

Senate Engrossed

college savings program; name change

State of Arizona
Senate
Fifty-fifth Legislature
First Regular Session
2021

SENATE BILL 1236

AN ACT

AMENDING SECTIONS 15-1871, 15-1872, 15-1873, 15-1874, 15-1875, 15-1878, 15-1879, 35-311, 41-172 AND 41-179, ARIZONA REVISED STATUTES; RELATING TO THE FAMILY COLLEGE SAVINGS PROGRAM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Heading change

3 The article heading of title 15, chapter 14, article 7, Arizona
4 Revised Statutes, is changed from "FAMILY COLLEGE SAVINGS PROGRAM" to
5 "AZ529, ARIZONA'S EDUCATION SAVINGS PLAN".

6 Sec. 2. Section 15-1871, Arizona Revised Statutes, is amended to
7 read:

8 15-1871. Definitions

9 In this article, unless the context otherwise requires:

10 1. "Account" means an individual trust account in the fund **THAT IS**
11 established as prescribed in this article.

12 2. "Account owner" means the person who enters into a tuition
13 savings agreement pursuant to this article, who is an account owner within
14 the meaning of section 529 of the internal revenue code and who is
15 designated at the time an account is opened as having the right to
16 withdraw monies from the account before the account is disbursed to or for
17 the benefit of the designated beneficiary.

18 3. "Board" means the state board of investment.

19 4. "Designated beneficiary" means a person who qualifies as a
20 designated beneficiary under section 529 of the internal revenue code and,
21 except as provided in section 15-1875, subsections P and Q, with respect
22 to an account, who is designated at the time the account is opened as the
23 person whose qualified higher education expenses are expected to be paid
24 from the account or, if this designated beneficiary is replaced in
25 accordance with section 15-1875, subsections D, E and F, the replacement
26 beneficiary.

27 5. "Eligible educational institution" means an institution of
28 higher education that qualifies under section 529 of the internal revenue
29 code as an eligible educational institution.

30 6. "Financial institution" means the state treasurer's office or
31 any bank, commercial bank, national bank, savings bank, savings and loan
32 association, credit union, insurance company, brokerage firm or other
33 similar entity that is authorized to do business in this state.

34 7. "Fund" means ~~the family college~~ **AZ529, ARIZONA'S EDUCATION**
35 savings ~~program~~ **PLAN** trust fund that constitutes a public instrumentality
36 of this state and that is established by section 15-1873.

37 8. "Member of the family" means any of the following:

38 (a) A son or daughter of a person or a descendant of the son or
39 daughter of the person.

40 (b) A stepson or stepdaughter of a person.

41 (c) A brother, sister, stepbrother or stepsister of a person. For
42 the purposes of this subdivision, "brother" and "sister" includes a
43 brother or sister by the half-blood.

44 (d) The father or mother of a person or the ancestor of the father
45 or mother of a person.

1 (e) A stepfather or stepmother of a person.

2 (f) A son or daughter of a person's brother or sister. For the
3 purposes of this subdivision, "brother" and "sister" includes a brother or
4 sister by the half-blood.

5 (g) A brother or sister of the person's father or mother. For the
6 purposes of this subdivision, "brother" and "sister" includes a brother or
7 sister by the half-blood.

8 (h) A son-in-law, daughter-in-law, father-in-law, mother-in-law,
9 brother-in-law or sister-in-law of a person.

10 (i) The spouse of a person or the spouse of any individual
11 described in this paragraph.

12 (j) A first cousin of a person.

13 (k) Any individual who meets the criteria for family membership
14 described in this paragraph as a result of legal adoption.

15 9. "Nonqualified withdrawal" means a withdrawal from an account
16 other than one of the following:

17 (a) A qualified withdrawal.

18 (b) A withdrawal made as the result of the death or disability of
19 the designated beneficiary of an account.

20 (c) A withdrawal that is made on the account of a scholarship, or
21 the allowance or payment described in section 135(d)(1)(B) or (C) of the
22 internal revenue code, and that is received by the designated beneficiary,
23 but only to the extent of the amount of this scholarship, allowance or
24 payment.

