor: Livingston) – PASSED & SIGNED**

Requires acceptable Domestic Relations Orders to include the value of the member's benefit on the date of service for dissolution or annulment of marriage.  
*Effective date: October 30, 2023*

#### **HB2471 Government Investments; Plans; Fiduciaries; Products (Sponsor: Montenegro) – FAILED**

A "fiduciary" (defined) is required to discharge his/her duties with respect to a "plan" (defined as any plan, fund, or program established or maintained by the state or a political subdivision to provide retirement income or benefits to employees, defer income, or invest taxpayer monies for any purpose) solely in the interest of the participants and beneficiaries of the plan, and is required to take into account only pecuniary factors when evaluating an investment. Only the governmental entity that establishes or maintains a plan may vote the shares held by the plan, and the shares held by a plan must be voted only in the pecuniary interest of the plan. A fiduciary is prohibited from adopting a practice of following the recommendations of a proxy advisory firm unless the firm's guidelines are consistent with these requirements. The State Treasurer is required to post a current list of state investments by name and a current list of investment managers on the State Treasurer's publicly accessible website. All state investments are required to be made in the sole interest of the beneficiary taxpayer.

**HB2808 Public Records; Time Frame (Sponsor: Carbone) – FAILED**

An entity that is subject to a public records request is required to provide, within five business days after receiving a request for the records, a notification that includes specified information, including the expected date the request will be processed. An entity that willfully or intentionally refuses to comply with public records request laws or otherwise acts in bad faith is subject to a civil penalty of \$500 to \$5,000 for each occurrence.

**SB1020 Open Meetings; Capacity; Posting (Sponsor: Kavanagh) – FAILED**

All public bodies are required to provide for an amount of seating sufficient to accommodate the reasonably anticipated attendance of all persons desiring to attend the deliberations and proceedings, when feasible. The agenda for a public meeting is required to include notice of the time that the public will have physical access to the meeting place.

**SB1096 Firearms; Contracts; Prohibited Practices (Sponsor: Carroll) – VETOED**

A "public entity" (defined) would have been prohibited from entering into a contract with a value of \$100,000 or more with a company to acquire or dispose of services, supplies, information technology, or construction unless the contract included a written certification that the company did not, and agreed for the duration of the contract that it would not, "discriminate" against a "firearm entity" or "firearm trade association" (all defined).

**SB1139 Government Investments; Products; Fiduciaries; Plans (Sponsor: Hoffman) – FAILED**

A "fiduciary" (defined) is required to discharge his/her duties with respect to a "plan" (defined as any plan, fund, or program established or maintained by the state or a political subdivision to provide retirement income or benefits to employees, defer income, or invest taxpayer monies for any purpose) solely in the interest of the participants and beneficiaries of the plan, and is required to take into account only pecuniary factors when evaluating an investment. Only the governmental entity that establishes or maintains a plan may vote the shares held by the plan, and the shares held by a plan must be voted only in the pecuniary interest of the plan. A fiduciary is prohibited from adopting a practice of following the recommendations of a proxy advisory firm unless the firm's guidelines are consistent with these requirements. The State Treasurer is required to post a current list of state investments by name and a current list of investment managers on the State Treasurer's publicly accessible website. All state investments are required to be made in the sole interest of the beneficiary taxpayer.

**SB1239 State Agencies; Payments; Cryptocurrency (Sponsor: Rogers) – FAILED**

State agencies are authorized to accept "cryptocurrency" (defined) as a payment method for taxes, fees, fines, civil penalties, financial obligations, and special assessments by entering into an agreement with a "cryptocurrency service provider" (defined) to provide a method to accept cryptocurrency as a payment for any amount due to that agency or the state. Requirements for the agreement are listed.

**SB1258 Public Officers; Announcements; Report (Sponsor: Mesnard) – FAILED**

For any publication, resource or public service announcement that is issued by a public officer, that contains the public officer's name or likeness, and that is distributed free of charge or through the use of taxpayer resources, the public officer is required to publish a quarterly report describing the amount of money that was spent on the publication, resource, or public service announcement.

**SB1270 Open Meetings; Capacity (Sponsor: Kavanagh) – PASSED & SIGNED**

Schools, school boards, executive boards, and municipalities are required to provide for an amount of seating sufficient to accommodate the reasonably anticipated attendance of all persons desiring to attend the deliberations and proceedings, when feasible. Does not require a public body to relocate a meeting outside of the largest regular meeting room. Except for a meeting through technological devices, the agenda for a public meeting is required to include notice of the time that the public will have physical access to the meeting place.

Effective Date: October 30, 2023

**SB1500 Government Investments; Fiduciaries; Pecuniary Benefit (Sponsor: Carroll) – VETOED**

A "fiduciary" (defined) is required to discharge his/her duties with respect to a "plan" (defined as any plan, fund, or program established or maintained by the state or a political subdivision to provide retirement income or benefits to employees, defer income, or invest taxpayer monies for any purpose) solely in the interest of the participants and beneficiaries of the plan, and is required to take into account only pecuniary factors when evaluating an investment. Only the governmental entity that establishes or maintains a plan may vote the shares held by the plan, and the shares held by a plan must be voted only in the pecuniary interest of the plan. A fiduciary is prohibited from adopting a practice of following the recommendations of a proxy advisory firm unless the firm's guidelines are consistent with these requirements. The State Treasurer is required to post a current list of state investments by name and a current list of investment managers on the State Treasurer's publicly accessible website. All state investments are required to be made in the sole interest of the beneficiary taxpayer. Contains legislative findings.

**SB1611 Public Entities; Contracts; Prohibition (Sponsor: Kern) – VETOED**

A public entity is prohibited from requiring a company to implement an "environmental, social or governance standards policy" (defined) as a condition of entering into or renewing a contract with a company to acquire services, supplies, information technology, goods or construction services.

\*Please note that more detailed information about this legislation and more can be found on the ASRS website in the [ASRS Bill Tracker](#). Additional information on legislation is also available on the Legislature website at <https://www.azleg.gov/>.