

Senate Engrossed House Bill

~~workers' compensation rates; deviation~~
(now: workers' compensation; premiums)

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HOUSE BILL 2204

AN ACT

AMENDING SECTIONS 23-902, 23-961 AND 23-1065, ARIZONA REVISED STATUTES;
RELATING TO WORKERS' COMPENSATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 23-902, Arizona Revised Statutes, is amended to
3 read:

4 23-902. Employers subject to chapter; exceptions

5 A. Employers subject to this chapter are the state, each county,
6 city, town, municipal corporation and school district and every person who
7 employs any workers or operatives regularly employed in the same business
8 or establishment under contract of hire, including covered employees
9 pursuant to a professional employer agreement, except domestic servants.
10 Exempted employers of domestic servants may come under this chapter by
11 complying with its provisions and the rules of the commission. For the
12 purposes of this subsection, "regularly employed" includes all
13 employments, whether continuous throughout the year, or for only a portion
14 of the year, in the usual trade, business, profession or occupation of an
15 employer.

16 B. When an employer procures work to be done for the employer by a
17 contractor over whose work the employer retains supervision or control,
18 and the work is a part or process in the trade or business of the
19 employer, then the contractors and the contractor's employees, and any
20 subcontractor and the subcontractor's employees, are, within the meaning
21 of this section, employees of the original employer. For the purposes of
22 this subsection, "part or process in the trade or business of the
23 employer" means a particular work activity that in the context of an
24 ongoing and integral business process is regular, ordinary or routine in
25 the operation of the business or is routinely done through the business'
26 own employees.

27 C. A person engaged in work for a business, and who while so
28 engaged is independent of that business in the execution of the work and
29 not subject to the rule or control of the business for which the work is
30 done, but is engaged only in the performance of a definite job or piece of
31 work, and is subordinate to that business only in effecting a result in
32 accordance with that business design, is an independent contractor.

33 D. A business that uses the services of an independent contractor
34 and the independent contractor may prove the existence of an independent
35 contractor relationship by executing a written agreement that complies
36 with this subsection. The written agreement shall evidence that the
37 business does not have the authority to supervise or control the actual
38 work of the independent contractor or the independent contractor's
39 employees. A written agreement executed in compliance with this
40 subsection creates a rebuttable presumption of an independent contractor
41 relationship between the parties if the written agreement contains a
42 disclosure statement that the independent contractor is not entitled to
43 workers' compensation benefits from the business. Unless the rebuttable
44 presumption is overcome, no premium may be collected by the carrier on
45 payments by the business to the independent contractor if a fully

1 completed written agreement that satisfies the requirements of this
2 subsection is submitted to the carrier. The written agreement shall be
3 dated and contain the signatures of both parties and, unless otherwise
4 provided by law, shall state that the business:

5 1. Does not require the independent contractor to perform work
6 exclusively for the business. This paragraph shall not be construed as
7 conclusive evidence that an individual who performs services primarily or
8 exclusively for another person is an employee of that person.

9 2. Does not provide the independent contractor with any business
10 registrations or licenses required to perform the specific services set
11 forth in the contract.

12 3. Does not pay the independent contractor a salary or hourly rate
13 instead of an amount fixed by contract.

14 4. Will not terminate the independent contractor before the
15 expiration of the contract period, unless the independent contractor
16 breaches the contract or violates the laws of this state.

17 5. Does not provide tools to the independent contractor.

18 6. Does not dictate the time of performance.

19 7. Pays the independent contractor in the name appearing on the
20 written agreement.

21 8. Will not combine business operations with the person performing
22 the services rather than maintaining these operations separately.

23 E. A business that uses the services of a sole proprietor who has
24 waived the sole proprietor's rights to workers' compensation coverage and
25 benefits pursuant to section 23-961, subsection ~~M~~ N is not liable for
26 workers' compensation coverage or the payment of premiums for the sole
27 proprietor.

28 F. The written agreement executed in compliance with subsection D
29 of this section shall be null and void and create no presumption of an
30 independent contractor relationship if the consent of either party is
31 either:

32 1. Obtained through misrepresentation, false statements, fraud or
33 intimidation.

34 2. Obtained through coercion or duress.

35 G. If any agreement is found to be null and void under subsection F
36 of this section the insurance carrier is entitled to collect a premium.

