



Bill Number: H.B. 2780

Fann Floor Amendment

Reference to: House engrossed bill

Amendment drafted by: Mike Hans

## FLOOR AMENDMENT EXPLANATION

---

1. Requires the Office of the Auditor General (OAG) to establish an audit team to perform election integrity process audits of county recorders' offices and county elections departments.
2. Requires the OAG, each election cycle, to conduct an election integrity audit on at least one county the OAG chooses through random selection that examines at least one of the following:
  - a) voter registration, maintenance of voter registration rolls and maintenance of the Active Early Voting List (AEVL);
  - b) early ballot processing and signature verification processing, including the separation of early ballots into batches or other groupings, ballot drop box security and early ballot election processing board;
  - c) tabulation of ballots, including ballot adjudication and duplication, security issues while tabulating and logic and accuracy testing and administration; or
  - d) polling place administration, voting center administration, central counting center administration and chain of custody of ballots, equipment and removable storage devices.
3. Allows the OAG to make recommendations to counties, the Secretary of State (SOS) and the Legislature to address findings identified in election integrity audits.
4. Requires a county subject to an election integrity audit to notify the OAG in writing whether the county board of supervisors or county recorder agree or disagree with the findings of an election integrity audit and will implement election integrity audit recommendations, implement modifications to the recommendations or refuse to implement the recommendations.
5. Requires a county to submit written status reports on the implementation of election integrity audit recommendations at the request of the OAG within the two-year period following the issuance of the election integrity audit.
6. Requires the OAG to review a county's progress toward implementing election integrity audit recommendations for up to two years.

Amendment explanation prepared by Mike Hans

06/22/2022

7. **Allows the OAG to review a county's progress towards implementing election integrity audit recommendations that have not yet been implemented beyond the two-year period.**
8. **Requires the OAG to report any election integrity audit findings and recommendations and the status of a county's progress towards implementation to the President of the Senate, Speaker of the House of Representatives, JLAC, the Governor, SOS and Attorney General (AG).**
9. **Requires a county subject to an election integrity audit to:**
  - a) **post the election integrity audit report and implementation status report on the county website; and**
  - b) **participate in any hearing related to the election integrity audit scheduled by JLAC.**
10. **Requires the OAG and the OAG's authorized representatives, for the purpose of election integrity audits, to have access to:**
  - a) **any personnel and data from a county recorder's office and any county elections department, Arizona Department of Transportation (ADOT) and the SOS, including access to electronic data or data and property from a third party that the OAG deems necessary to perform election integrity audit duties, including voter registration data; and**
  - b) **polling places, voting centers and central counting centers.**
11. **Requires data required by the OAG for election integrity audits to be provided in the manner and format prescribed by the OAG.**
12. **Defines *election integrity audit*.**
13. **Repeals statutory authorization for election integrity audits on January 1, 2030.**
14. **Requires the OAG to conduct annual, rather than biennial, financial and compliance audits of financial transactions and accounts kept by state agencies subject to federal single-audit requirements.**
15. **Requires school districts to submit a written status report on the implementation of OAG performance audit recommendations upon request of the OAG, rather than every six months within the two-year period following the audit.**
16. **Requires the recipient of a transportation excise tax, in addition to the ADOT, to:**
  - a) **cooperate with and provide necessary information to the OAG; and**
  - b) **reimburse the OAG for the cost of conducting studies or hiring a consultant to conduct studies relating to county transportation excise tax monies.**
17. **Grants the OAG, in the performance of official duties, access to employees of state agencies, boards and commissions or political subdivisions of the state.**
18. **Requires the OAG to comply with statutory requirements relating to criminal history information.**

