

House Engrossed  
**FILED**  
**KEN BENNETT**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Forty-ninth Legislature  
Seventh Special Session  
2010

CHAPTER 11

# HOUSE BILL 2011

AN ACT

AMENDING SECTIONS 25-510, 36-562, 46-101 AND 46-292, ARIZONA REVISED STATUTES; REPEALING SECTION 46-294, ARIZONA REVISED STATUTES; AMENDING TITLE 46, CHAPTER 2, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 46-294; AMENDING SECTIONS 46-300 AND 46-407, ARIZONA REVISED STATUTES; RELATING TO WELFARE BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 25-510, Arizona Revised Statutes, is amended to  
3 read:

4 25-510. Receiving and disbursing support and maintenance  
5 monies; arrearages; interest

6 A. The support payment clearinghouse established pursuant to section  
7 46-441 shall receive and disburse all monies, including fees and costs,  
8 applicable to support and maintenance unless the court has ordered that  
9 support or maintenance be paid directly to the party entitled to receive the  
10 support or maintenance. Within two business days the clerk of the superior  
11 court shall transmit to the support payment clearinghouse any maintenance and  
12 support payments received by the clerk. Monies received by the support  
13 payment clearinghouse in cases not enforced by the state pursuant to title  
14 IV-D of the social security act shall be distributed in the following  
15 priority:

16 1. Current child support or current court ordered payments for the  
17 support of a family when combined with the child support obligation.

18 2. Current spousal maintenance.

19 3. The current monthly fee prescribed in subsection D of this section  
20 ~~to cover the cost of~~ FOR handling support or spousal maintenance payments.

21 4. Past due support reduced to judgment and then to associated  
22 interest.

23 5. Past due spousal maintenance reduced to judgment and then to  
24 associated interest.

25 6. Past due support not reduced to judgment and then to associated  
26 interest.

27 7. Past due spousal maintenance not reduced to judgment and then to  
28 associated interest.

29 8. Past due amounts of the fee prescribed in subsection D of this  
30 section ~~to cover the cost of~~ FOR handling support or spousal maintenance  
31 payments.

32 B. In any proceeding under this chapter regarding a duty of support,  
33 the records of payments maintained by the clerk or the support payment  
34 clearinghouse are prima facie evidence of all payments made and disbursed to  
35 the person or agency to whom the support payment is to be made and are  
36 rebuttable only by a specific evidentiary showing to the contrary.

37 C. At no cost to the clerk of the superior court, the department shall  
38 provide electronic access to all records of payments maintained by the  
39 support payment clearinghouse, and the clerk shall use this information to  
40 provide payment histories to all litigants, attorneys and interested persons  
41 and the court. For all non-title IV-D support cases, the clerk shall load  
42 new orders, modify order amounts, respond to payment inquiries, research  
43 payment related issues, release payments pursuant to orders of the court and  
44 update demographic and new employer information. The clerk shall forward  
45 orders of assignment to employers for non-title IV-D support orders. Within

1 five business days the clerk shall provide to the department any new address,  
2 order of assignment or employment information the clerk receives regarding  
3 any support order. The information shall be provided as prescribed by the  
4 department of economic security in consultation with the administrative  
5 office of the courts.

6 D. The support payment clearinghouse shall receive a monthly fee of  
7 ~~two dollars twenty five cents to cover the cost of~~ FOR handling support and  
8 maintenance payments. THE DIRECTOR, BY RULE, MAY ESTABLISH THIS FEE. The  
9 court shall order payment of the handling fee as part of the order for  
10 support or maintenance. The handling fee shall not be deducted from the  
11 support or maintenance portion of the payment.

12 E. In calculating support arrearages not reduced to a final written  
13 money judgment, interest accrues at the rate of ten per cent per annum  
14 pursuant to section 44-1201, beginning at the end of the month following the  
15 month in which the support payment is due, and interest accrues only on the  
16 principal and not on interest. A support arrearage reduced to a final  
17 written money judgment accrues interest at the rate of ten per cent per annum  
18 pursuant to section 44-1201 and accrues interest only on the principal and  
19 not on interest.

20 F. Past support reduced to a final written money judgment before ~~the~~  
21 ~~effective date of this amendment to this section~~ SEPTEMBER 26, 2008 and  
22 pursuant to section 25-320, subsection C or section 25-809, subsection B  
23 accrues interest at the rate of ten per cent per annum pursuant to section  
24 44-1201 beginning on entry of the judgment by the court and accrues interest  
25 only on the principal and not on interest. Past support reduced to a final  
26 written money judgment beginning on ~~the effective date of this amendment to~~  
27 ~~this section~~ SEPTEMBER 26, 2008 and pursuant to section 25-320, subsection C  
28 or section 25-809, subsection B does not accrue interest for any time period.

29 G. Any direct payments not paid through the clearinghouse or any  
30 equitable credits of principal or interest permitted by law and allowed by  
31 the court after a hearing shall be applied to support arrearages as directed  
32 in the court order. The court shall make specific findings in support of any  
33 payments or credits allowed. If the court order does not expressly state the  
34 dates the payments or credits are to be applied, the payments or credits  
35 shall be applied on the date of the entry of the order that allows the  
36 payments or credits. In a title IV-D case, if a court order does not  
37 indicate on its face that the state was either represented at or had notice  
38 of the hearing or proceeding where the payments or credits were determined,  
39 the court order shall not reduce any sum owed to the department or its agent  
40 without written approval of the department or its agent.

