



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED
FACT SHEET FOR H.B. 2210

~~occupational safety advisory committee; continuation~~
(NOW: state agencies; continuations; duties)

Purpose

Modifies the powers and duties on the Arizona Commerce Authority (ACA). Continues prescribed state agencies.

Background

In 2011, the Legislature established the ACA with the mission to provide private sector leadership in growing and diversifying the economy of Arizona, creating high quality employment in Arizona through expansion, attraction and retention of businesses and marketing Arizona for the purpose of expansion, attraction and retention of businesses. The ACA has a board of directors consisting of 19 voting members, including the Governor serving as Chairperson, the Chief Executive Officer (CEO) of the ACA and 17 private sector business leaders who are CEOs of private, for-profit enterprises. Of the 17 private sector voting members, nine are appointed by the Governor, four are appointed by the President of the Senate (Senate President) and four are appointed by the Speaker of the House of Representatives (House Speaker). The board also has 10 ex-officio members without the power to vote and 9 technical advisors that serve the board to enhance collaboration among state agencies to meet infrastructure needs and facilitate growth opportunities throughout the state. The CEO is appointed by the board and has the statutorily prescribed responsibility for managing, administering and supervising the activities of the ACA. The duties of the ACA include: 1) administering tax credits and incentives for businesses; 2) administering various grants to qualified businesses to enhance economic development, including through the Arizona Competes Fund; 3) managing the State Broadband Office; 4) establishing a program by which entrepreneurs become aware of permits, licenses or other authorizations needed to establish, expand or operate in the state; and 5) establishing and supervising the operations of full-time or part-time offices in other states and foreign countries expanding direct investment and export trade opportunities ([A.R.S. Title 41, Chapter 10](#)).

Statute outlines a process with the intent: 1) to establish an orderly schedule for the termination of existing state agencies, departments, boards, commissions, institutions and programs and to make provisions for legislative review to enable the Legislature to have the benefit of recommendations for the continuation of those state agencies, departments, boards, commissions, institutions and programs which are deemed to be essential for the necessary and efficient operation of government; 2) that the sunset review of an existing state agency, department, program, board or advisory council or committee means the sunset review of the powers and duties exercised by such state agency, department, program, board or advisory council or committee; and 3) that any amendment of the enabling authority for an agency, department, program, board or

advisory council or committee subject to sunset review be in accordance with the legislative review process ([A.R.S. § 41- 2951](#)).

The ACA, Arizona Department of Administration (ADOA), Governor's Office on Tribal Relations (GOTR), Occupational Safety and Health Advisory Committee (ADOSH Advisory Committee), State Personnel Board, Arizona Historical Society and Prescott Historical Society are set to terminate on July 1, 2024, unless continued by the Legislature ([A.R.S. Title 41, Chapter 27, Article 2](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

Agency Continuations

1. Continues, retroactive to July 1, 2024, the ACA until July 1, 2029.
2. Repeals the ACA on January 1, 2030.
3. Continues, retroactive to July 1, 2024, the ADOA until July 1, 2030.
4. Repeals the ADOA on January 1, 2031.
5. Continues, retroactive to July 1, 2024, the GOTR, ADOSH Advisory Committee, State Personnel Board, Arizona Historical Society and Prescott Historical Society until July 1, 2032.
6. Repeals the GOTR, ADOSH Advisory Committee, State Personnel Board, Arizona Historical Society and Prescott Historical Society on January 1, 2033.
7. Contains purpose statements.

ACA

8. Adds an attorney with experience litigating constitutional cases involving the Gift Clause of the Arizona Constitution as a member of the technical advisors to the ACA Board of Directors.
9. Stipulates that the attorney is to be appointed jointly by the President of the Senate and Speaker of the House of Representatives.
10. Requires the public portion of meetings of the ACA Board of Directors to be recorded.
11. Requires the recordings to be posted on the ACA's website within three business days and retained on its website for at least one year after the date of posting.
12. Prohibits the ACA from having more than 100 full-time employees excluding any full-time employees that are funded with monies other than state monies.
13. Requires the ACA to submit a copy of its annual report to the Governor, the President of the Senate and the Speaker of the House of Representatives.