- 19. Allows the OAG or the OAG's authorized representative to attend executive sessions, in the performance of any official duties, rather than only duties relating to special research requests, special audits, assignments designated by JLAC, performance audits and school district audits.**
- 20. Allows the OAG, in the performance of official duties, to attend executive sessions of any entity subject to Arizona open meeting law, rather than only state agencies and school districts.**
- 21. Requires officers of the state or a political subdivision to:**
  - a) provide reasonable and needed facilities for OAG staff; and**
  - b) make records available to OAG staff.**
- 22. Requires the AG to supervise the prosecution of all individuals who violate statutory requirements for OAG access to executive sessions, records and information.**
- 23. Classifies, as a class 6 felony, knowingly obstructing or misleading the OAG in the execution of the OAG's duties.**
- 24. Increases, from a class 2 misdemeanor to a class 6 felony, the classification for a failure to provide access and examination to the OAG by a person or officer.**

FANN FLOOR AMENDMENT  
SENATE AMENDMENTS TO H.B. 2780  
(Reference to House engrossed bill)

1 Page 1, after Line 29, insert:

2 "Sec. 2. Section 41-1278, Arizona Revised Statutes, is amended to  
3 read:

4 41-1278. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Committee" means the joint legislative audit committee.

7 2. "ELECTION INTEGRITY AUDIT" MEANS AN AUDIT OF LIMITED SCOPE FOR THE  
8 PURPOSE OF ENSURING THE ACCURACY AND RELIABILITY OF SPECIFIC ELECTIONS  
9 PROCESSES, INCLUDING REVIEW OF PREELECTION AND POSTELECTION ACTIVITIES FOR  
10 ELECTIONS CONDUCTED PURSUANT TO TITLE 16 AND EXCLUDING ELECTIONS HELD BY A  
11 SPECIAL TAXING DISTRICT THAT IS ESTABLISHED PURSUANT TO TITLE 48 FOR THE  
12 PURPOSE OF PROTECTING OR PROVIDING SERVICES TO AGRICULTURAL LANDS OR CROPS  
13 AND THAT IS AUTHORIZED TO CONDUCT ELECTIONS PURSUANT TO TITLE 48.

14 ~~2.~~ 3. "Investigation" means an inquiry into specified acts or  
15 allegations of impropriety, malfeasance or nonfeasance in the obligation,  
16 expenditure, receipt or use of public funds MONIES of this state or into  
17 specified financial transactions or practices ~~which~~ THAT may involve such  
18 impropriety, malfeasance or nonfeasance.

19 ~~3.~~ 4. "Performance audit" means an audit ~~which~~ THAT determines with  
20 regard to the purpose, functions and duties of the audited agency all of  
21 the following:

22 (a) Whether the audited agency is managing or ~~utilizing~~ USING its  
23 resources, including public funds MONIES of this state, personnel,  
24 property, equipment and space, in an economical and efficient manner.

25 (b) Causes of inefficiencies or uneconomical practices, including  
26 inadequacies in management information systems, internal and administrative

1 procedures, organizational structure, use of resources, allocation of  
2 personnel, purchasing policies and equipment.

3 (c) Whether the desired results are being achieved.

4 (d) Whether objectives established by the legislature or other  
5 authorizing body are being met.

6 ~~4.~~ 5. "Special audit" means an audit of limited scope.

7 ~~5.~~ 6. "Special research request" means research and analysis of  
8 issues or questions that are designated as a special research request by  
9 the committee, but does not include a performance audit, financial audit,  
10 compliance audit, procedural review, special audit, investigation or  
11 evaluation required by law.

12 ~~6.~~ 7. "State agency" means all departments, agencies, boards,  
13 commissions, institutions and instrumentalities of this state.

14 Sec. 3. Repeal

15 Section 41-1279.03, Arizona Revised Statutes, as amended by Laws  
16 2021, chapter 405, section 25, is repealed.

17 Sec. 4. Section 41-1279.03, Arizona Revised Statutes, as amended by  
18 Laws 2019, chapter 3, section 11, is amended to read:

19 41-1279.03. Powers and duties

20 A. The auditor general shall:

21 1. Prepare an audit plan for approval by the committee and report to  
22 the committee the results of each audit and investigation and other reviews  
23 conducted by the auditor general.