41 H. Any credit against support arrearages, other than by court order,  
42 shall be made only by written affidavit of direct payment or waiver of  
43 support arrearages signed by the person entitled to receive the support or by  
44 that person and the person ordered to make the support payment. The  
45 affidavit of direct payment or waiver of support arrearages shall be filed

1 directly with the clerk of the court, who shall enter the information into  
2 the statewide case registry. Any credits against support arrearages shall be  
3 applied as of the dates contained in the affidavit or the date of the  
4 affidavit if no other date is specified in the affidavit. In a title IV-D  
5 case, the affidavit of direct payment or waiver of support arrearages shall  
6 not reduce any sum owed to the department or its agent without written  
7 approval of the department or its agent.

8 I. An arrearage calculator may be developed by a government agency  
9 using an automated transfer of data from the clearinghouse and the child  
10 support registry. The arrearage figure produced by this calculator is  
11 presumed to be the correct amount of the arrearage.

12 Sec. 2. Section 36-562, Arizona Revised Statutes, is amended to read:  
13 36-562. Schedule of financial contribution; review of payment  
14 order

15 A. Money for the support of a person with a developmental disability  
16 in a residential program operated or supported by the department, except for  
17 children placed in special foster homes as described in section 36-558.01,  
18 pursuant to sections 8-242, 8-514.01 and 8-845, shall be paid to the  
19 department, and by it deposited, pursuant to sections 35-146 and 35-147, and  
20 shall continue to be paid unless the person is terminated from such  
21 residential program.

22 B. The financial contribution by the parent of a minor with a  
23 developmental disability shall terminate ~~upon~~ ON the eighteenth birthday of  
24 such person. The financial contribution by parents on behalf of two or more  
25 persons with developmental disabilities receiving developmental disabilities  
26 programs or services shall not exceed the maximum amount such parents would  
27 be required to pay if only one of such children were receiving the programs  
28 or services.

29 C. The department shall by rule prescribe a fee schedule for  
30 developmental disability residential programs provided directly or indirectly  
31 by the department. The amount of annual liability of a person with a  
32 developmental disability or parent for residential programs and services  
33 provided shall be based on the percentage of gross income of the person with  
34 a developmental disability or parent, as defined by section 61 of the United  
35 States internal revenue code, except that part of the gross income of a  
36 self-employed person ~~which~~ THAT results from the operation of his business  
37 shall be adjusted by the deductions allowed in the internal revenue code  
38 relating to such income in computing adjusted gross income.

39 D. For a person with a developmental disability or a parent of a minor  
40 with a developmental disability with an estate, trust or annuity, the amount  
41 of annual liability for residential programs and services shall be based on  
42 the actual cost of services until the individual meets the financial  
43 eligibility requirements for federal social security supplemental income  
44 benefits or the financial eligibility requirements for the Arizona long-term

1 care system. In billing a trust, the department is not limited to trust  
2 income, but shall also bill the trust corpus.

3 E. The director shall review his order for payment for residential  
4 care and services at least annually, and shall require the responsible person  
5 to update the financial information provided annually or at any time upon ON  
6 request by the county board of supervisors or by the parent, guardian, or  
7 other person making such payments. ~~The provisions of Section 36-563 shall~~  
8 ~~apply~~ APPLIES to any order or change in order for payment.

9 F. The responsible person shall furnish current financial information  
10 to the director and to the appropriate county board of supervisors at the  
11 times and on the forms and in the manner prescribed by the director, provided  
12 that such information shall be held by the director and the county board of  
13 supervisors to be strictly confidential, and it shall not be divulged except  
14 in the instance where it is necessary in connection with legal action.

15 G. A financial contribution, which shall not exceed the actual cost of  
16 the programs and services provided, may be required from the client or the  
17 parent, spouse or estate of a person with a developmental disability for the  
18 cost of any nonresidential developmental disability program or service  
19 operated by or supported by the department. The department shall by rule  
20 adopt a fee schedule for financial contributions. The amount of liability of  
21 a client or the parent, spouse or estate of a client for nonresidential  
22 services and programs or any combination of residential and nonresidential  
23 services and programs shall not exceed the amount of the fee prescribed for  
24 residential services in subsection C of this section. Counties are not  
25 required to contribute to the cost of nonresidential services or programs  
26 provided to clients.

27 H. The amount payable by the person with a developmental disability or  
28 the person's parent or estate for residential services shall be fixed by the  
29 director in accordance with the fee schedule prescribed in this section.

30 I. Money paid by a client, parent or guardian shall be paid to the  
31 director and deposited, pursuant to sections 35-146 and 35-147, in the state  
32 general fund.

33 J. The department shall provide monthly, or more frequent, billings,  
34 as required, to all persons responsible for paying for developmentally  
35 disabled residential or nonresidential services and programs provided  
36 directly or indirectly by the department. The department shall require all  
37 purchase of care providers to provide current lists of all persons receiving  
38 residential or nonresidential services and programs in facilities operated by  
39 such providers. The department shall forward reports of delinquent billings  
40 for residential and nonresidential services and programs provided by the  
41 department or by contractors to the attorney general for collection.

42 K. The department shall notify each client and the parent or guardian  
43 of such client for whom it has determined that contributions are required for  
44 the cost of residential or nonresidential services and programs that it  
45 reserves the right to terminate developmental disability residential or

1 nonresidential services and programs to a client for nonpayment of fees  
2 required to be paid pursuant to this section.

3 L. Any person affected by an order of the director for payment of  
4 costs of care may contest such order and request an administrative hearing  
5 pursuant to section 36-563. Any person liable for the costs of care of a  
6 client may appeal to the director, pursuant to section 36-563, for a  
7 reduction in the amount of payment for such costs of care on the basis of  
8 hardship.