25 (d) A rollover or change of designated beneficiary.

26 10. "Person" means an individual, an individual's legal
27 representative or any other legal entity authorized to establish a savings
28 account under section 529 of the internal revenue code and the
29 corresponding regulations.

30 11. "~~Program PLAN~~" means ~~the family college~~ AZ529, ARIZONA'S
31 EDUCATION savings ~~program~~ PLAN that is established under this article and
32 that constitutes a qualified tuition program as defined in section 529 of
33 the internal revenue code.

34 12. "Qualified higher education expenses":

35 (a) Means:

36 (i) Tuition, fees, books, supplies, room and board and equipment
37 required for a designated beneficiary to enroll at or attend an eligible
38 educational institution.

39 (ii) Expenses for special needs services in the case of a special
40 needs beneficiary that are incurred in connection with enrolling or
41 attending, if these expenses meet the definition of qualified higher
42 education expenses in section 529 of the internal revenue code.

43 (iii) Expenses to purchase a computer, peripheral equipment,
44 computer software or internet access and related services if the computer
45 equipment, software or services are to be used primarily by the

1 beneficiary during the years the beneficiary is enrolled at an eligible
2 educational institution and if these expenses meet the definition of
3 qualified higher education expenses in section 529 of the internal revenue
4 code.

5 (iv) Expenses for fees, books, supplies and equipment required for
6 a designated beneficiary to participate in an apprenticeship program that
7 is registered and certified with the United States secretary of labor
8 under section 1 of the national apprenticeship act (50 Stat. 664; 29
9 United States Code section 50) if these expenses meet the definition of
10 qualified higher education expenses in section 529 of the internal revenue
11 code.

12 (b) Includes tuition to enroll in or attend an elementary or
13 secondary public, private or religious school pursuant to section 529 of
14 the internal revenue code.

15 (c) Includes amounts paid as principal or interest on any qualified
16 education loan as defined in section 221(d) of the internal revenue code
17 of the designated beneficiary or a brother, sister, stepbrother or
18 stepsister of the designated beneficiary pursuant to section 529 of the
19 internal revenue code.

20 13. "Qualified withdrawal" means a withdrawal from an account to
21 pay any of the following:

22 (a) The qualified higher education expenses of the designated
23 beneficiary of the account, but only if the withdrawal is made in
24 accordance with this article.

25 (b) Tuition of less than \$10,000 to enroll in or attend an
26 elementary or secondary public, private or religious school pursuant to
27 section 529 of the internal revenue code of the designated beneficiary of
28 the account, but only if the withdrawal is made in accordance with this
29 article.

30 (c) Amounts paid as principal or interest on any qualified
31 education loan as defined in section 221(d) of the internal revenue code
32 of the designated beneficiary or a brother, sister, stepbrother or
33 stepsister of the designated beneficiary, but only if the withdrawal is
34 made in accordance with this article. The amount of qualified withdrawals
35 under this article with respect to the loans of any designated beneficiary
36 or a brother, sister, stepbrother or stepsister of the designated
37 beneficiary may not exceed \$10,000, reduced by the amount of withdrawals
38 so treated for all prior taxable years.

39 14. "Section 529 of the internal revenue code" means section 529 of
40 the internal revenue code of 1986, as amended, and the final regulations
41 issued pursuant to that section.

42 15. "Treasurer" means the state treasurer.

43 16. "Trust interest" means an account owner's interest in the fund
44 created by a tuition savings agreement for the benefit of a designated
45 beneficiary.

1 17. "Tuition savings agreement" means an agreement between the
2 board, as trustee of the fund, and an account owner that creates an
3 interest in the fund and that provides for participation in the ~~program~~
4 ~~PLAN~~.

5 Sec. 3. Section 15-1872, Arizona Revised Statutes, is amended to
6 read:

7 15-1872. AZ529, Arizona's education savings plan; state board
8 of investment; rules; powers and duties

9 A. The board shall approve financial institutions to act as the
10 depositories and managers of ~~family college~~ AZ529, ARIZONA'S EDUCATION
11 savings ~~PLAN~~ accounts pursuant to section 15-1874.

