

PROPOSED

SENATE AMENDMENTS TO H.B. 2471

(Reference to the proposed Hoffman s/e amendment dated 3/19/24; 4:23 p.m.)

1 Page 5, strike line 9, insert:

2 "7. EXCEPT AS PROVIDED IN SECTION 41-1504, the Arizona commerce
3 authority."

4 Renumber to conform

5 Page 6, strike lines 6 through 10

6 Reletter to conform

7 Page 8, after line 30, insert:

8 "Sec. 6. Repeal
9 Section 41-1501, Arizona Revised Statutes, is repealed.

10 Sec. 7. Title 41, chapter 10, article 1, Arizona Revised Statutes,
11 is amended by adding a new section 41-1501, to read:

12 41-1501. Definitions
13 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:
14 1. "BOARD" MEANS THE BOARD OF DIRECTORS OF THE OFFICE.
15 2. "DIRECTOR" MEANS THE DIRECTOR OF THE OFFICE.
16 3. "OFFICE" MEANS THE OFFICE OF ECONOMIC OPPORTUNITY."

17 Renumber to conform

18 Page 9, line 3, strike "Arizona commerce authority" insert "Office of economic
19 opportunity"

20 Strike line 6

21 Line 7, strike "ECONOMIC OPPORTUNITY." insert "A. UNDER THIS CHAPTER,";
22 strike "authority" insert "OFFICE"

23 Line 12, strike "authority" insert "OFFICE"

1 Page 10, strike lines 25 and 26, insert:

2 "(b) ONE MEMBER WHO IS AN ECONOMIST AND WHO IS APPOINTED BY THE
3 SPEAKER OF THE HOUSE OF REPRESENTATIVES."

4 Page 11, strike lines 10 and 11, insert:

5 "1. THE MEMBER WHO IS AN ECONOMIST."

6 Page 13, lines 8 and 9, strike "CHIEF EXECUTIVE OFFICER" insert "DIRECTOR"

7 Page 14, lines 2, 7 and 10, strike "authority" insert "OFFICE"

8 Line 12, strike "authority's" insert "OFFICE'S"

9 Lines 20, 21 and 22, strike "authority" insert "OFFICE"

10 Lines 23 and 27, strike "AUTHORITY" insert "OFFICE"

11 Page 15, strike lines 8 through 22, insert:

12 "Sec. 9. Repeal

13 Section 41-1503, Arizona Revised Statutes, is repealed."

14 Renumber to conform

15 Line 26, strike "authority" insert "OFFICE"

16 Page 16, line 4, strike the first and second "authority" insert "OFFICE"

17 Lines 11, 12 and 20, strike "authority" insert "OFFICE"

18 Line 24, strike "chief executive officer" insert "DIRECTOR"

19 Lines 30 and 31, strike "authority" insert "OFFICE"

20 Page 17, lines 2, 8, 9, 14 and 24, strike "authority" insert "OFFICE"

21 Page 18, line 12, strike "authority" insert "OFFICE"

22 Line 15, strike "AUTHORITY" insert "OFFICE"

23 Line 17, strike "AUTHORITY'S" insert "OFFICE'S"

24 Line 18, strike "authority" insert "OFFICE"; strike "chief executive officer"
25 insert "DIRECTOR"

26 Line 20, strike "authority's" insert "OFFICE'S"

27 Lines 21 and 24, strike "authority" insert "OFFICE"

28 Page 19, lines 2, 5 and 7, strike "authority" insert "OFFICE"

29 Lines 8 and 9, strike "AUTHORITY" insert "OFFICE"

30 Line 13, strike "AUTHORITY'S" insert "OFFICE'S"

31 Line 16, strike "chief executive officer" insert "DIRECTOR"

32 Line 18, strike "the authority" insert "THIS CHAPTER"; strike "The"

1 Page 19, strike lines 23 through 30

2 Page 20, strike lines 1 and 2

3 Line 10, strike "authority's" insert "OFFICE'S"

4 Lines 17, 19, 21, 22, 24, 27, 28 and 30, strike "authority" insert "OFFICE"

5 Page 21, line 1, strike "authority" insert "OFFICE"

6 Line 3, strike "AUTHORITY" insert "OFFICE"

7 Lines 6 and 8, strike "authority" insert "OFFICE"

8 Page 22, between lines 3 and 4, insert:

9 "Sec. 12. Section 41-1506, Arizona Revised Statutes, is amended to
10 read:

11 41-1506. Office of economic opportunity fund

12 A. The ~~Arizona commerce authority~~ OFFICE OF ECONOMIC OPPORTUNITY
13 fund is established consisting of:

14 1. Withholding tax revenues allocated to the fund from the job
15 creation withholdings clearing account pursuant to section 43-409,
16 subsection B, paragraph 1. Monies credited to the fund may be deposited in
17 the state treasury or in a bank or other depository approved by the board
18 of directors pursuant to section 41-1504, subsection D, paragraph 5.