9 M. ~~The provisions of~~ NOTWITHSTANDING subsections C and H of this  
10 section ~~notwithstanding~~, the department may require clients who are receiving  
11 residential programs and who receive income or benefits to contribute to the  
12 cost of their support and maintenance, subject to the provisions of federal  
13 laws and regulations. Such contributions shall not be subject to the  
14 ~~provisions of~~ subsections A and I of this section. The department shall  
15 adopt rules ~~which~~ THAT determine the amount and means of payment of such  
16 contributions, except that in no event shall the combined contribution made  
17 on behalf of a client by a client or the client's parent or estate exceed the  
18 actual cost of the residential programs provided. A minimum of ~~thirty~~ TWELVE  
19 per cent of the client's income or benefits shall be retained for the  
20 client's personal use.

21 Sec. 3. Section 46-101, Arizona Revised Statutes, is amended to read:

22 46-101. Definitions

23 In this title, unless the context otherwise requires:

24 1. "Aid to families with dependent children" means assistance granted  
25 under section 403 of title IV of the social security act as it existed before  
26 August 22, 1996.

27 2. "Applicant" means a person who has applied for assistance or  
28 services under this title, or a person who has applied for assistance or  
29 services under this title and who has custody of a dependent child.

30 3. "Assistance" means payments in cash or kind to or on behalf of a  
31 person or persons in need as provided for in this title.

32 4. "ASSISTANCE UNIT" MEANS THOSE MEMBERS OF A NEEDY FAMILY, AS  
33 PRESCRIBED BY THE DEPARTMENT IN RULE, OR A CHILD ONLY CASE, THAT MEETS THE  
34 NONFINANCIAL ELIGIBILITY CRITERIA FOR CASH ASSISTANCE AND WHOSE NEEDS AND  
35 OTHER CIRCUMSTANCES ARE CONSIDERED AS A WHOLE TO DETERMINE A CASH ASSISTANCE  
36 BENEFIT AMOUNT.

37 ~~4.~~ 5. "Cash assistance" means temporary assistance for needy families  
38 paid to a recipient for the purpose of meeting basic living expenses as  
39 defined by the department.

40 ~~5.~~ 6. "Child care personnel" means any person who supervises children  
41 in a day care home or center that receives child care food program monies  
42 under this article.

43 ~~6.~~ 7. "Child only case" means ~~eases~~ A CASE in which the eligible  
44 ~~children are~~ DEPENDENT CHILD IS IN THE LEGAL CUSTODY OF THE DEPARTMENT AND  
45 PLACED in foster care, as defined in section 8-501, ~~or living WITH AN~~

1 UNRELATED ADULT OR with a nonparent relative who is not receiving cash  
2 assistance. ~~Cash assistance eligible children residing with cash assistance~~  
3 ~~ineligible parents also are considered "child only" for the purposes of work~~  
4 ~~participation rates but not for time limited assistance.~~

5 ~~7.~~ 8. "Dependent child" means a needy child who has been deprived of  
6 parental support or care by reason of the death, unemployment of the  
7 supporting parent as defined and prescribed by the rules of the department,  
8 continued absence from the home, or physical or mental incapacity of a  
9 parent, and whose relatives who are responsible under the law for the child's  
10 support are not able to provide adequate care and support of the child  
11 without public assistance, and who is living with his father, mother,  
12 grandfather, grandmother, brother, sister, stepfather, stepmother,  
13 stepbrother, stepsister, uncle, ~~or~~ aunt, NIECE, NEPHEW OR COUSIN in a place  
14 of residence maintained by one or more of such relatives as his or their own  
15 home or who is IN THE LEGAL CUSTODY OF THE DEPARTMENT AND placed in a foster  
16 home OR WITH AN UNRELATED ADULT as a recipient of temporary assistance for  
17 needy families. Such dependent child must be under the age of eighteen years  
18 or, if eighteen, must be a full-time student in a high school, or in the  
19 equivalent level of vocational or technical training, and shall be reasonably  
20 expected to complete the program before reaching age nineteen.

21 ~~8.~~ 9. "Director" means the director of the department of economic  
22 security.

23 ~~9.~~ 10. "Domestic violence" means battered or subject to extreme  
24 cruelty as defined in section 408(a)(7)(C)(iii) of the social security act.

25 ~~10.~~ 11. "Employment plan" means an agreement between the department  
26 and the cash assistance recipient regarding the participant's work activities  
27 and services provided by the department.

28 12. "Federal poverty level" means the poverty guidelines that are  
29 issued by the United States department of health and human services pursuant  
30 to section 673(2) of the omnibus budget reconciliation act of 1981 and that  
31 are reported annually in the federal register.

32 13. "HEAD OF HOUSEHOLD" MEANS A DEPENDENT CHILD'S PARENT OR THE SPOUSE  
33 OF THE PARENT, OR THE DEPENDENT CHILD'S NONPARENT RELATIVE OR SPOUSE OF THE  
34 NONPARENT RELATIVE, WHO RECEIVES CASH ASSISTANCE FOR HIMSELF AND ON BEHALF OF  
35 THE DEPENDENT CHILD OR ONLY ON BEHALF OF THE DEPENDENT CHILD.

36 ~~11.~~ 14. "Homestead property" means a home owned and occupied by the  
37 applicant or recipient, or his spouse.

38 ~~13.~~ 15. "Jobs program" means services established by the department to  
39 ensure that participants comply with work requirements as prescribed in  
40 Public Law 104-193.

41 16. "NEEDY FAMILY":

42 (a) MEANS A FAMILY THAT RESIDES IN THE SAME HOME AND INCLUDES A  
43 DEPENDENT CHILD, ONE OR MORE OF THE DEPENDENT CHILD'S PARENTS AND NONPARENT  
44 RELATIVES OF THE DEPENDENT CHILD AND THEIR SPOUSES WHO MEET FINANCIAL CASH

1 ASSISTANCE ELIGIBILITY CRITERIA ESTABLISHED BY THIS TITLE AND BY DEPARTMENT  
2 RULE.

3 (b) DOES NOT INCLUDE A CHILD ONLY CASE.