24 2. Conduct or cause to be conducted ~~at least~~  
25 ~~biennial~~ ANNUAL financial and compliance audits of financial transactions  
26 and accounts kept by or for all state agencies subject to  
27 the FEDERAL single audit ~~act of 1984 (P.L. 98-502)~~ REQUIREMENTS. The  
28 audits shall be conducted in accordance with generally accepted  
29 governmental auditing standards and accordingly shall include tests of the  
30 accounting records and other auditing procedures as may be considered  
31 necessary in the circumstances. The audits shall include the issuance of

1 suitable reports as required by the FEDERAL single audit ~~act of 1984 (P.L.~~  
2 ~~98-502)~~ REQUIREMENTS so that the legislature, the federal government and  
3 others will be informed as to the adequacy of financial statements  
4 of ~~the~~ THIS state in compliance with generally  
5 accepted ~~governmental~~ accounting principles and to determine whether this  
6 state has complied with laws and regulations that may have a material  
7 effect on the financial statements and on major federal assistance  
8 programs.

9 3. Perform procedural reviews for all state agencies at times  
10 determined by the auditor general. These reviews may include evaluation of  
11 administrative and accounting internal controls and reports on these  
12 reviews.

13 4. Perform special research requests, special audits and related  
14 assignments as designated by the committee and conduct performance audits,  
15 special audits, special research requests and investigations of any state  
16 agency, whether created by the constitution or otherwise, as may be  
17 requested by the committee.

18 5. Annually on or before the fourth Monday of December, prepare a  
19 written report to the governor and to the committee that contains a summary  
20 of activities for the previous fiscal year.

21 6. In the tenth year and in each fifth year thereafter in which a  
22 transportation excise tax is in effect in a county as provided in section  
23 42-6106 or 42-6107, conduct a performance audit that:

24 (a) Reviews past expenditures and future planned expenditures of the  
25 transportation excise revenues and determines the impact of the  
26 expenditures in solving transportation problems within the county and, for  
27 a transportation excise tax in effect in a county as provided in section  
28 42-6107, determines whether the expenditures of the transportation excise  
29 revenues comply with section 28-6392, subsection B.

30 (b) Reviews projects completed to date and projects to be completed  
31 during the remaining years in which a transportation excise tax is in

1 effect. Within six months after each review period, the auditor general  
2 shall present a report to the speaker of the house of representatives and  
3 the president of the senate detailing findings and making recommendations.

4 (c) Reviews, determines, reports and makes recommendations to the  
5 speaker of the house of representatives and the president of the senate  
6 whether the distribution of ARIZONA highway user revenues complies with  
7 title 28, chapter 18, article 2.

8 7. If requested by the committee, conduct performance audits of  
9 counties and incorporated cities and towns receiving ARIZONA highway user  
10 revenue fund monies pursuant to title 28, chapter 18, article 2 to  
11 determine whether the monies are being spent as provided in section 28-  
12 6533, subsection B.

13 8. Perform special audits designated pursuant to law if the auditor  
14 general determines that there are adequate monies appropriated for the  
15 auditor general to complete the audit. If the auditor general determines  
16 the appropriated monies are inadequate, the auditor general shall notify  
17 the committee.

18 9. Establish a schoolwide audit team in the office of the auditor  
19 general to conduct performance audits and monitor school districts to  
20 determine the percentage of every dollar spent in the classroom by the  
21 school district. Each school district shall prominently post on its website  
22 home page a copy of its profile pages that displays the percentage of every  
23 dollar spent in the classroom by that school district from the most recent  
24 status report issued by the auditor general pursuant to this paragraph. The  
25 performance audits shall determine whether school districts that receive  
26 monies from the Arizona English language learner fund established by  
27 section 15-756.04 and the statewide compensatory instruction fund  
28 established by section 15-756.11 comply with title 15, chapter 7, article  
29 3.1. The auditor general shall determine, through random selection, the  
30 school districts to be audited each year, subject to review by the joint  
31 legislative audit committee. A school district that is subject to an audit