19 2. Monies deposited pursuant to section 18-603.

20 B. The ~~chief executive officer~~ DIRECTOR shall administer the fund.
21 On notice from the ~~chief executive officer~~ DIRECTOR, the state treasurer
22 shall invest and divest any monies in the fund deposited in the state
23 treasury as provided by section 35-313, and monies earned from investment
24 shall be credited to the fund. Monies in the fund are exempt from the
25 provisions of section 35-190 relating to lapsing of appropriations.

26 C. The ~~chief executive officer~~ DIRECTOR shall use the monies in the
27 fund as follows:

28 1. Monies described in subsection A, paragraph 1 of this section
29 shall be used exclusively for the purposes of this chapter without further
30 legislative authorization.

31 2. Monies described in subsection A, paragraph 2 of this section
32 shall be used exclusively for the purposes of title 18, chapter 6."

1 Renumber to conform

2 Page 22, line 9, strike "AUTHORITY" insert "OFFICE"

3 Between lines 12 and 13, insert:

4 "Sec. 15. Section 41-1507.01, Arizona Revised Statutes, is amended
5 to read:

6 41-1507.01. Certification of basic research payments to a
7 university

8 A. For taxable years beginning from and after December 31, 2014,
9 before a taxpayer can apply to the department of revenue for certification
10 of additional income tax credits for increased research activities
11 involving basic research payments to a university under section 43-1074.01,
12 subsection A, paragraph 1, subdivision (c) or section 43-1168, subsection
13 A, paragraph 1, subdivision (d), a taxpayer shall obtain certification from
14 the authority that the basic research payments meet the requirements of
15 this section. The taxpayer shall apply to the ~~authority~~ OFFICE for
16 certification of the basic research payments at a time, on a form and in a
17 manner prescribed by the ~~authority~~ OFFICE.

18 B. The ~~authority~~ OFFICE shall process and evaluate each application
19 for certification of basic research payments to a university up to an
20 amount that corresponds to ~~ten million dollars~~ \$10,000,000 per calendar
21 year in aggregate combined projected additional tax credits under section
22 43-1074.01, subsection A, paragraph 1, subdivision (c) and section 43-1168,
23 subsection A, paragraph 1, subdivision (d). The applicant shall identify
24 the amount of projected additional tax credits corresponding to the basic
25 research payments to a university sought to be certified. The amount of
26 additional tax credits a taxpayer may claim following certification by the
27 authority must be established by the department of revenue under section
28 43-1074.01, subsection A, paragraph 1, subdivision (c) or section 43-1168,
29 subsection A, paragraph 1, subdivision (d). The ~~authority~~ OFFICE shall
30 process and evaluate applications for certification under this section
31 through a competitive process pursuant to subsection C of this section that

1 may include third-party peer review. An application for certification must
2 include:

3 1. The taxpayer's name, address and taxpayer identification number
4 and a telephone number and e-mail address of a person responsible for the
5 application.

6 2. A general description of the taxpayer's business and the research
7 activities contemplated by the taxpayer.

8 3. The amount of the additional income tax credit the taxpayer will
9 be requesting from the department of revenue.

10 4. Any other information required by the ~~authority~~ OFFICE.

11 C. The ~~authority~~ OFFICE shall establish the time and manner of the
12 competitive process used in issuing certifications. In determining which
13 applications must be issued certifications, the ~~authority~~ OFFICE or its
14 designee shall evaluate among all applicants for certification of basic
15 research payments, the relative impact of the research activities involving
16 payments to a university from the standpoint of furthering one or more of
17 the following considerations:

18 1. Expanding cluster industries. For purposes of this paragraph,
19 "cluster industries" means concentrations of firms across several
20 industries that share common economic foundation needs.

21 2. Diversifying and strengthening this state's economy.

22 3. Advancing technological commercialization.

23 4. Enhancing long-term quality job creation.

24 5. Aligning research with university strategic plans.

25 D. Following review of each application pursuant to subsection C of
26 this section, the ~~authority~~ OFFICE shall either:

27 1. Issue the applicant a letter certifying the basic research
28 payments.

29 2. Notify the applicant of the denial of the certification with an
30 explanation of the basis for the denial.

1 E. The ~~authority~~ OFFICE shall adopt rules and publish and prescribe
2 forms and procedures as necessary to effectuate the purposes of this
3 section.

4 F. Any information gathered from a business for the purposes of this
5 section is confidential and may not be disclosed to the public except that
6 the information must be transmitted to the department of revenue."