4 ~~14.~~ 17. "Nonparent relative" MEANS A DEPENDENT CHILD'S GRANDFATHER,  
5 GRANDMOTHER, BROTHER, SISTER, STEPFATHER, STEPMOTHER, STEPBROTHER,  
6 STEPSISTER, UNCLE, AUNT, NIECE, NEPHEW OR COUSIN AND includes a permanent  
7 guardian who is appointed pursuant to section ~~8-525.01~~ 8-872.

8 ~~15.~~ 18. "Participant" means a recipient of cash assistance engaged in  
9 work activities through the JOBS program.

10 ~~16.~~ 19. "Personal responsibility declaration" means a document that is  
11 prescribed by the department and in which the applicant acknowledges  
12 understanding of the applicant's personal responsibility.

13 ~~17.~~ 20. "Recipient" means a person who receives assistance or services  
14 under the provisions of this title.

15 ~~18.~~ 21. "Services" includes social casework, rehabilitation counseling  
16 and similar services rendered to a person or persons in need as provided for  
17 in this title.

18 ~~19.~~ 22. "Sponsor" means any political subdivision of this state, any  
19 federally recognized Indian tribe, any military base or any other person,  
20 partnership, corporation or association contracting with this state to  
21 provide assistance in the distribution of child care food program monies  
22 pursuant to this article.

23 ~~20.~~ 23. "State department" or "department" means the department of  
24 economic security.

25 ~~21.~~ 24. "Temporarily deferred" means the postponement of work  
26 activities.

27 ~~22.~~ 25. "Temporary assistance for needy families" means assistance  
28 granted under section 403 of title IV of the social security act as it exists  
29 after August 21, 1996.

30 ~~23.~~ 26. "Vendor payment" means any payment to a person other than the  
31 recipient on his behalf.

32 ~~24.~~ 27. "Work activities" means the following activities that are  
33 countable toward the federal work participation rate as prescribed in Public  
34 Law 104-193, section 407 (1996):

35 (a) Unsubsidized employment.

36 (b) Subsidized private or public employment.

37 (c) Work experience.

38 (d) On-the-job training.

39 (e) Job search and job readiness assistance.

40 (f) Community service programs.

41 (g) Vocational educational training.

42 (h) Job skills training directly related to employment.

43 (i) Education directly related to employment in the case of a  
44 recipient who has not received a high school diploma or a certificate of high  
45 school equivalency.

1 (j) Satisfactory attendance at secondary school or in a course of  
2 study leading to a certificate of general equivalency, in the case of a  
3 recipient who has not completed secondary school or received such a  
4 certificate.

5 Sec. 4. Section 46-292, Arizona Revised Statutes, is amended to read:  
6 46-292. Eligibility for assistance

7 A. A FAMILY WITHOUT A DEPENDENT CHILD IN THE HOUSEHOLD MAY NOT RECEIVE  
8 CASH ASSISTANCE.

9 ~~A.~~ B. Cash assistance may be given under this title to any dependent  
10 child AND MEMBER OF A NEEDY FAMILY:

11 1. Who has established residence in Arizona at the time of application  
12 and is either:

13 (a) A citizen by birth or naturalization.

14 (b) A qualified alien who entered the United States on or before  
15 August 21, 1996.

16 (c) A qualified alien who entered the United States as a member of one  
17 of the exception groups under Public Law 104-193, section 412, in which case  
18 the person shall be determined eligible in accordance with Public Law  
19 104-193.

20 (d) Defined as a qualified alien by the attorney general of the United  
21 States under the authority of Public Law 104-208, section 501.

22 For the purposes of subdivisions (b) and (c) of this paragraph, "qualified  
23 alien" means a person who is defined as a qualified alien under Public Law  
24 104-193, section 431.

25 2. ~~Whose IF THE parent or parents or person or persons acting in the~~  
26 ~~parents' place OF THE DEPENDENT CHILD OR THE NONPARENT RELATIVE HEAD OF~~  
27 ~~HOUSEHOLD RECEIVING ASSISTANCE, if employable, do DOES not refuse to accept~~  
28 ~~available employment. and any employable child in the family does not refuse~~  
29 ~~to accept available employment.~~ The department shall assess the applicant's  
30 employability at the time of initial application for assistance to establish  
31 a self-sufficiency diversion option, if appropriate, before benefit issuance.  
32 The determination of employability and the conditions under which employment  
33 shall be required shall be determined by the state department, except that  
34 claimed unemployability because of physical or mental incapacity shall be  
35 determined by the state department in accordance with this title.

36 3. ~~Whose IF THE parent or parents or other relatives who are applying~~  
37 ~~for or receiving assistance on behalf of the child have OF THE DEPENDENT~~  
38 ~~CHILD OR THE NONPARENT HEAD OF HOUSEHOLD IN A NEEDY FAMILY HAS not, within~~  
39 ~~one year prior to application, or while a recipient, transferred or assigned~~  
40 ~~real or personal property with the intent to evade federal or state~~  
41 ~~eligibility requirements. Transfer of property with retention of a life~~  
42 ~~estate for the purpose of qualifying for assistance is prohibited. Where~~  
43 ~~fair consideration for the property was received, no inquiry into motive is~~  
44 ~~necessary. A person found ineligible under this section shall be ineligible~~  
45 ~~for such time as the state department determines.~~

1           4. WHO MEETS THE REQUIREMENTS OF THIS SECTION AND DEPARTMENT RULE TO  
2 QUALIFY AS PART OF THE ASSISTANCE UNIT.

3           ~~B-~~ C. Qualified aliens entering the United States after August 21,  
4 1996 are ineligible for benefits for a period of five years beginning on  
5 their date of entry, except for Cuban and Haitian entrants as defined in  
6 section 501(e)(2) of the refugee education assistance act of 1980 and  
7 exceptions provided under Public Law 104-193 (personal responsibility and  
8 work opportunity reconciliation act of 1996) and Public Law 105-32 (balanced  
9 budget act of 1997).