1 pursuant to this paragraph shall notify the auditor general in writing  
2 whether the school district agrees or disagrees with the findings ~~and~~  
3 ~~recommendations~~ of the audit and whether the school district will implement  
4 the ~~findings and~~ recommendations, implement modifications to the ~~findings~~  
5 ~~and~~ recommendations or refuse to implement the ~~findings~~  
6 ~~and~~ recommendations. The school district shall submit to the auditor  
7 general a written status report on the implementation of the audit ~~findings~~  
8 ~~and~~ recommendations ~~every six months for two years after~~ AT THE REQUEST OF  
9 THE AUDITOR GENERAL WITHIN THE TWO-YEAR PERIOD FOLLOWING THE ISSUANCE OF an  
10 audit conducted pursuant to this paragraph. The auditor general shall  
11 review the school district's progress toward implementing the ~~findings~~  
12 ~~and~~ recommendations of the audit ~~every six months after receipt of the~~  
13 ~~district's status report for two years~~ AND PROVIDE STATUS REPORTS OF THESE  
14 REVIEWS TO THE JOINT LEGISLATIVE AUDIT COMMITTEE DURING THIS TWO-YEAR  
15 PERIOD. The auditor general may review a school district's progress beyond  
16 this two-year period for recommendations that have not yet been implemented  
17 by the school district. ~~The auditor general shall provide a status report~~  
18 ~~of these reviews to the joint legislative audit committee.~~ The school  
19 district shall participate in any hearing scheduled during this review  
20 period by the joint legislative audit committee or by any other legislative  
21 committee designated by the joint legislative audit committee.

22 10. Annually review per diem compensation and reimbursement of  
23 expenses for employees of this state and members of a state board,  
24 commission, council or advisory committee by judgmentally selecting samples  
25 and evaluating the propriety of per diem compensation and expense  
26 reimbursements.

27 11. PERFORM ELECTION INTEGRITY AUDITS AS PRESCRIBED IN SECTION 41-  
28 1279.08.

29 B. The auditor general may:

30 1. Subject to approval by the committee, adopt rules necessary to  
31 administer the duties of the office.





1           A. The auditor general or the auditor general's authorized  
2 representatives, in ~~the performance of~~ PERFORMING official duties, shall  
3 have access to, ~~EMPLOYEES~~ and authority to examine, ~~any and all~~ books,  
4 accounts, reports, vouchers, correspondence files and other records, bank  
5 accounts, criminal history record information as defined in section 41-  
6 1701 AND IN ACCORDANCE WITH SECTION 41-1750, ~~money~~ MONIES and other  
7 property of any state agency, board, commission, department, institution,  
8 program, advisory council or committee or political subdivision of this  
9 state, whether created by the constitution or otherwise, or such documents  
10 and property of a contractor relating to a contract with this state  
11 pursuant to the provisions of section 35-214. ~~It is the duty of~~ Any officer  
12 or employee of any such agency or political subdivision, having such  
13 records under the officer's or employee's control, ~~to permit~~ SHALL  
14 ALLOW access to and examination of the records on the request of the  
15 auditor general or the auditor general's authorized representative.

16           B. ~~For the purpose of complying with section 41-1279.03, subsection~~  
17 ~~A, paragraphs 4 and 9,~~ The auditor general or the auditor general's  
18 authorized representative, in ~~the performance of~~ PERFORMING official  
19 duties, may attend executive sessions of the governing body of any state  
20 agency or ~~school district~~ ENTITY in this state THAT IS SUBJECT TO TITLE 38,  
21 CHAPTER 3, ARTICLE 3.1.

22           C. For the purpose of auditing the department of revenue, the auditor  
23 general and the auditor general's authorized representatives have access to  
24 state tax returns, except that a report of the auditor general shall not  
25 violate the confidentiality of state tax laws.