37 Sec. 2. Section 23-961, Arizona Revised Statutes, is amended to
38 read:

39 23-961. Methods of securing compensation by employers;
40 deficit premium; civil penalty

41 A. Employers shall secure workers' compensation to their employees
42 in one of the following ways:

43 1. By insuring and keeping insured the payment of such compensation
44 with an insurance carrier authorized by the director of the department of

1 insurance and financial institutions to write workers' compensation
2 insurance in this state.

3 2. By furnishing to the commission satisfactory proof of financial
4 ability to pay the compensation directly or through a workers'
5 compensation pool approved by the commission in the amount and manner and
6 when due as provided in this chapter. The requirements of this paragraph
7 may be satisfied by furnishing to the commission satisfactory proof that
8 the employer is a member of a workers' compensation pool approved by the
9 commission pursuant to section 23-961.01. The commission may require a
10 deposit or any other security from the employer for the payment of
11 compensation liabilities in an amount fixed by the commission, but not
12 less than \$100,000 dollars for workers' compensation liabilities. If the
13 employer does not fully comply with the provisions of this chapter
14 relating to the payment of compensation, the commission may revoke the
15 authority of the employer to pay compensation directly.

16 B. An employer may not secure compensation to comply with this
17 chapter by any mechanism other than as provided in this section. No
18 insurance, combination or other program may be marketed, offered or sold
19 as workers' compensation that does not comply with this section. An
20 employer violates this chapter if the employer purchases or secures its
21 obligations under this chapter through a substitute for workers'
22 compensation that does not comply with this section.

23 C. Insurance carriers that transact the business of workers'
24 compensation insurance in this state are subject to the rules of the
25 director of the department of insurance and financial institutions.

26 D. On application of an insurance carrier, the director of the
27 department of insurance and financial institutions may order the release
28 to the insurance carrier of all or part of the cash or securities that the
29 insurance carrier deposited before July 1, 2015 with the state treasurer
30 pursuant to this section. In determining whether to order the release of
31 all or part of the deposit, the director of the department of insurance
32 and financial institutions shall consider all of the following:

33 1. The financial condition of the insurance carrier.

34 2. The insurance carrier's liabilities for workers' compensation
35 loss and loss expenses in this state.

36 3. Whether the insurance carrier is subject to a finding of
37 hazardous condition, an order of supervision, a delinquency proceeding or
38 any other regulatory action in this state, the insurance carrier's state
39 of domicile or any other state in which the insurance carrier transacted
40 the business of insurance.

41 4. Any other factors the director of the department of insurance
42 and financial institutions determines are relevant to the application for
43 release of the deposit.

44 E. Except in the event of nonpayment of premiums, each insurance
45 carrier shall carry a risk to the conclusion of the policy period unless

1 the policy is cancelled by the employer or unless one or both of the
2 parties to a professional employer agreement terminate the agreement. The
3 policy period shall be agreed on by the insurance carrier and the
4 employer.

5 F. At least thirty days' notice shall be given by the insurance
6 carrier to the employer and to the commission of any cancellation or
7 nonrenewal of a policy if the cancellation or nonrenewal is at the
8 election of the insurance carrier. The insurance carrier shall promptly
9 notify the commission of any cancellation by the employer or failure of
10 the employer to renew the policy. The failure to give notice of
11 nonrenewal if the nonrenewal is at the election of the insurance carrier
12 shall not extend coverage beyond the policy period. An insurance carrier
13 shall notify the commission on a form prescribed by the commission that it
14 has insured an employer for workers' compensation promptly after
15 undertaking to insure the employer.

16 G. Every insurance carrier on or before March 1 of each year shall
17 pay to the state treasurer for the credit of the administrative fund, in
18 lieu of all other taxes on workers' compensation insurance, a tax of not
19 more than three percent on all premiums collected or contracted for during
20 the year ending December 31 next preceding, less the deductions from such
21 total direct premiums for applicable cancellations, returned premiums and
22 all policy dividends or refunds paid or credited to policyholders within
23 this state and not reapplied as premiums for new, additional or extended
24 insurance. Every self-insured employer, including workers' compensation
25 pools, on or before March 31 of each year shall pay a tax of not more than
26 three percent of the premiums that would have been paid by the employer if
27 the employer had been fully insured by an insurance carrier authorized to
28 transact workers' compensation insurance in this state during the
29 preceding calendar year. The commission shall adopt rules that shall
30 specify the premium plans and methods to be used for the calculation of
31 rates and premiums and that shall be the basis for the taxes assessed to
32 self-insured employers. The tax shall be not less than \$250 per annum and
33 shall be computed and collected by the commission and paid to the state
34 treasurer for the credit of the administrative fund at a rate not
35 exceeding three percent to be fixed annually by the industrial commission
36 of Arizona. The rate shall be no more than is necessary to cover the
37 actual expenses of the industrial commission of Arizona in carrying out
38 its powers and duties under this title. Any quarterly payments of tax
39 pursuant to subsection ~~I~~ J of this section shall be deducted from the tax
40 payable pursuant to this subsection.