10           ~~G-~~ D. A parent or any other relative who applies for or receives cash  
11 assistance under this title on behalf of a child shall cooperate with the  
12 department by taking the following actions:

13           1. Providing information regarding the identity of the child's father  
14 and mother and other pertinent information including their names, social  
15 security numbers and current addresses or a sworn statement that attests to  
16 the lack of this information and that is accompanied by facts supporting the  
17 asserted lack of information.

18           2. Appearing at interviews, hearings and legal proceedings.

19           3. Submitting and having the child submit to genetic testing.

20           4. Signing authorizations for third parties to release information  
21 concerning the applicant or the child, or both.

22           5. In cases in which parentage has not been established, providing a  
23 sworn statement alleging paternity and setting forth facts establishing a  
24 reasonable possibility of the requisite sexual contact between the parties.

25           6. Supplying additional information the department requires.

26           ~~D-~~ E. The department shall sanction a recipient who ~~fails~~, without  
27 good cause as prescribed in subsection E- F of this section, FAILS to  
28 cooperate with child support enforcement efforts according to the sanction  
29 provisions of section 46-300.

30           ~~E-~~ F. One or more of the following circumstances constitute good  
31 cause for failure to cooperate with child support enforcement efforts:

32           1. Cooperation may result in physical or emotional harm to the parent,  
33 child for whom support is sought or caretaker relative with whom the child is  
34 living.

35           2. Legal proceedings for adoption of the child for whom support is  
36 sought are pending before a court.

37           3. The participant has been working, for less than ninety days, with a  
38 public or licensed private social agency on the issue of whether to allow the  
39 child for whom support is sought to be adopted.

40           4. The child for whom support is sought was conceived as a result of  
41 sexual assault pursuant to section 13-1406 or incest.

42           ~~F-~~ G. A person claiming good cause has twenty days from the date the  
43 good cause claim is provided to the agency to supply evidence supporting the  
44 claim. When determining whether the parent or relative is cooperating with

1 the agency as provided in subsection ~~E~~- D of this section, the agency shall  
2 require:

3 1. If the good cause exception in subsection ~~E~~- F, paragraph 1 of this  
4 section is claimed, law enforcement, court, medical, criminal, psychological,  
5 social service or governmental records or sworn statements from persons with  
6 personal knowledge of the circumstances that indicate that the alleged parent  
7 or obligor might inflict physical harm on the parent, child or caretaker  
8 relative.

9 2. If the good cause exception in subsection ~~E~~- F, paragraph 2 of this  
10 section is claimed, court documents that indicate that legal proceedings for  
11 adoption are pending before a court of competent jurisdiction.

12 3. If the good cause exception in subsection ~~E~~- F, paragraph 3 of this  
13 section is claimed, records from a public or licensed private social services  
14 agency showing that placing the child for whom support is sought is under  
15 consideration.

16 4. If the good cause exception in subsection ~~E~~- F, paragraph 4 of this  
17 section is claimed, law enforcement, court, medical, criminal, psychological,  
18 social service or governmental records or sworn statements from persons with  
19 personal knowledge of the circumstances surrounding the conception of the  
20 child that indicate the child was conceived as a result of sexual assault  
21 pursuant to section 13-1406 or incest.

22 ~~G~~- H. Notwithstanding subsection ~~A~~- B of this section and except as  
23 provided in subsection ~~H~~- I of this section, a dependent child or children  
24 who are born during one of the following time periods are not eligible for  
25 assistance under this title:

26 1. The period in which the parent or other relative is receiving  
27 assistance benefits.

28 2. The temporary period in which the parent or other relative is  
29 ineligible pursuant to a penalty imposed by the department for failure to  
30 comply with benefit eligibility requirements, after which the parent or other  
31 relative is eligible for a continuation of benefits.

32 3. Any period after November 1, 1995 that is less than sixty months  
33 between a voluntary withdrawal from program benefits or a period of  
34 ineligibility for program benefits which immediately followed a period during  
35 which program benefits were received and a subsequent reapplication and  
36 eligibility approval for benefits.

37 ~~H~~- I. The following exceptions apply to subsection ~~G~~- H of this  
38 section:

39 1. The department shall allow an increase in cash assistance under the  
40 program for a dependent child or children born as a result of an act of  
41 sexual assault as prescribed in section 13-1406 or incest. The department  
42 shall ensure that the proper law enforcement authorities are notified of  
43 allegations of sexual assault or incest made pursuant to this paragraph. For  
44 the purposes of this paragraph, "an act of sexual assault" includes sexual

1 assault of a spouse if the offense was committed before ~~the effective date of~~  
2 ~~this amendment to this section~~ AUGUST 12, 2005.

3 2. For those parents or other relatives who are currently authorized  
4 for cash assistance the department shall allow an increase in cash assistance  
5 under the program as a result of the birth of a child or children to the  
6 parent or other relative only if the birth occurred within ten months of the  
7 initial eligible month. The department may use only the additional child or  
8 children who are born from the pregnancies covered in this subsection in  
9 computing the additional benefit.

10 3. The department shall allow an increase in cash assistance for any  
11 dependent child born to a parent who has not received cash assistance under  
12 this title for at least twelve consecutive months if the child is born within  
13 the period beginning ten months after the twelve consecutive month period and  
14 ending ten months after the parent resumes receiving cash assistance.

15 4. A dependent child or children who were born during a period in  
16 which the custodial parent received cash assistance through the Arizona works  
17 program shall be eligible to receive assistance under this title.

18 5. A dependent child or children who were born within ten months after  
19 the custodial parent received cash assistance through the Arizona works  
20 program shall be eligible to receive assistance under this title.