12 B. The board may adopt rules to assist in implementing and
13 administering this article.

14 C. Members of the board are immune from personal liability with
15 respect to all actions that are taken in good faith and within the scope
16 of the board's authority.

17 Sec. 4. Section 15-1873, Arizona Revised Statutes, is amended to
18 read:

19 15-1873. Treasurer; powers and duties; AZ529, Arizona's
20 education savings plan trust fund

21 A. The treasurer shall:

22 1. Develop and implement the ~~program~~ ~~PLAN~~ in a manner consistent
23 with this article by adopting rules, guidelines and procedures.

24 2. Retain professional services, if necessary, including
25 accountants, auditors, consultants and other experts.

26 3. Seek rulings and other guidance from the United States
27 department of the treasury and the internal revenue service relating to
28 the ~~program~~ ~~PLAN~~.

29 4. Make changes to the ~~program~~ ~~PLAN~~ required for the participants
30 in the ~~program~~ ~~PLAN~~ to obtain the federal income tax benefits or treatment
31 provided by section 529 of the internal revenue code.

32 5. Interpret, in rules, policies, guidelines and procedures, this
33 article broadly in light of its purpose and objectives.

34 6. Charge, impose and collect administrative fees and service
35 charges in connection with any agreement, contract or transaction relating
36 to the ~~program~~ ~~PLAN~~.

37 7. Negotiate and select the financial institution or institutions
38 to act as the depository and manager of the ~~program~~ ~~PLAN~~ in accordance
39 with this article. On approval by the board, the treasurer may use
40 existing investment funds established pursuant to sections 35-314.03,
41 35-316 and 35-326 for this purpose.

42 8. Maintain the ~~program~~ ~~PLAN~~ on behalf of this state as required by
43 section 529 of the internal revenue code.

44 9. Enter into tuition savings agreements with account owners
45 pursuant to this article.

1 B. ~~The family college~~ AZ529, ARIZONA'S EDUCATION savings ~~program~~
2 ~~PLAN~~ trust fund is established consisting of the assets of ~~the family~~
3 ~~college~~ AZ529, ARIZONA'S EDUCATION savings ~~program~~ PLAN. The treasurer
4 shall administer the fund, and the board shall act as the trustee of the
5 fund. Monies in the fund are continuously appropriated. The fund is
6 designated a public instrumentality of this state that is created for an
7 essential public purpose. Trust interests in the fund shall be designated
8 by the treasurer for each account owner. The fund shall be separated into
9 a trust account and an operating account. The trust account shall include
10 amounts received by ~~the family college~~ AZ529, ARIZONA'S EDUCATION savings
11 ~~program~~ PLAN from account owners pursuant to tuition savings agreements
12 and interest and investment income earned by the fund. The treasurer
13 shall make transfers from the trust account to the operating account as
14 necessary ~~for the immediate payment of~~ TO IMMEDIATELY PAY obligations
15 under tuition savings agreements, operating expenses and administrative
16 costs of the ~~family college savings program~~ PLAN. The treasurer shall
17 deposit and invest monies or other amounts in the fund with financial
18 institutions in accordance with section 15-1874.

19 Sec. 5. Section 15-1874, Arizona Revised Statutes, is amended to
20 read:

21 15-1874. Use of contractor as account depository and manager

22 A. The treasurer shall implement the operation of the ~~program~~ PLAN
23 through the use of one or more financial institutions to act as the
24 depositories of the fund and managers of the ~~program~~ PLAN. Under the
25 ~~program~~ PLAN, persons may submit applications for enrollment in the
26 ~~program~~ PLAN and establish accounts in the fund at the financial
27 institution. Monies paid by account owners to the fund for deposit in
28 accounts maintained by the fund at a financial institution shall be paid
29 to the financial institution as an agent of the fund, and the tuition
30 savings agreements shall provide that all monies paid by account owners to
31 fund accounts held at financial institutions are being paid to the fund.

32 B. The treasurer shall solicit proposals from financial
33 institutions to act as the depositories of fund monies and managers of the
34 ~~program~~ PLAN. Financial institutions that submit proposals must describe
35 the financial instruments that will be held in accounts. The solicitation
36 and selection process is exempt from the procurement code requirements of
37 title 41, chapter 23.