41 H. An insurance carrier may reduce the amount of premiums paid by
42 an employer by up to five percent if all of the following apply:

43 1. The insured employer complies with the drug testing policy
44 requirements prescribed in section 23-493.04.

1 2. The insured employer conducts drug testing of prospective
2 employees.
3 3. The insured employer conducts drug testing of an employee after
4 the employee has been injured.
5 4. The insured employer allows the employer's insurance carrier to
6 have access to the drug testing results under paragraphs 2 and 3 of this
7 subsection.
8 I. AN INSURANCE CARRIER MAY REDUCE THE AMOUNT OF PREMIUMS PAID BY
9 AN EMPLOYER BY UP TO FIVE PERCENT IF BOTH OF THE FOLLOWING APPLY:
10 1. THE INSURED EMPLOYER IS PART OF A MEMBERSHIP ORGANIZATION WHOSE
11 MEMBERSHIP IS ALL OF THE FOLLOWING:
12 (a) COMPRISED OF PERSONS THAT ARE IN A SIMILAR OR RELATED LINE OF
13 COMMERCE.
14 (b) ORGANIZED TO PROMOTE AND IMPROVE BUSINESS CONDITIONS IN THAT
15 LINE OF COMMERCE.
16 (c) NOT ENGAGED IN A REGULAR BUSINESS OF A KIND THAT IS ORDINARILY
17 CARRIED ON FOR PROFIT AND WHOSE NET EARNINGS DO NOT INURE TO THE BENEFIT
18 OF ANY MEMBER.
19 2. THE INSURANCE CARRIER HAS A PROGRAM AGREEMENT WITH THE
20 MEMBERSHIP ORGANIZATION OF WHICH THE INSURED EMPLOYER IS A MEMBER.
21 ~~I~~ J. Any insurer that, pursuant to this section, paid or is
22 required to pay a tax of \$2,000 or more for the preceding calendar year
23 shall file a quarterly report, in a form prescribed by the commission,
24 accompanied by a payment in an amount equal to the tax due at the rates
25 prescribed in subsection G of this section for premiums determined
26 pursuant to subsection G of this section or an amount equal to twenty-five
27 percent of the tax paid or required to be paid pursuant to subsection G of
28 this section for the preceding calendar year. The quarterly payments
29 shall be due and payable on or before the last day of the month following
30 the close of the quarter and shall be made to the state treasurer.
31 ~~J~~ K. If an overpayment of taxes results from the method
32 prescribed in subsection ~~I~~ J of this section the industrial commission of
33 Arizona may refund the overpayment without interest.
34 ~~K~~ L. An insurer who fails to pay the tax prescribed by
35 subsection G or ~~I~~ J of this section or the amount prescribed by section
36 23-1065, subsection A is subject to a civil penalty equal to the greater
37 of \$25 or five percent of the tax or amount due plus interest at the rate
38 of one percent per month from the date the tax or amount was due.
39 ~~L~~ M. An insurance carrier authorized to write workers'
40 compensation insurance may not assess an employer premiums for services
41 provided by a contractor alleged to be an employee under section 23-902,
42 subsection B or C, unless the carrier has done both of the following:
43 1. Prepared written audit or field investigation findings
44 establishing that all applicable factors for determining employment status
45 under section 23-902 have been met.

1 2. Provided a copy of such findings to the employer in advance of
2 assessing a premium.