21 ~~I.~~ J. The department shall calculate the sixty-month time period  
22 referenced in subsection ~~G-~~ H, paragraph 3 of this section in the following  
23 manner:

24 1. For persons who are receiving cash assistance on November 1, 1995,  
25 the sixty-month time period begins on November 1, 1995. A subsequent  
26 sixty-month time period begins immediately after the previous period ends if  
27 the person is receiving cash assistance through two sixty-month periods. If  
28 the individual is not receiving cash assistance at the end of the previous  
29 sixty-month period, any subsequent sixty-month time period begins on the date  
30 when cash assistance became effective again, regardless of when the person  
31 received an actual payment.

32 2. For persons who begin receiving cash assistance after November 1,  
33 1995, the sixty-month time period begins on the date cash assistance becomes  
34 effective, regardless of when the person received an actual payment. A  
35 subsequent sixty-month period begins as provided in paragraph 1 of this  
36 subsection.

37 ~~J.~~ K. In calculating a parent's or any other relative's benefit  
38 increase that arises from any general increase that has been approved for all  
39 program recipients, the department shall not consider a child or children  
40 born under the time periods listed in subsection ~~G-~~ H of this section.

41 ~~K.~~ L. For the parents or other relatives who have additional children  
42 for whom they receive no cash assistance payment under subsection ~~G-~~ H of  
43 this section, the department shall make any necessary program amendments or  
44 request any necessary federal waivers to allow the parents or other relatives

1 to earn income in an amount equal to the disallowed cash assistance payment  
2 without affecting their eligibility for assistance.

3 ~~L.~~ M. The director shall adopt rules:

4 1. To implement this section, including rules to define the  
5 investigatory steps ~~which~~ THAT must be taken to confirm that an act of sexual  
6 assault or incest led to the birth of a dependent child or children.

7 2. That require the department to inform both verbally and in writing  
8 the parents and other relatives who are receiving assistance under this  
9 article of the specific family planning services that are available to them  
10 while they are enrolled as eligible persons in the Arizona health care cost  
11 containment system.

12 ~~M.~~ N. Nothing in this section shall be construed to prevent an  
13 otherwise eligible child who is not included in the family's calculation of  
14 benefits under this article from being eligible for coverage under title 36,  
15 chapter 29 or for any services that are directly linked to eligibility for  
16 the temporary assistance for needy families program.

17 ~~N.~~ O. Assistance shall not be denied or terminated under this article  
18 because the principal wage earner works one hundred or more hours per month.

19 P. EXCEPT AS PROVIDED IN PARAGRAPH 2 OF THIS SUBSECTION, ALL MEMBERS  
20 OF A NEEDY FAMILY, INCLUDING STEPPARENTS, MUST MEET THE SAME FINANCIAL  
21 ELIGIBILITY CRITERIA ESTABLISHED IN THIS TITLE, BY DEPARTMENT RULE AND AS  
22 FOLLOWS:

23 ~~O.~~ 1. The department shall include all income from every source  
24 available to ~~the person~~ A NEEDY FAMILY requesting cash assistance, except  
25 income that is required to be disregarded by this subsection and as  
26 determined by the department in rules. For the amount of income that is  
27 received from employment, each month every employed person is entitled to  
28 receive an earned income disregard of ninety dollars plus an additional  
29 thirty per cent of the remaining earned income. A ~~household~~ NEEDY FAMILY  
30 that includes an employed person is entitled to an earned income disregard  
31 equal to the actual amount billed to the household for the care of an adult  
32 or child dependent household member, up to two hundred dollars a month for a  
33 child under two years of age and up to one hundred seventy-five dollars a  
34 month for each other dependent. This dependent care disregard is allowed  
35 only if the expense is necessary to allow the household member to become or  
36 remain employed or to attend postsecondary training or education that is  
37 preparatory to employment.

38 2. THE TOTAL GROSS COUNTABLE INCOME OF A NEEDY FAMILY THAT INCLUDES A  
39 NONPARENT RELATIVE HEAD OF HOUSEHOLD WHO IS NOT APPLYING FOR OR RECEIVING  
40 CASH ASSISTANCE AND WHO IS REQUESTING CASH ASSISTANCE ONLY FOR A DEPENDENT  
41 CHILD SHALL NOT EXCEED ONE HUNDRED THIRTY PER CENT OF THE FEDERAL POVERTY  
42 GUIDELINES.

43 Q. IF THE TOTAL GROSS COUNTABLE INCOME IN SUBSECTION P, PARAGRAPH 2 OF  
44 THIS SECTION DOES NOT EXCEED ONE HUNDRED THIRTY PER CENT OF THE FEDERAL  
45 POVERTY GUIDELINES, IN DETERMINING BENEFIT AMOUNT, THE DEPARTMENT SHALL

1 EXCLUDE THE INCOME OF ALL MEMBERS OF THE NEEDY FAMILY EXCEPT FOR THE INCOME  
2 OF THE ELIGIBLE DEPENDENT CHILD FOR WHOM CASH ASSISTANCE IS REQUESTED.

3 R. FOR THE PURPOSES OF ELIGIBILITY AND BENEFIT AMOUNT, ONLY THE INCOME  
4 OF THE DEPENDENT CHILD IS CONSIDERED FOR A CHILD ONLY CASE.

5 ~~P.~~ S. Any parent or other relative who applies for or receives cash  
6 assistance under this article on behalf of a dependent child who is between  
7 six and sixteen years of age shall ensure that the child is enrolled in and  
8 attending school. An initial applicant is ineligible for benefits until the  
9 applicant's dependent children are verified to be enrolled in and attending  
10 an educational program. The department of education shall assist the  
11 department of economic security in obtaining verification of school  
12 enrollment and attendance. The director of the department of economic  
13 security may adopt rules for granting good cause exceptions from this  
14 subsection. The department of economic security shall sanction a recipient  
15 who fails, without good cause, to ensure school enrollment and attendance  
16 according to section 46-300.