38 C. On the recommendation of the treasurer, the board shall select
39 the financial institution or institutions to implement the ~~program~~ PLAN
40 from among bidding financial institutions that demonstrate the most
41 advantageous combination, both to potential ~~program~~ PLAN participants and
42 this state, of the following factors:

- 43 1. Financial stability and integrity.
- 44 2. The safety of the investment instruments being offered, taking
45 into account any insurance provided with respect to these instruments.

1 3. The ability of the investment instruments to track estimated
2 costs of higher education as calculated by the treasurer and provided by
3 the financial institution to the account holder.

4 4. The ability of the financial institutions, directly or through a
5 subcontract, to satisfy recordkeeping and reporting requirements.

6 5. The financial institution's plan for promoting the ~~program~~ PLAN
7 and the investment it is willing to make to promote the ~~program~~ PLAN.

8 6. The fees, if any, proposed to be charged to persons for
9 maintaining accounts.

10 7. The minimum initial deposit and minimum contributions that the
11 financial institution will require for the investment of fund monies and
12 the willingness of the financial institution to accept contributions
13 through payroll deduction plans and other deposit plans.

14 8. Any other benefits to this state or its residents included in
15 the proposal, including an account opening fee payable to the treasurer by
16 the account owner and an additional fee from the financial institution for
17 statewide ~~program~~ PLAN marketing by the treasurer.

18 D. On approval by the board, the treasurer shall enter into a
19 contract with a financial institution, ~~or,~~ except as provided in
20 subsection E of this section, contracts with financial institutions, ~~to~~
21 serve as ~~program~~ PLAN managers and depositories. ~~Program~~ PLAN management
22 contracts shall provide the terms and conditions by which financial
23 institutions shall sell interests in the fund to account owners, invest
24 monies in the fund and manage the ~~program~~ PLAN.

25 E. The board may select more than one financial institution and
26 investment for the ~~program~~ PLAN if both of the following conditions exist:

27 1. The United States internal revenue service has provided guidance
28 that giving a contributor a choice of two investment instruments under a
29 state plan will not cause the plan to fail to qualify for favorable tax
30 treatment under section 529 of the internal revenue code.

31 2. The treasurer concludes that the choice of instrument vehicles
32 is in the best interest of college savers and will not interfere with the
33 promotion of the ~~program~~ PLAN.

34 F. A ~~program~~ PLAN manager shall:

35 1. Take all action required to keep the ~~program~~ PLAN in compliance
36 with the requirements of this article and all action not contrary to this
37 article or its contract to manage the ~~program~~ PLAN so that it is treated
38 as a qualified tuition plan under section 529 of the internal revenue
39 code.

40 2. Keep adequate records of each of the fund's accounts, keep each
41 account segregated from each other account and provide the treasurer with
42 the information necessary to prepare statements required by section
43 15-1875, subsections M, N and O or file these statements on behalf of the
44 treasurer.

1 3. Compile and total information contained in statements required
2 to be prepared under section 15-1875, subsections M, N and O and provide
3 these compilations to the treasurer.

4 4. If there is more than one **program PLAN** manager, provide the
5 treasurer with this information to assist the treasurer to determine
6 compliance with section 15-1875, subsection L.

7 5. Provide representatives of the treasurer, including other
8 contractors or other state agencies, access to the books and records of
9 the **program PLAN** manager to the extent needed to determine compliance with
10 the contract.

11 6. Hold all accounts in the name of and for the benefit of the fund
12 and this state.

13 G. Any contract executed between the treasurer and a financial
14 institution pursuant to this section shall be for a term of at least three
15 years and not more than seven years.

16 H. The board may terminate a contract with a financial institution
17 at any time for good cause on the recommendation of the treasurer. If a
18 contract is terminated pursuant to this subsection, the treasurer shall
19 take custody of accounts held at that financial institution and shall seek
20 to promptly transfer the accounts to another financial institution that is
21 selected as a **program PLAN** manager and into investment instruments as
22 similar to the original investments as possible.