14. Clarifies that the ACA annual report must include:
 - a) the cumulative progress made towards the ACA's goal for direct job creation, capital investment and higher wages; and
 - b) the estimated number of indirect and induced jobs created as a result of the work and programs of the ACA.
15. Requires the ACA to adopt policies that prohibit using state monies to provide business executives lodging, alcoholic beverages, personal transportation or tickets to entertainment events for the purpose of attracting businesses to Arizona.
16. Requires, by September 30 of each year, every city, town and county in Arizona to submit to the ACA the jurisdiction's statistics for the proceeding fiscal year to include:
 - a) the average time from submission of an initial building permit application to a certificate of occupancy;
 - b) the average time from submission of a zoning application to zoning approval;
 - c) the average time from submission of a final plat to the recordation of the final plat; and
 - d) any other statistics as determined by the ACA or the Municipality Time Frames Advisory Committee relating to municipality support for economic development projects.
17. Requires, by December 31 of each year, the ACA to compile the collected statistical data and submit a report to the Governor, the President of the Senate, the Speaker of the House of Representatives and the Secretary of State.

Municipality Time Frames Advisory Committee

18. Establishes the Municipality Time Frames Advisory Committee consisting of the following members jointly appointed by the President of the Senate and the Speaker of the House of Representatives:
 - a) one members who is an economist;
 - b) one member who represents the homebuilding industry in Arizona;
 - c) one member who represents a tax research organization in Arizona;
 - d) one members who represents a statewide association of businesses in Arizona; and
 - e) one members who represents a national association in Arizona that comprises of private, independently-owned and operated businesses in Arizona.
19. Stipulates that members of the Municipality Time Frames Advisory Committee serve five-year terms.
20. Requires the Municipality Time Frames Advisory Committee to submit recommendations to the ACA relating to municipal and county support for economic development projects to be included in the ACA's collected statistical data from cities, towns and counties.

Arizona Competes Fund

21. Requires the ACA CEO to report to the President of the Senate and the Speaker of the House of Representatives on a quarterly basis regarding any amendments to any written agreements executed under the Arizona Competes Fund.

22. Requires the ACA CEO to track the status and completion of any agreement provisions and retain supporting documentation for inspection on request.

Miscellaneous

23. Defines *direct job* as employment that is in direct connection with the operations or function of a business, facility or target industry, as determined and applied in standard economic modeling practices.
24. Defines *indirect job* as employment that is created in the local supply chain that serves a business, facility or target industry, as determined and applied in standard economic modeling practices.
25. Defines *induced jobs* as employment that is created as a result of local spending of the employees of the business, facility or target industry or the employees of suppliers that serve that business, facility or target industry, as determined and applied in standard economic modeling practices.
26. Makes technical and conforming changes.
27. Becomes effective on the general effective date, with retroactive provisions as noted.

Amendments adopted by Additional Committee of the Whole

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2. Repeals the ACA on January 1, 2030.
3. Continues, retroactive to July 1, 2024, the ADOA until July 1, 2030.
4. Repeals the ADOA on January 1, 2031.
5. Continues, retroactive to July 1, 2024, the GOTR, State Personnel Board, Arizona Historical Society and Prescott Historical Society until July 1, 2032.
6. Repeals the GOTR, State Personnel Board, Arizona Historical Society and Prescott Historical Society on January 1, 2033.
7. Adds purpose statements relating to the continuations of the ACA, ADOA, GOTR, State Personnel Board, Arizona Historical Society and Prescott Historical Society.
8. Adds an attorney with experience litigating constitutional cases involving the Gift Clause of the Arizona Constitution as a member of the technical advisors to the ACA Board of Directors.
9. Stipulates that the attorney is to be appointed jointly by the President of the Senate and Speaker of the House of Representatives.
10. Requires the public portion of meetings of the ACA Board of Directors to be recorded.

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25. Defines *induced jobs* as employment that is created as a result of local spending of the employees of the business, facility or target industry or the employees of suppliers that serve that business, facility or target industry, as determined and applied in standard economic modeling practices.
26. Makes technical and conforming changes.

House Action

Senate Action

COM	2/6/24	DP	8-1-0-1	FICO	3/18/24	DP	5-1-1-0
3 rd Read	2/29/24		47-12-0-0-1				

Prepared by Senate Research

June 14, 2024

JT/cs