7 Renumber to conform

8 Page 23, line 9, strike "Arizona commerce authority" insert "OFFICE OF ECONOMIC
9 OPPORTUNITY"

10 Line 11, strike "authority" insert "OFFICE"

11 Line 16, strike "authority's" insert "OFFICE'S"

12 Line 17, strike "authority" insert "OFFICE"

13 Between lines 22 and 23, insert:

14 "Sec. 18. Repeal

15 Section 41-3024.31, Arizona Revised Statutes, is repealed.

16 Sec. 19. Section 41-5302, Arizona Revised Statutes, is amended to
17 read:

18 41-5302. Office of economic opportunity: funds

19 A. The office of economic opportunity is established.

20 B. The director is responsible for the direction, operation and
21 control of the office.

22 C. The governor shall appoint the director of the office pursuant to
23 section 38-211 ~~to serve at the pleasure of the governor~~ FROM A LIST OF
24 THREE QUALIFIED PERSONS SUBMITTED JOINTLY TO THE GOVERNOR BY THE PRESIDENT
25 OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES. THE DIRECTOR
26 SERVES AT THE PLEASURE OF THE BOARD OF DIRECTORS OF THE OFFICE PURSUANT TO
27 SECTION 41-1502 UNDER THE TERMS OF A PERFORMANCE-BASED CONTRACT.

28 D. The office of economic opportunity operations fund is established
29 consisting of monies deposited pursuant to sections 44-1843, 44-1861,
30 44-1892, 44-3324 and 44-3325 and as otherwise provided by law. The office
31 shall administer the fund. Monies in the fund are continuously

1 appropriated. Monies in the fund may be used in the furtherance of the
2 mission of the office and related economic development interests.

3 E. The economic development fund is established consisting of monies
4 received from the Arizona industrial development authority and the Arizona
5 finance authority as otherwise provided by law. The office shall
6 administer the fund.

7 Sec. 20. Section 41-5303, Arizona Revised Statutes, is amended to
8 read:

9 41-5303. Powers and duties

10 A. The director shall:

11 1. Monitor this state's tax and regulatory competitiveness by
12 benchmarking this state against competitor states and municipalities,
13 including implementing a systematic data collection and analysis process to
14 evaluate tax and regulatory costs to businesses imposed by this state and
15 municipalities of this state in relation to other states and
16 municipalities.

17 2. Serve as this state's workforce planning coordinator, provide
18 staffing support to the workforce Arizona council, provide stewardship of
19 the state workforce data evaluation system, provide economic and
20 demographic research and analysis, including constitutionally required
21 population estimates, provide employment and unemployment estimates and
22 develop labor market information for the development of the state workforce
23 strategy.

24 3. Provide office and meeting space, administrative support and
25 analytical support to the Arizona finance authority and coordinate with the
26 Arizona finance authority director to incorporate finance market
27 intelligence in economic development strategy and policy recommendations.

28 4. Develop data-informed policy and regulatory reform
29 recommendations and provide assistance with state tax and regulatory
30 matters, including the development and analysis of proposed rules and
31 regulations and the projected cost on employers relating to those rules and
32 regulations.

1 5. Provide analytical support ~~to the Arizona commerce authority in~~
2 ~~its~~ PURSUANT TO CHAPTER 10 OF THIS TITLE REGARDING business recruitment,
3 growth and retention strategies.

4 6. Provide analytical support to ~~the Arizona commerce authority,~~ the
5 Arizona-Mexico commission in the governor's office, ~~and~~ the office of
6 tourism ~~in their~~ AND PURSUANT TO CHAPTER 10 OF THIS TITLE REGARDING state
7 marketing strategies.

8 7. MANAGE, ADMINISTER AND SUPERVISE THE ACTIVITIES OF THE OFFICE
9 PURSUANT TO CHAPTER 10 OF THIS TITLE.

10 8. NEGOTIATE, MAKE, EXECUTE, ACKNOWLEDGE AND PERFORM CONTRACTS AND
11 OTHER AGREEMENTS IN THE INTEREST OF THE OFFICE OR TO CARRY OUT OR
12 ACCOMPLISH THE PURPOSES OF CHAPTER 10 OF THIS TITLE.

13 B. The director may:

14 1. Contract and incur obligations that are reasonably necessary or
15 desirable within the general scope of the office's activities and
16 operations to enable the office to adequately perform its duties.

17 2. Use monies, facilities or services to provide matching
18 contributions under federal or other programs that further the objectives
19 and programs of the office.

20 3. Accept gifts, grants, matching monies or direct payments from
21 public or private agencies or private persons and enterprises for the
22 conduct of programs that are consistent with the general purposes and
23 objectives of this chapter."