3 ~~M.~~ N. Notwithstanding section 23-901, paragraph 6, subdivision
4 (i), a sole proprietor may waive the sole proprietor's rights to workers'
5 compensation coverage and benefits if both the sole proprietor and the
6 insurance carrier of the employer subject to this chapter for which the
7 sole proprietor performs services sign and date a waiver that is
8 substantially in the following form:

9 I am a sole proprietor, and I am doing business
10 as (name of sole proprietor). I am performing work as
11 an independent contractor for (name of employer). I am
12 not the employee of (name of employer) for workers'
13 compensation purposes, and, therefore, I am not entitled to
14 workers' compensation benefits from (name of employer). I
15 understand that if I have any employees working for me, I must
16 maintain workers' compensation insurance on them.

17 _____
18 Sole proprietor Date

19 _____
20 Insurance carrier Date

21 Sec. 3. Section 23-1065, Arizona Revised Statutes, is amended to
22 read:

23 23-1065. Special fund; purposes; investment committee

24 A. The industrial commission may direct the payment into the state
25 treasury of not to exceed one ~~percent~~ PERCENT of all premiums received by
26 private insurance carriers during the immediately preceding calendar year.
27 The same percentage shall be assessed against self-insurers based on the
28 total cost to the self-insured employer as provided in section 23-961,
29 subsection G. Such assessments shall be computed on the same premium
30 basis as provided for in section 23-961, subsections G, H, ~~I~~, J, K and
31 ~~L~~ and shall be no more than is necessary to keep the special fund
32 actuarially sound. Such payments shall be placed in a special fund within
33 the administrative fund to provide, at the discretion of the commission,
34 such additional awards as may be necessary to enable injured employees to
35 accept the benefits of any law of this state or of the United States, or
36 both jointly, for promotion of vocational rehabilitation of persons with
37 disabilities in industry.

38 B. In claims involving an employee who has a preexisting
39 industrially-related permanent physical impairment of the type specified
40 in section 23-1044, subsection B and who thereafter suffers an additional
41 permanent physical impairment of the type specified in such subsection,
42 the claim involving the subsequent impairment is eligible for
43 reimbursement, as provided by subsection D of this section, according to
44 the following:

1 1. The employer in whose employ the subsequent impairment occurred
2 or its insurance carrier is solely responsible for all temporary
3 disability compensation to which the employee is entitled and for an
4 amount equal to the permanent disability compensation provided by section
5 23-1044, subsection B for the subsequent impairment. If the employee is
6 determined to have sustained no loss of earning capacity after the
7 medically stationary date, the employer or carrier shall pay him as a
8 vocational rehabilitation bonus the amount calculated under this paragraph
9 as a lump sum, which shall be a credit against any permanent compensation
10 benefits awarded in any subsequent proceeding. The amount of the
11 vocational rehabilitation bonus for which the employer or carrier is
12 responsible under this paragraph shall be calculated solely on physical,
13 medically rated permanent impairment and not on occupational or other
14 factors.

15 2. If the commission determines that the employee is entitled to
16 compensation for loss of earning capacity under section 23-1044,
17 subsection C or permanent total disability under section 23-1045,
18 subsection B, the total amount of permanent benefits for which the
19 employer or carrier is solely responsible under paragraph 1 of this
20 subsection shall be expended first, with monthly payments made according
21 to the loss of earning capacity or permanent total disability award. The
22 employer or carrier and the special fund are equally responsible for the
23 remaining amount of compensation for loss of earning capacity under
24 section 23-1044, subsection C or permanent total disability under section
25 23-1045, subsection B. This paragraph shall not be construed as requiring
26 payment of any benefits under section 23-1044, subsection B in any case in
27 which an employee is entitled to benefits for loss of earning capacity
28 under section 23-1044, subsection C or permanent total disability benefits
29 under section 23-1045, subsection B.

30 C. In claims involving an employee who has a preexisting physical
31 impairment that is not industrially-related and, whether congenital or due
32 to injury or disease, is of such seriousness as to constitute a hindrance
33 or obstacle to employment or to obtaining reemployment if the employee
34 becomes unemployed, and the impairment equals or exceeds a ten ~~per cent~~
35 PERCENT permanent impairment evaluated in accordance with the American
36 medical association guides to the evaluation of permanent impairment, and
37 the employee thereafter suffers an additional permanent impairment not of
38 the type specified in section 23-1044, subsection B, the claim involving
39 the subsequent impairment is eligible for reimbursement, as provided by
40 subsection D of this section, under the following conditions:

41 1. The employer in whose employ the subsequent impairment occurred
42 or its carrier is solely responsible for all temporary disability
43 compensation to which the employee is entitled.