17 ~~Q.~~ T. Any parent or other relative who applies for or receives cash  
18 assistance under this section on behalf of a dependent child shall ensure  
19 that the child is immunized in accordance with the schedule of immunizations  
20 pursuant to section 36-672. The director of the department of economic  
21 security may adopt rules for granting good cause exceptions from this  
22 subsection. The department of economic security shall sanction a recipient,  
23 in accordance with section 46-300, who fails, without good cause, to obtain  
24 the required immunizations for a dependent child unless the recipient submits  
25 to the department of economic security the documentation described in section  
26 15-873.

27 Sec. 5. Repeal

28 Section 46-294, Arizona Revised Statutes, is repealed.

29 Sec. 6. Title 46, chapter 2, article 5, Arizona Revised Statutes, is  
30 amended by adding a new section 46-294, to read:

31 46-294. Duration of assistance

32 A. A NEEDY FAMILY IS INELIGIBLE FOR A CASH ASSISTANCE GRANT AWARDED  
33 UNDER THIS ARTICLE, EXCEPT IN CASE OF HARDSHIP, IF ANY OF THE FOLLOWING  
34 APPLY:

35 1. THE NEEDY FAMILY INCLUDES A HEAD OF HOUSEHOLD OR THE SPOUSE OF THE  
36 HEAD OF HOUSEHOLD WHO HAS RECEIVED CASH ASSISTANCE FOR HIMSELF FOR A TOTAL OF  
37 THIRTY-SIX MONTHS.

38 2. THE NEEDY FAMILY INCLUDES A CASH ASSISTANCE INELIGIBLE PARENT OR  
39 THE SPOUSE OF THE INELIGIBLE PARENT WHO HAS RECEIVED CASH ASSISTANCE ON  
40 BEHALF OF AN ELIGIBLE DEPENDENT CHILD FOR A TOTAL OF THIRTY-SIX MONTHS.

41 3. THE NEEDY FAMILY INCLUDES AN ADULT NONPARENT RELATIVE HEAD OF  
42 HOUSEHOLD OR THE SPOUSE OF THE ADULT NONPARENT RELATIVE HEAD OF HOUSEHOLD WHO  
43 HAS RECEIVED CASH ASSISTANCE ON BEHALF OF AN ELIGIBLE DEPENDENT CHILD FOR A  
44 TOTAL OF THIRTY-SIX MONTHS.

1 B. THE TIME LIMIT PRESCRIBED IN SUBSECTION A APPLIES RETROACTIVELY TO  
2 CASH ASSISTANCE RECEIVED UNDER THIS ARTICLE OR THE ARIZONA WORKS PROGRAM ON  
3 OR AFTER OCTOBER 1, 2002. THE TIME LIMIT APPLIES REGARDLESS OF:

4 1. WHETHER THE THIRTY-SIX MONTHS ARE CONSECUTIVE.

5 2. THE SOURCE OF FUNDING FOR THE PROGRAM.

6 C. THE THIRTY-SIX MONTH TIME LIMIT PRESCRIBED IN THIS SECTION DOES NOT  
7 APPLY TO CHILD ONLY CASES.

8 D. IN DETERMINING THE NUMBER OF MONTHS THAT ASSISTANCE HAS BEEN  
9 RECEIVED, THE DEPARTMENT SHALL DISREGARD ANY MONTH DURING WHICH ASSISTANCE IS  
10 RECEIVED BY:

11 1. A FOSTER PARENT, AN UNRELATED ADULT OR A NONPARENT RELATIVE, IN A  
12 CHILD ONLY CASE.

13 2. AN ASSISTANCE UNIT DURING THE TIME IN WHICH THE ASSISTANCE UNIT  
14 RESIDES ON AN INDIAN RESERVATION IN WHICH THE UNEMPLOYMENT RATE OF THE ADULTS  
15 RESIDING ON THE INDIAN RESERVATION EXCEEDS FIFTY PER CENT.

16 3. AN ASSISTANCE UNIT IF THE CASH ASSISTANCE GRANT IS LESS THAN THE  
17 FULL MONTHLY AMOUNT OF CASH ASSISTANCE FOR WHICH THE ASSISTANCE UNIT  
18 QUALIFIES BASED ON THE DATE OF THE APPLICATION.

19 4. AN ADULT RECIPIENT WHO AS A MINOR CHILD WAS NOT A HEAD OF HOUSEHOLD  
20 OR MARRIED TO A HEAD OF HOUSEHOLD.

21 E. EXCEPT IN CASE OF HARDSHIP, AN ASSISTANCE UNIT IN WHICH ANY ADULT  
22 OR MINOR PARENT OF A DEPENDENT CHILD WHO IS A HEAD OF HOUSEHOLD OR MARRIED TO  
23 A HEAD OF HOUSEHOLD HAS RECEIVED SIXTY MONTHS OF ASSISTANCE FUNDED IN WHOLE  
24 OR IN PART BY THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT IN THIS  
25 OR ANY OTHER STATE OR UNITED STATES TERRITORY OR FROM A TRIBAL TEMPORARY  
26 ASSISTANCE FOR NEEDY FAMILIES PROGRAM SHALL NOT BE ELIGIBLE TO RECEIVE UNDER  
27 ANY CIRCUMSTANCES MORE THAN SIXTY MONTHS OF SUCH ASSISTANCE.

28 F. CASH ASSISTANCE SHALL TERMINATE ON THE FIRST DAY OF THE FIRST MONTH  
29 FOLLOWING THE EFFECTIVE DATE OF THIS SECTION FOR ANY FAMILY, WITHOUT REGARD  
30 TO WHETHER THE FAMILY MEETS THE FINANCIAL CRITERIA ESTABLISHED FOR A NEEDY  
31 FAMILY, WHO HAS RECEIVED THIRTY-SIX OR MORE MONTHS OF CASH ASSISTANCE AS OF  
32 THAT DATE.