23 I. If the treasurer determines not to renew the appointment of a
24 financial institution as a **program PLAN** manager, the board may take action
25 consistent with the interests of the **program PLAN** and the accounts and in
26 accordance with its duties as the trustee of the fund, including
27 termination of all services or continuation of certain management and
28 administrative services of that financial institution for accounts of the
29 **program PLAN** managed by that financial institution during its term as a
30 **program PLAN** manager, if any continuation of services is only permitted
31 under the following conditions:

32 1. The treasurer and the financial institution enter into a written
33 agreement specifying the rights of the **program PLAN** and the treasurer and
34 the responsibilities of the financial institution, including the standards
35 that continue to be applicable to the accounts as accounts of the **program**
36 **PLAN**.

37 2. Any services provided by the financial institution to accounts
38 continue to be subject to the control of the board as the trustee of the
39 fund with responsibility of all accounts of the **program PLAN**.

40 Sec. 6. Section 15-1875, Arizona Revised Statutes, is amended to
41 read:

42 15-1875. Plan requirements

43 A. The **program PLAN** shall be operated through the use of accounts
44 in the fund established by account owners. Payments to the fund for
45 participation in the **program PLAN** shall be made by account owners pursuant

1 to tuition savings agreements. An account may be opened by any person who
2 desires to invest in the fund and to save to pay qualified higher
3 education expenses by satisfying each of the following requirements:

4 1. Completing an application in the form prescribed by the
5 treasurer. The application shall include the following information:

6 (a) The name, address and social security number or employer
7 identification number of the contributor.

8 (b) The name, address and social security number of the account
9 owner if the account owner is not the contributor.

10 (c) The name, address and social security number of the designated
11 beneficiary.

12 (d) The certification relating to no excess contributions required
13 by subsection L of this section.

14 (e) Any other information that the treasurer may require.

15 2. Paying the onetime application fee established by the treasurer.

16 3. Making the minimum contribution required by the treasurer or by
17 opening an account.

18 4. Designating the type of account to be opened if more than one
19 type of account is offered.

20 B. Any person may make contributions to an account after the
21 account is opened.

22 C. Contributions to accounts may be made only in cash.

23 D. An account owner may change the designated beneficiary of an
24 account to an individual who is a member of the family of the former
25 designated beneficiary in accordance with procedures established by the
26 treasurer.

27 E. On the direction of an account owner, all or a portion of an
28 account may be transferred to another account of which the designated
29 beneficiary is a member of the family of the designated beneficiary of the
30 transferee account.

31 F. Changes in designated beneficiaries and rollovers under this
32 section are not allowed if the changes or rollovers would violate either
33 of the following:

34 1. Subsection L of this section, relating to excess contributions.

35 2. Subsection I of this section, relating to investment choice.

36 G. Each account shall be maintained separately from each other
37 account under the ~~program~~ PLAN.

38 H. Separate records and accounting shall be maintained for each
39 account for each designated beneficiary.

40 I. A contributor to, account owner of or designated beneficiary of
41 any account may not direct the investment, within the meaning of section
42 529 of the internal revenue code, of any contributions to an account or
43 the earnings from the account.

44 J. If the treasurer terminates the authority of a financial
45 institution to hold accounts and accounts must be moved from that

1 financial institution to another financial institution, the treasurer
2 shall select the financial institution and type of investment to which the
3 balance of the account is moved unless the internal revenue service
4 provides guidance stating that allowing the account owner to select among
5 several financial institutions that are then contractors would not cause a
6 plan to cease to be a qualified tuition plan.

7 K. Neither an account owner nor a designated beneficiary may use an
8 interest in an account as security for a loan. Any pledge of an interest
9 in an account is of no force and effect.

10 L. On the recommendation of the treasurer, the board shall adopt
11 rules to prevent contributions on behalf of a designated beneficiary in
12 excess of those necessary to pay the qualified higher education expenses
13 of the designated beneficiaries. The rules shall address the following:

14 1. Procedures for aggregating the total balances of multiple
15 accounts established for a designated beneficiary.