1 2. The employer had knowledge of the permanent impairment at the
2 time the employee was hired, or that the employee continued in employment
3 after the employer acquired such knowledge.

4 3. The employee's preexisting impairment is due to one or more of
5 the following:

- 6 (a) Epilepsy.
- 7 (b) Diabetes.
- 8 (c) Cardiac disease.
- 9 (d) Arthritis.
- 10 (e) Amputated foot, leg, arm or hand.
- 11 (f) Loss of sight of one or both eyes or a partial loss of
12 uncorrected vision of more than seventy-five ~~percent~~ PERCENT bilaterally.
- 13 (g) Residual disability from poliomyelitis.
- 14 (h) Cerebral palsy.
- 15 (i) Multiple sclerosis.
- 16 (j) Parkinson's disease.
- 17 (k) Cerebral vascular accident.
- 18 (l) Tuberculosis.
- 19 (m) Silicosis.
- 20 (n) Psychoneurotic disability following treatment in a recognized
21 medical or mental institution.
- 22 (o) Hemophilia.
- 23 (p) Chronic osteomyelitis.
- 24 (q) Hyperinsulinism.
- 25 (r) Muscular dystrophies.
- 26 (s) Arteriosclerosis.
- 27 (t) Thrombophlebitis.
- 28 (u) Varicose veins.
- 29 (v) Heavy metal poisoning.
- 30 (w) Ionizing radiation injury.
- 31 (x) Compressed air sequelae.
- 32 (y) Ruptured intervertebral disk.

33 4. The employer or carrier and the special fund are equally
34 responsible for the amount of compensation for loss of earning capacity
35 under section 23-1044, subsection C or permanent total disability under
36 section 23-1045, subsection B.

37 D. The employer or insurance carrier shall notify the commission of
38 its intent to claim reimbursement for an eligible claim under subsection B
39 or C of this section not later than the time the employer or insurance
40 carrier notifies the commission pursuant to section 23-1047, subsection
41 A. Upon receiving notice the commission may expend funds from the special
42 fund created by this section for travel and discovery procedures and for
43 the employment of such independent legal, medical, rehabilitation, claims
44 or labor market consultants or experts as may be deemed necessary by the
45 commission to assist in the determination of the liability of the special

1 fund, if any, under subsection B or C of this section. In the event there
2 is any dispute regarding liability to the special fund pursuant to
3 subsection B or C of this section, the commission shall not delay the
4 issuance of a permanent award pursuant to section 23-1047, subsection B.

5 E. If the special fund created by this section is determined to be
6 liable under either subsection B or C of this section, the employer or
7 insurance carrier that is primarily liable shall pay the entire amount of
8 the award to the injured employee and the commission shall by rule provide
9 for the reimbursement of the employer or insurance carrier on an annual
10 basis. In any case arising out of subsection B or C of this section, the
11 written approval of the special fund is required for the compromise of any
12 claim made pursuant to section 23-1023. In any such case, written
13 approval shall not be unreasonably withheld by the special fund, carrier,
14 self-insured employer or other person responsible for the payment of
15 compensation. Failure to obtain the written approval of the special fund
16 shall not cause the injured worker to lose any benefits but ends the
17 special fund's liability for reimbursement and makes the employer or
18 carrier solely responsible for the payment of the remaining benefits.

19 F. The employer or insurance carrier shall make its claim for
20 reimbursement to the commission ~~no~~ NOT later than November 1 each year,
21 for payments made pursuant to subsection B or C of this section during the
22 twelve months ~~prior to~~ BEFORE October 1 each year. Claims shall be paid
23 before December 31 each year. If the total annual reserved liabilities of
24 the special fund obligated under subsections B and C of this section
25 exceed six million dollars, as determined by the annual actuarial study
26 performed pursuant to subsection I of this section, the commission, after
27 notice and a hearing, may levy an additional assessment under subsection A
28 of this section of up to one-half ~~per cent~~ PERCENT to meet such
29 liabilities. Any insurance carrier or employer who may be adversely
30 affected by the additional assessment may at any time ~~prior to~~ BEFORE the
31 sixtieth day after such additional assessment is ordered file a complaint
32 challenging the validity of the additional assessment in the superior
33 court in Maricopa county for a judicial review of the additional
34 assessment. On judicial review the determination of the commission shall
35 be upheld if supported by substantial evidence in the record considered as
36 a whole.