33 Sec. 7. Section 46-300, Arizona Revised Statutes, is amended to read:

34 46-300. Sanctions

35 A. The department shall impose a series of graduated sanctions as  
36 described in subsection C of this section for any noncompliance with:

37 1. The child support enforcement efforts required by section 46-292,  
38 subsection ~~E~~ D unless good cause is established as provided in section  
39 46-292, subsections ~~E~~ F and ~~F~~ G.

40 2. The work activities requirements described in section 46-299,  
41 unless good cause is established as provided in section 46-299, subsection H  
42 and department rules. A recipient who does not comply with the work  
43 activities requirements shall demonstrate compliance with the work activities  
44 requirements in order to continue benefit eligibility and to avoid sanctions.

1           3. The school enrollment and attendance requirements of section  
2 46-292, subsection P- S.

3           4. The immunization requirements of section 46-292, subsection Q- T.

4           B. Noncompliance with one or more of the requirements listed in  
5 subsection A of this section during any calendar month is deemed to be a  
6 month of noncompliance and shall result in the sanctions prescribed in  
7 subsection C of this section. The department shall impose these graduated  
8 sanctions even if the instances of noncompliance do not occur in consecutive  
9 months.

10          C. The department shall impose the following sanctions:

11          1. For the first instance of noncompliance, the department shall  
12 reduce the household's cash assistance grant by twenty-five per cent for one  
13 month.

14          2. For a second instance of noncompliance that occurs in a month other  
15 than the month in which the first noncompliance occurred, the department  
16 shall reduce the household's cash assistance grant by fifty per cent for one  
17 month.

18          3. For a third instance of noncompliance that occurs in a month other  
19 than the month in which the second noncompliance occurred and any instance of  
20 noncompliance thereafter, the department shall terminate the household's cash  
21 assistance grant for at least one month or until the household complies.

22          Sec. 8. Section 46-407, Arizona Revised Statutes, is amended to read:

23          46-407. Assignment of rights to support; definition

24          A. The right to support of a child and spouse who receive temporary  
25 assistance for needy families pursuant to Public Law 104-193 and chapter 2,  
26 article 5 of this title and the right to medical support of a child who  
27 receives medical assistance under title XIX of the social security act is  
28 assigned to this state by operation of law. The support rights are assigned  
29 to the state regardless of whether the applicant for assistance has any right  
30 to receive the support. The department shall take all steps necessary to  
31 enforce the assigned rights to support.

32          B. The support rights assigned to the state apply to all children of  
33 the household for whom temporary assistance for needy families is  
34 granted. If a child is denied temporary assistance for needy families due to  
35 the receipt of social security income for the child or the child is subject  
36 to section 46-292, subsection G- H, the department shall divide the court  
37 ordered child support amount by the number of children in the court order.  
38 The prorated amount is exempt from assignment for the child who is receiving  
39 social security income or subject to section 46-292, subsection G- H.

40          C. The right to support of a child on whose behalf foster care  
41 maintenance payments are made is assigned pursuant to section 8-243.02. If  
42 the child support order covers more than one child, the department shall  
43 determine the amount to be distributed to the state by dividing the court  
44 ordered support amount by the number of the children in the court order.

1 D. For THE purposes of this section, "support" has the same meaning  
2 prescribed in section 25-500.

3 Sec. 9. Department of economic security; drug testing; TANF  
4 cash benefits recipients

5 During fiscal year 2010-2011, the department of economic security shall  
6 screen and test each adult recipient who is otherwise eligible for temporary  
7 assistance for needy families cash benefits and who the department has  
8 reasonable cause to believe engages in the illegal use of controlled  
9 substances. Any recipient who is found to have tested positive for the use  
10 of a controlled substance that was not prescribed for the recipient by a  
11 licensed health care provider is ineligible to receive benefits for a period  
12 of one year.

13 Sec. 10. Child care assistance eligibility; report

14 Notwithstanding section 46-803, Arizona Revised Statutes, for fiscal  
15 year 2010-2011, the department of economic security may reduce maximum income  
16 eligibility levels for child care assistance in order to manage within  
17 appropriated and available monies. The department of economic security shall  
18 notify the joint legislative budget committee of any change in maximum income  
19 eligibility levels for child care within fifteen days after implementing the  
20 change.

21 Sec. 11. Exemptions from rule making

22 The department of economic security is exempt from the rule making  
23 requirements of title 41, chapter 6, Arizona Revised Statutes, for eighteen  
24 months after the effective date of this act, for the following purposes:

25 1. To establish the handling fee for support and maintenance payments  
26 pursuant to section 25-510, Arizona Revised Statutes, as amended by this act.

27 2. To adjust the portion of client income that a client may retain for  
28 personal use pursuant to section 36-562, Arizona Revised Statutes, as amended  
29 by this act.

30 3. To implement the changes relating to assistance as prescribed in  
31 sections 46-101 and 46-292, Arizona Revised Statutes, as amended by this act,  
32 and section 46-294, Arizona Revised Statutes; as added by this act.

33 Sec. 12. Intent

34 A. It is the intent of the legislature that the additional revenue  
35 generated in fiscal year 2010-2011 by the fees authorized by section 25-510,  
36 Arizona Revised Statutes, as amended by this act, not exceed \$1,050,000.

37 B. It is the intent of the legislature that the additional revenue  
38 generated in fiscal year 2010-2011 by the contributions authorized by section  
39 36-562, Arizona Revised Statutes, as amended by this act, not exceed  
40 \$4,050,000.

APPROVED BY THE GOVERNOR MARCH 18, 2010.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 18, 2010.