26           D. FOR THE PURPOSE OF ELECTION INTEGRITY AUDITS, THE AUDITOR GENERAL  
27 AND THE AUDITOR GENERAL'S AUTHORIZED REPRESENTATIVES SHALL HAVE ACCESS TO  
28 BOTH OF THE FOLLOWING:

29           1. ANY PERSONNEL AND DATA FROM THE COUNTY RECORDER'S OFFICE AND ANY  
30 COUNTY ELECTIONS DEPARTMENT, THE DEPARTMENT OF TRANSPORTATION AND THE  
31 SECRETARY OF STATE, WHICH SHALL INCLUDE ACCESS TO ELECTRONIC DATA OR ANY

1 SUCH DATA AND PROPERTY FROM A THIRD PARTY, THAT THE AUDITOR GENERAL DEEMS  
2 NECESSARY TO PERFORM THE DUTIES PRESCRIBED IN SECTION 41-1279.08, INCLUDING  
3 VOTER REGISTRATION DATA. THIS DATA SHALL BE PROVIDED IN THE MANNER AND  
4 FORMAT PRESCRIBED BY THE AUDITOR GENERAL.

5 2. POLLING PLACES, VOTING CENTERS AND CENTRAL COUNTING CENTERS.

6 E. ALL OFFICERS OF ANY STATE AGENCY, BOARD, COMMISSION, DEPARTMENT,  
7 INSTITUTION, PROGRAM, ADVISORY COUNCIL OR COMMITTEE OR POLITICAL  
8 SUBDIVISION OF THIS STATE SHALL PROVIDE REASONABLE AND NEEDED FACILITIES  
9 FOR AUDITOR GENERAL STAFF AND SHALL MAKE RECORDS AVAILABLE IN THE FORM AND  
10 AT THE TIME PRESCRIBED.

11 ~~D.~~ F. Any officer or person who knowingly fails or refuses to ~~permit~~  
12 ~~such~~ ALLOW access and examination PURSUANT TO THIS SECTION OR WHO OTHERWISE  
13 KNOWINGLY OBSTRUCTS OR MISLEADS THE AUDITOR GENERAL IN THE EXECUTION OF THE  
14 AUDITOR GENERAL'S DUTIES is guilty of a class ~~2 misdemeanor~~ 6 FELONY.

15 G. THE ATTORNEY GENERAL SHALL SUPERVISE THE PROSECUTION OF ALL  
16 OFFENDERS UNDER THIS SECTION.

17 Sec. 6. Title 41, chapter 7, article 10.1, Arizona Revised Statutes,  
18 is amended by adding section 41-1279.08, to read:

19 41-1279.08. Auditor general; election integrity audits; duties

20 A. THE AUDITOR GENERAL SHALL ESTABLISH AN AUDIT TEAM TO PERFORM  
21 ELECTION INTEGRITY PROCESS AUDITS OF COUNTY RECORDERS' OFFICES AND COUNTY  
22 ELECTIONS DEPARTMENTS.

23 B. EACH ELECTION CYCLE, THE AUDITOR GENERAL SHALL CONDUCT AN ELECTION  
24 INTEGRITY AUDIT OF AT LEAST ONE ARIZONA COUNTY THE AUDITOR GENERAL CHOOSES  
25 THROUGH RANDOM SELECTION THAT EXAMINES AT LEAST ONE AREA WITHIN THE  
26 FOLLOWING TOPICS:

27 1. VOTER REGISTRATION, MAINTENANCE OF VOTER REGISTRATION ROLLS AND  
28 MAINTENANCE OF THE ACTIVE EARLY VOTING LIST.

29 2. EARLY BALLOT PROCESSING AND SIGNATURE VERIFICATION PROCESSING,  
30 INCLUDING THE SEPARATION OF EARLY BALLOTS INTO BATCHES OR OTHER GROUPINGS,  
31 BALLOT DROP BOX SECURITY AND EARLY BALLOT ELECTION PROCESSING BOARDS.

1           3. TABULATION OF BALLOTS, INCLUDING BALLOT ADJUDICATION AND  
2           DUPLICATION, SECURITY ISSUES WHILE TABULATING AND LOGIC AND ACCURACY  
3           TESTING AND ADMINISTRATION.