37 G. In the event the injured employee is awarded additional
38 compensation, under subsection A of this section, the commission retains
39 jurisdiction to amend, alter or change the award upon a change in the
40 physical condition of the injured employee resulting from the injury.

41 H. On receiving notice that the special fund may be liable under
42 this chapter, the commission may spend monies from the special fund
43 established by this section for expenses that are necessary to assist in
44 the processing, payment or determination of liability of the fund. These
45 expenses may include travel, discovery procedures and employing any legal,

1 medical, rehabilitation, claims or labor market consultant, examiner or
2 expert.

3 I. The commission shall cause an annual actuarial study of the
4 special award fund to be made by a qualified actuary who is a member of
5 the society of actuaries. The actuary shall make specific recommendations
6 for maintaining the fund on a sound actuarial basis. The actuarial study
7 shall be completed on or before September 1.

8 J. The special fund of the commission consists of all monies from
9 premiums and assessments, except penalties assessed pursuant to this
10 chapter, received and paid into the fund, property and securities acquired
11 by the use of monies in the fund, interest earned on monies in the fund
12 and other monies derived from the sale, use or lease of properties
13 belonging to the fund. The special fund created by this section shall be
14 administered by the director of the industrial commission, subject to the
15 authority of the industrial commission. The director of the commission
16 with approval of the investment committee, in the administration of the
17 special fund, may provide loans, subject to repayment, budgetary review
18 and legislative appropriation, to the administrative fund for the purposes
19 and subject to section 23-1081, acquire real property and acquire or
20 construct a building or other improvements on the real property as may be
21 necessary to house, contain, furnish, equip and maintain offices and space
22 for departmental and operational facilities of the commission. The
23 commission when using space constructed pursuant to this section shall
24 make equal payments of rent on a semiannual basis, which shall be
25 deposited in the special fund. The investment committee shall determine
26 the amount of the rent, which must be at least equal to or greater than
27 that determined by the joint committee on capital review for buildings of
28 similar design and construction as provided by section 41-792.01.

29 K. There is established an investment committee consisting of the
30 director and the chairman of the commission and three persons
31 knowledgeable in investments and economics appointed by the governor. Of
32 the members appointed by the governor, one shall be a professional in the
33 investment business, one shall represent workers' compensation insurers
34 and one shall represent self-insurers. The term of members appointed by
35 the governor is three years, which shall begin on July 1 and end on June
36 30 three years later. The committee shall prescribe by rule investment
37 policies and supervise the investment activities of the special fund.

38 L. Each member of the investment committee, other than the director
39 of the commission, is eligible to receive from the special fund:

40 1. Compensation of fifty dollars for each day while in actual
41 attendance at meetings of the investment committee.

42 2. Reimbursement for expenses pursuant to title 38, chapter 4,
43 article 2.

44 M. The investment committee shall meet at least once every month.

1 N. The investment committee shall periodically review and assess
2 the investment strategy.

3 O. The investment committee, by resolution, may invest and reinvest
4 the surplus or reserves in the funds established under this chapter in any
5 legal investments authorized under section 38-718.

6 P. In addition to the investments authorized under section 38-718,
7 the investment committee may approve the investment in real property and
8 improvements on real property to house and maintain offices of the
9 commission, including spaces for its departmental and operational
10 facilities. Title to the real estate and improvements on the real estate
11 vests in the special fund of the commission, and the assets become part of
12 the fund as provided by this section.

13 Q. The investment committee may appoint a custodian for the
14 safekeeping of all or any portion of the investments owned by the special
15 fund of the commission and may register stocks, bonds and other
16 investments in the name of a nominee. Except for investments held by a
17 custodian or in the name of a nominee, all securities purchased pursuant
18 to subsection O of this section shall promptly be deposited with the state
19 treasurer as custodian thereof, who shall collect the dividends, interest
20 and principal thereof, and pay, when collected, into the special
21 fund. The state treasurer shall pay all vouchers drawn for the purchase
22 of securities. The director may sell any of the securities as the
23 director deems appropriate, if authorized by resolution of the investment
24 committee, and the proceeds therefrom shall be payable to the state
25 treasurer for the account of the special fund upon delivery of the
26 securities to the purchaser or the purchaser's agent.