16 2. The establishment of a maximum total balance for the purpose of
17 prohibiting contributions to accounts established for a designated
18 beneficiary if the contributions would cause the maximum total balance to
19 be exceeded.

20 3. The board shall review the quarterly reports received from
21 participating financial institutions and certify that the balance in all
22 qualified tuition programs, as defined in section 529 of the internal
23 revenue code, of which that person is the designated beneficiary does not
24 exceed the lesser of:

25 (a) A maximum college savings amount established by the board from
26 time to time.

27 (b) The cost in current dollars of qualified higher education
28 expenses that the contributor reasonably anticipates the designated
29 beneficiary will incur.

30 4. Requirements that any excess contributions with respect to a
31 designated beneficiary be promptly withdrawn in a nonqualified withdrawal
32 or rolled over to another account in accordance with this section.

33 M. If there is any distribution from an account to any person or
34 for the benefit of any person during a calendar year, the distribution
35 shall be reported to the internal revenue service and the account owner or
36 the designated beneficiary to the extent required by federal law.

37 N. The financial institution shall provide statements to each
38 account owner at least once each year within thirty-one days after the
39 twelve-month period to which they relate. The statement shall identify
40 the contributions made during a preceding twelve-month period, the total
41 contributions made through the end of the period, the value of the account
42 as of the end of this period, distributions made during this period and
43 any other matters that the ~~commission~~ TREASURER requires be reported to
44 the account owner.

1 O. Statements and information returns relating to accounts shall be
2 prepared and filed to the extent required by federal or state tax law.

3 P. A state or local government or organizations described in
4 section 501(c)(3) of the internal revenue code may open and become the
5 account owner of an account to fund scholarships for persons whose
6 identity will be determined after an account is opened.

7 Q. In the case of any account described in subsection P of this
8 section, the requirement that a designated beneficiary be designated when
9 an account is opened does not apply and each person who receives an
10 interest in the account as a scholarship shall be treated as a designated
11 beneficiary with respect to the interest.

12 R. Any social security numbers, addresses or telephone numbers of
13 individual account holders and designated beneficiaries that come into the
14 possession of the treasurer are confidential, are not public records and
15 shall not be released by the treasurer.

16 S. An account owner may transfer ownership rights to another
17 eligible account owner.

18 T. An account owner may designate successor account owners.

19 U. Through December 31, 2025, on direction of an account owner, up
20 to \$15,000 of an account may roll over to an achieving a better life
21 experience act account established pursuant to 26 United States Code
22 section 529A.

23 Sec. 7. Section 15-1878, Arizona Revised Statutes, is amended to
24 read:

25 15-1878. Limits of article

26 A. This article does not:

27 1. Give any designated beneficiary any rights or legal interest
28 with respect to an account unless the designated beneficiary is the
29 account owner.

30 2. Guarantee that a designated beneficiary will be admitted to an
31 eligible educational institution or be allowed to continue enrollment at
32 or graduate from an eligible educational institution located in this state
33 after admission.

34 3. Establish state residency for a person merely because the person
35 is a designated beneficiary.

36 4. Guarantee that amounts saved pursuant to the ~~program~~ PLAN will
37 be sufficient to cover the qualified higher education expenses of a
38 designated beneficiary.

39 B. This article does not establish any obligation of this state or
40 any agency or instrumentality of this state to guarantee for the benefit
41 of any account owner, contributor to an account or designated beneficiary
42 any of the following:

43 1. The return of any amounts contributed to an account.

44 2. The rate of interest or other return on any account.

45 3. The payment of interest or other return on any account.

1 4. Tuition rates or the cost of related higher education
2 expenditures.

3 C. Under rules adopted by the treasurer, every contract,
4 application, deposit slip or other similar document that may be used in
5 connection with a contribution to an account shall clearly indicate that
6 the account is not insured by this state and THAT neither the principal
7 deposited nor the investment return is guaranteed by this state.

8 Sec. 8. Section 15-1879, Arizona Revised Statutes, is amended to
9 read:

10 15-1879. Annual report

11 The treasurer shall submit an annual report to the speaker of the
12 house of representatives, the president of the senate and the governor by
13 March 1 that summarizes the treasurer's findings and recommendations
14 concerning the ~~program~~ PLAN established by this article.

