

2024 Legislative Summary*

ASRS INITIATIVES

HB2206 ASRS; Contingent annuitants; account information (Sponsor: Livingston) – PASSED & SIGNED

This bill updates Arizona Revised Statutes (A.R.S.) § 38-760 to use the term “contingent annuitant” for member who is retiring and chooses a term certain retirement option and updates A.R.S. § 38-783 to clarify that a member who chooses an Optional Premium Benefit (OPB) may only identify one contingent annuitant to receive the OPB after the retiree’s death. Amended to add the content from HB2207 below.

Effective Date: September 14, 2024

HB2207 ASRS; Disclosure of information (Sponsor: Livingston) – FAILED – but the complete content was added into HB2206 above.

This bill would have added a section to A.R.S. § 38-755 that allows the ASRS to release the “value of the member’s benefit” to a member’s current or former spouse if the member’s current or former spouse submits proof of service of dissolution, annulment, or legal separation to the ASRS. This would ensure that the ASRS can comply with new legislation that was enacted in 2023 that requires a Domestic Relations Order (DRO) to include a “value of the member’s benefit” in order to be acceptable.

BILLS IMPACTING ASRS

HB2203 Public Retirement Plans; Liabilities; Administration (Sponsor: Livingston) – PASSED & SIGNED

This bill adds the Elected Officials’ Defined Contribution Retirement System and the Public Safety Personnel Defined Contribution Retirement Plan to the definition of “eligible group” under A.R.S. § 38-951 which allows members of such “eligible groups” to participate in supplemental defined contribution plans under A.R.S. § 38-953.

Effective Date: September 14, 2024

HB2208 Continuation; ASRS (Sponsor: Livingston) – PASSED & SIGNED

This bill continued the ASRS until July 1, 2032 (eight years).

Effective Date: July 1, 2024

HB2213 Governmental Entities; Proxy Voting; Prohibition (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.

HB2436 State Contracts; Foreign Adversary; Prohibition (Sponsor: Diaz) – FAILED

This bill would have prevented a “covered company” from bidding on or entering into a state contract. It would have defined “covered company” as a company that is federally banned or that is owned/controlled by, or domiciled in, a

foreign adversary. It would have defined "Foreign adversary" as China, Cuba, Iran, North Korea, Russia, Saudi Arabia, Syria, and Venezuela.

HB2457 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.

HB2471 Rulemaking; Legislative Approval (Sponsor: McGarr) – FAILED

This bill would have allowed the Legislature to reject an agency rule made in accordance with A.R.S. § 41-1039 by concurrent resolution, rendering the rule void.

HB2490 Proper Venue; Challenges; Policy Statements (Sponsor: Bliss) – PASSED & SIGNED

This bill allows a party that appeals a final administrative decision to the Superior Court to bring the action in an proper venue. It defines "proper venue" as Maricopa County, the county where the agency is headquartered, the county where the plaintiff resides, or where the plaintiff's principal place of business is located, unless the proper venue is otherwise identified by law.

Effective Date: September 14, 2024

HB2491 Administrative Rules Oversight Committee; Dissent (Sponsor: Bliss) – VETOED

Under A.R.S. § 41-1001.01, this bill would have allowed a person to file a complaint with the Administrative Rules Oversight Committee (AROC) regarding an existing rule, statute, practice, or policy that the person believed to be inconsistent with legislative intent or beyond an agency's statutory authority. It would have allowed the AROC to file a letter of dissent with the Secretary of State (SOS) regarding an existing rule, statute, practice, or policy that the AROC believed to be inconsistent with legislative intent or beyond an agency's statutory authority. It would have added two additional members to the Governor's Regulatory Review Council who are not legislators.

HB2593 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.

HCR2040 Public Monies; Prohibited Expenditures (Sponsor: Smith) – FAILED

This resolution would have required the SOS to submit a proposition to the voters to prevent public monies being used to promote, advocate, plan for, among other initiatives, reducing the consumption or production of meat/dairy products; reducing/replacing motor vehicle travel; limiting the number of clothes a person may purchase/own; or reducing greenhouse gas emissions.

HCR2041 State Retirement Systems; Digital Assets (Sponsor: Smith) – FAILED

This resolution would have encouraged the ASRS and the Public Safety Personnel Retirement System to research and report on the feasibility, risk, and potential benefit of investing in digital assets, including Bitcoin.

HCR2052 Rulemaking; Legislative Authority (Sponsor: McGarr) – FAILED

This resolution would have required the SOS to submit a proposition to the voters to allow the Legislature to reject an agency rule made in accordance with A.R.S. § 41-1039 by concurrent resolution, rendering the rule void.

SB1005 Public Monies; Ideology Training; Prohibition (Sponsor: Hoffman) – FAILED

This bill would have prevented a public entity from requiring an employee to engage in a diversity, equity, and inclusion program or spending any public monies on such a program.

SB1013 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. Required all state investments to be made in the sole interest of the beneficiary taxpayer.

SB1195 Public Monies; Prohibited Uses (Sponsor: Kern) – FAILED

This bill would have prevented public monies being used to promote, advocate, plan for, among other initiatives, reducing the consumption or production of meat/dairy products;; reducing/replacing motor vehicle travel; limiting the number of clothes a person may purchase/own; or reducing greenhouse gas emissions.

SB1340 Public Funds; Foreign Adversaries; Divestment (Sponsor: Carroll) – VETOED

This bill would have prohibited a publicly managed fund from holding an investment in a foreign adversary, as determined by federal law or depositing public monies in a bank domiciled in a foreign adversary. It would have required the immediate divestment of any such holdings and required the State Treasurer to develop and distribute a list of all enterprises of, and domiciled in, a foreign adversary.

SB1343 Agency Review; Rules; Automatic Expiration (Sponsor: Petersen) – VETOED

This bill would have required an Economic Impact Statement under A.R.S. § 41-1056 to use actual cost data from the past five years to analyze the economic impact of a rule. It would have caused any rule adopted by an occupational licensing board to expire every five years unless the board readopted the rule with an evaluation of the burdens on similar licenses in all states bordering Arizona, as well as publish a report of all public comments regarding the rule.

SB1472 Prohibited Uses; Public Monies (Sponsor: Kern) – FAILED

This bill would have prevented the state, among other entities, from using public monies to promote, support, or maintain diversity, equity, and inclusion, or to engage in political or social activism.

SB1731 Public Meetings; Comments; Members (Sponsor: Mesnard) – FAILED

This bill would have allowed a public body to discuss matters raised by members of the public during an open call to the public.

SCR1012 Rulemaking; Legislative Ratification; Regulatory Costs (Sponsor: Kern) – PASSED & FILED

This resolution requires the SOS to submit a proposition to the voters to require an agency to submit a proposed rule that is estimated to increase regulatory costs in this state by more than \$100,000 within five years after implementation to the Office of Economic Opportunity (OEO) for review. If the OEO estimates that the proposed rule will increase regulatory costs in this state by more than \$500,000, the proposed rule may not become effective until the legislature ratifies the proposed rule.

Effective Date: June 13, 2024

SCR1015 Public Monies; Prohibited Expenditures (Sponsor: Kern) – FAILED

This resolution would have required the SOS to submit a proposition to the voters to prevent public monies being used to promote, advocate, plan for, among other initiatives, reducing the consumption or production of meat/dairy products;; reducing/replacing motor vehicle travel; limiting the number of clothes a person may purchase/own; or reducing greenhouse gas emissions.

*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/>.