24 Page 23, line 30, strike "Arizona commerce authority" insert "OFFICE OF ECONOMIC
25 OPPORTUNITY"

26 Page 34, lines 25 and 26, strike "Arizona commerce authority" insert "OFFICE OF
27 ECONOMIC OPPORTUNITY"

28 Page 37, lines 12 and 22, strike "Arizona commerce authority" insert "OFFICE OF
29 ECONOMIC OPPORTUNITY"

30 Lines 27 and 28, strike "Arizona commerce authority" insert "OFFICE OF
31 ECONOMIC OPPORTUNITY"

1 Page 38, lines 2, 5, 10 and 13, strike "Arizona commerce authority" insert
2 "OFFICE OF ECONOMIC OPPORTUNITY"

3 Page 39, lines 1 and 2, strike "Arizona commerce authority" insert "OFFICE OF
4 ECONOMIC OPPORTUNITY"

5 Lines 5 and 6, strike "Arizona commerce authority" insert "OFFICE OF ECONOMIC
6 OPPORTUNITY"

7 Line 26, strike "Arizona commerce authority" insert "OFFICE OF ECONOMIC
8 OPPORTUNITY"

9 Page 41, line 12, strike "Arizona commerce authority" insert "OFFICE OF ECONOMIC
10 OPPORTUNITY"

11 Lines 19 and 20, strike "Arizona commerce authority" insert "OFFICE OF
12 ECONOMIC OPPORTUNITY"

13 Lines 24 and 25, strike "Arizona commerce authority" insert "OFFICE OF
14 ECONOMIC OPPORTUNITY"

15 Lines 27 and 28, strike "Arizona commerce authority" insert "OFFICE OF
16 ECONOMIC OPPORTUNITY"

17 Page 42, lines 8 and 30, strike "Arizona commerce authority" insert "OFFICE OF
18 ECONOMIC OPPORTUNITY"

19 Page 43, line 18, strike "Arizona commerce authority" insert "OFFICE OF ECONOMIC
20 OPPORTUNITY"

21 Page 44, line 29, strike "Arizona commerce authority" insert "OFFICE OF ECONOMIC
22 OPPORTUNITY"

23 Page 45, lines 5 and 6, strike "Arizona commerce authority" insert "OFFICE OF
24 ECONOMIC OPPORTUNITY"

25 Lines 10 and 11, strike "Arizona commerce authority" insert "OFFICE OF
26 ECONOMIC OPPORTUNITY"

27 Lines 13 and 14, strike "Arizona commerce authority" insert "OFFICE OF
28 ECONOMIC OPPORTUNITY"

29 Line 25, strike "Arizona commerce authority" insert "OFFICE OF ECONOMIC
30 OPPORTUNITY"

31 Page 46, line 15, strike "Arizona commerce authority" insert "OFFICE OF ECONOMIC
32 OPPORTUNITY"

1 Page 47, line 3, strike "Arizona commerce authority" insert "OFFICE OF ECONOMIC
2 OPPORTUNITY"

3 Page 48, lines 2 and 12, strike "Arizona commerce authority" insert "OFFICE OF
4 ECONOMIC OPPORTUNITY"

5 Lines 17 and 18, strike "Arizona commerce authority" insert "OFFICE OF
6 ECONOMIC OPPORTUNITY"

7 Lines 23, 26 and 31, strike "Arizona commerce authority" insert "OFFICE OF
8 ECONOMIC OPPORTUNITY"

9 Page 49, line 3, strike "Arizona commerce authority" insert "OFFICE OF ECONOMIC
10 OPPORTUNITY"

11 Lines 21 and 22, strike "Arizona commerce authority" insert "OFFICE OF
12 ECONOMIC OPPORTUNITY"

13 Lines 25 and 26, strike "Arizona commerce authority" insert "OFFICE OF
14 ECONOMIC OPPORTUNITY"

15 Page 50, line 13, strike "Arizona commerce authority" insert "OFFICE OF ECONOMIC
16 OPPORTUNITY"

17 Page 52, lines 16 and 17, strike "Arizona commerce authority" insert "OFFICE OF
18 ECONOMIC OPPORTUNITY"

19 Page 55, strike lines 3 through 9, insert:

20 "Sec. 33. Retroactivity

21 Section 18 of this act applies retroactively to from and after July
22 1, 2024.

23 Sec. 34. Conforming legislation

24 The legislative council staff shall prepare proposed legislation
25 conforming the Arizona Revised Statutes to the provisions of this act for
26 consideration in the fifty-seventh legislature, first regular session."

27 Amend title to conform

JAKE HOFFMAN

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