15 Sec. 9. Section 35-311, Arizona Revised Statutes, is amended to
16 read:

17 35-311. State board of investment; membership; powers and
18 duties

19 A. The state board of investment is established consisting of the
20 state treasurer, the director of the department of administration or the
21 director of the department of administration's designee, the director of
22 the department of insurance and financial institutions or the director of
23 the department of insurance and financial institutions' designee and two
24 individuals appointed by the state treasurer, one of whom has verifiable
25 expertise in investment management and one of whom represents a public
26 entity with current deposits in a local government investment pool. The
27 state treasurer is chairperson of the board. The board shall keep an
28 accurate record of its proceedings. A certified copy of the record is
29 prima facie evidence of the matters appearing in the record in any
30 court. A meeting of the board may be called at any time by the
31 chairperson or a majority of the board members.

32 B. The state board of investment shall:

33 1. Hold regular monthly meetings.

34 2. Review investments of treasury monies.

35 3. Serve as trustee of the permanent state land funds and manage
36 the assets of the funds consistent with the requirements of article X,
37 section 7, Constitution of Arizona.

38 4. Serve as trustee of any endowments established pursuant to
39 section 35-314.03.

40 5. Serve as trustee of ~~the family college~~ AZ529, ARIZONA'S
41 EDUCATION savings ~~program~~ PLAN established by title 15, chapter 14,
42 article 7.

43 6. Serve as ~~trustees~~ TRUSTEE of any pension prefunding plan
44 investment accounts established pursuant to section 35-314.04.

1 C. The state treasurer shall furnish to the board of investment at
2 its regular monthly meeting a report of the performance of current
3 investments and a report of the current investments as of the close of
4 business of the preceding month. The state treasurer shall make these
5 reports available for inspection by the public during normal working hours
6 at the office of the state treasurer for a period of time of not less than
7 two years after the date of the report.

8 D. The board of investment may order the state treasurer to sell
9 any of the securities, and any order shall specifically describe the
10 securities and fix the time period during which they are to be sold.
11 Securities so ordered to be sold shall be sold for cash by the state
12 treasurer at the current market price. The state treasurer and the
13 members of the board are not accountable for any loss occasioned by sales
14 of securities at prices lower than their book value. Any loss shall be
15 charged against earnings received from interest or capital gains on the
16 applicable treasury monies.

17 E. The board may establish standards in addition to those
18 established by section 35-317, subsection A for the qualification of
19 agents acting pursuant to section 35-317, subsection B.

20 Sec. 10. Section 41-172, Arizona Revised Statutes, is amended to
21 read:

22 41-172. Powers and duties; administering oaths; appointment
23 of deputy state treasurer

24 A. The state treasurer shall:

25 1. Authenticate writings and documents certified by the state
26 treasurer with the seal of the state treasurer's office.

27 2. Receive and keep in secure custody all monies that belong to
28 this state and that are not required to be received and kept by some
29 other person.

30 3. File and keep the documentation delivered to the treasurer when
31 monies are deposited into the treasury.

32 4. Deliver to each person depositing money into the treasury a
33 confirmation showing the date, amount and depositing agency and shall
34 provide a unique identifying number for each confirmation.

35 5. Pay warrants drawn by the department of administration in the
36 order in which they are presented.

37 6. Keep an account of all monies received and disbursed, and keep
38 separate accounts of the different funds and appropriations of monies.

39 7. Give information in writing as to the condition of the state
40 treasury, or on any subject relating to the duties of the treasurer, at
41 the request of a member of the legislature.

42 8. Deliver to the governor and the department of administration,
43 monthly, an accurate statement of receipts and expenditures of public
44 monies for the preceding month, containing a complete exhibit of all the
45 public monies received and paid from the state treasury, showing, under

1 separate heads, on what accounts and from what sources received, and for
2 what particular object or service the monies have been paid. The
3 treasurer shall deliver to the governor a similar statement on or before
4 November 1 each year for the preceding fiscal year. The statement shall
5 also include an estimate of the invested balance, including the general
6 fund share of that balance as of June 30 of the preceding fiscal year.
7 The statements are public records available for inspection at the office
8 of the state treasurer.