4           4. POLLING PLACE ADMINISTRATION, VOTING CENTER ADMINISTRATION,  
5           CENTRAL COUNTING CENTER ADMINISTRATION AND CHAIN OF CUSTODY OF BALLOTS,  
6           EQUIPMENT AND REMOVABLE STORAGE DEVICES.

7           C. THE AUDITOR GENERAL MAY MAKE RECOMMENDATIONS TO THE COUNTIES, THE  
8           SECRETARY OF STATE AND THE LEGISLATURE TO ADDRESS FINDINGS IDENTIFIED IN  
9           THE ELECTION INTEGRITY AUDITS.

10          D. A COUNTY SUBJECT TO AN ELECTION INTEGRITY AUDIT PURSUANT TO THIS  
11          SECTION SHALL NOTIFY THE AUDITOR GENERAL IN WRITING WHETHER THE COUNTY  
12          BOARD OF SUPERVISORS OR COUNTY RECORDER, OR BOTH, AGREE OR DISAGREE WITH  
13          THE FINDINGS OF THE ELECTION INTEGRITY AUDIT AND WHETHER THE COUNTY BOARD  
14          OF SUPERVISORS OR COUNTY RECORDER, OR BOTH, WILL IMPLEMENT THE  
15          RECOMMENDATIONS, IMPLEMENT MODIFICATIONS TO THE RECOMMENDATIONS OR REFUSE  
16          TO IMPLEMENT THE RECOMMENDATIONS. THE COUNTY SHALL SUBMIT TO THE AUDITOR  
17          GENERAL WRITTEN STATUS REPORTS ON THE IMPLEMENTATION OF THE ELECTION  
18          INTEGRITY AUDIT RECOMMENDATIONS AT THE REQUEST OF THE AUDITOR GENERAL  
19          WITHIN THE TWO-YEAR PERIOD FOLLOWING THE ISSUANCE OF THE ELECTION INTEGRITY  
20          AUDIT PURSUANT TO THIS SECTION. THE AUDITOR GENERAL SHALL REVIEW THE  
21          COUNTY'S PROGRESS TOWARD IMPLEMENTING THE RECOMMENDATIONS OF THE ELECTION  
22          INTEGRITY AUDIT FOR UP TO TWO YEARS. THE AUDITOR GENERAL MAY REVIEW THE  
23          COUNTY'S PROGRESS BEYOND THIS TWO-YEAR PERIOD FOR RECOMMENDATIONS THAT HAVE  
24          NOT YET BEEN IMPLEMENTED.

25          E. THE AUDITOR GENERAL SHALL REPORT ANY ELECTION INTEGRITY AUDIT  
26          FINDINGS AND RECOMMENDATIONS AND THE STATUS OF A COUNTY'S PROGRESS TOWARDS  
27          IMPLEMENTING RECOMMENDATIONS TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF  
28          THE HOUSE OF REPRESENTATIVES, THE JOINT LEGISLATIVE AUDIT COMMITTEE, THE  
29          GOVERNOR, THE SECRETARY OF STATE AND THE ATTORNEY GENERAL.

30          F. A COUNTY SUBJECT TO AN ELECTION INTEGRITY AUDIT SHALL POST THE  
31          AUDIT REPORT AND STATUS REPORT OF PROGRESS TOWARD IMPLEMENTING

1 RECOMMENDATIONS ON ITS WEBSITE FOR TWENTY-FOUR MONTHS AND SHALL PARTICIPATE  
2 IN ANY HEARING RELATED TO THE ELECTION INTEGRITY AUDIT SCHEDULED BY THE  
3 JOINT LEGISLATIVE AUDIT COMMITTEE.

4 Sec. 7. Delayed repeal

5 Section 41-1279.08, Arizona Revised Statutes, as added by this act,  
6 is repealed from and after December 31, 2029."

7 Amend title to conform

KAREN FANN

2780FANN0824.docx  
06/22/2022  
08:24 PM  
S: MH/slp