9 9. On or before February 1 of each year, in coordination with the
10 director of the department of administration, submit to the joint
11 legislative budget committee a report explaining any differences between
12 the department of administration's estimate of the previous fiscal year's
13 state general fund ending balance submitted pursuant to section 35-131 and
14 the state treasurer's estimate of the invested balance, including the
15 state general fund share of that balance as of June 30 of the previous
16 fiscal year submitted pursuant to paragraph 8 of this subsection.

17 10. Exercise those specific powers of the surveyor-general as a
18 member of the selection board established under section 37-202.

19 11. Administer ~~the family college~~ AZ529, ARIZONA'S EDUCATION
20 savings ~~program~~ PLAN established by title 15, chapter 14, article 7.

21 12. Promote and raise awareness of financial literacy to residents
22 of this state.

23 B. The state treasurer may administer all oaths prescribed by law
24 in matters touching the duties of the office of the state treasurer,
25 subject to chapter 4, article 4 of this title, may appoint a deputy state
26 treasurer, may qualify and select investment managers or advisors pursuant
27 to section 35-318 and shall perform other duties required by other laws of
28 this state.

29 C. Employees of the state treasurer's office are subject to chapter
30 4, article 4 of this title. For prospective or current employees of the
31 state treasurer's office, the state treasurer may:

32 1. Require the submission of a full set of fingerprints for the
33 purpose of obtaining a state and federal criminal records check pursuant
34 to section 41-1750 and Public Law 92-544. The department of public safety
35 may exchange this fingerprint data with the federal bureau of
36 investigation.

37 2. Conduct a periodic review of credit standing.

38 Sec. 11. Section 41-179, Arizona Revised Statutes, is amended to
39 read:

40 41-179. AZ529, Arizona's education savings plan advisory
41 committee; membership; duties; committee
42 termination

43 A. The state treasurer shall appoint ~~a family college~~ THE AZ529,
44 ARIZONA'S EDUCATION savings ~~program~~ PLAN advisory committee to assist the
45 treasurer in promoting and raising awareness of ~~the family college~~ AZ529,

1 ARIZONA'S EDUCATION savings ~~program~~ PLAN established by title 15, chapter
2 14, article 7 to residents of this state, with emphasis on increasing
3 access to the ~~program~~ PLAN among economically disadvantaged, minority and
4 underrepresented student populations. The advisory committee shall
5 include all of the following:

- 6 1. The state treasurer or the state treasurer's designee, who
7 serves as chairperson of the committee.
- 8 2. Two members who represent community college districts in this
9 state, one of whom represents a community college district in a county
10 with a population of five hundred thousand persons or more and one of whom
11 represents a community college district in a county with a population of
12 less than five hundred thousand persons.
- 13 3. One member who represents a university under the jurisdiction of
14 the Arizona board of regents.
- 15 4. One member who represents an accredited private educational
16 institution in this state offering associate, baccalaureate or higher
17 degrees.
- 18 5. One member who represents an accredited private educational
19 institution offering private vocational training in this state.
- 20 6. One member who is a teacher and who currently provides classroom
21 instruction in this state.
- 22 7. One member who represents a federally recognized Indian tribe in
23 this state.
- 24 8. One member who represents a United States department of
25 labor-approved apprenticeship program.
- 26 9. Two public members who are residents of this state.

27 B. The committee shall do both of the following:

- 28 1. Assist and make recommendations to the state treasurer regarding
29 promotional and informational activities relating to ~~the family college~~
30 AZ529, ARIZONA'S EDUCATION savings ~~program~~ PLAN.
- 31 2. Meet at least once each calendar quarter. A majority of the
32 membership constitutes a quorum for the transaction of business.

33 C. Committee members are not eligible to receive compensation or
34 reimbursement of expenses.

35 D. The state treasurer's office shall provide necessary staff
36 services to the committee.

37 E. The committee established by this section ends on July 1, 2028
38 pursuant to section 41-3103.