

Senate Engrossed

State of Arizona  
Senate  
Fifty-second Legislature  
Second Regular Session  
2016

**FILED**  
**MICHELE REAGAN**  
**SECRETARY OF STATE**

CHAPTER 304

# **SENATE BILL 1037**

AN ACT

AMENDING SECTION 38-714, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA STATE RETIREMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 38-714, Arizona Revised Statutes, is amended to  
3 read:

4 38-714. Powers and duties of ASRS and board

5 A. ASRS shall have the powers and privileges of a corporation, shall  
6 have an official seal and shall transact all business in the name "Arizona  
7 state retirement system", and in that name may sue and be sued.

8 B. The board is responsible for supervising the administration of this  
9 article by the director of ASRS.

10 C. The board is responsible for the performance of fiduciary duties  
11 and other responsibilities required to preserve and protect the retirement  
12 trust fund established by section 38-712.

13 D. The board shall not advocate for or against legislation providing  
14 for benefit modifications, except that the board shall provide technical and  
15 administrative information regarding the impact of benefit modification  
16 legislation.

17 E. The board may:

18 1. Determine the rights, benefits or obligations of any person under  
19 this article and afford any person dissatisfied with a determination a  
20 hearing on the determination. THE BOARD MAY DELEGATE THE DUTY AND AUTHORITY  
21 TO ACT ON THE BOARD'S BEHALF TO A COMMITTEE OF THE BOARD FOR THE PURPOSES OF  
22 THIS PARAGRAPH AND TITLE 41, CHAPTER 6, ARTICLE 10 RELATING TO ANY DECISION  
23 MADE UNDER THIS PARAGRAPH BY THAT COMMITTEE OF THE BOARD.

24 2. Determine the amount, manner and time of payment of any benefits  
25 under this article.

26 3. Recommend amendments to this article and articles 2.1 and 7 of this  
27 chapter that are required for efficient and effective administration.

28 4. Adopt, amend or repeal rules for the administration of the plan,  
29 this article and articles 2.1 and 7 of this chapter.

30 F. Beginning June 30, 2016, the board shall determine which of the  
31 generally accepted actuarial cost methods shall be used in the annual  
32 actuarial valuation of the plan.

33 G. The board shall submit to the governor and legislature for each  
34 fiscal year no later than eight months after the close of the fiscal year a  
35 report of its operations and the operations of ASRS. The report shall follow  
36 generally accepted accounting principles and generally accepted financial  
37 reporting standards and shall include:

38 1. A report on an actuarial valuation of ASRS assets and liabilities.

39 2. Any other statistical and financial data that may be necessary for  
40 the proper understanding of the financial condition of ASRS and the results  
41 of board operations.

42 3. On request of the governor or the legislature, a list of  
43 investments owned. This list shall be provided in electronic format.

1 H. The board shall:

2 1. Prepare and publish a synopsis of the annual report for the  
3 information of ASRS members.

4 2. Contract for a study of the mortality, disability, service and  
5 other experiences of the members and employers participating in ASRS. The  
6 study shall be conducted for fiscal year 1990-1991 and for at least every  
7 fifth fiscal year thereafter. A report of the study shall be completed  
8 within eight months of the close of the applicable fiscal year and shall be  
9 submitted to the governor and the legislature.

10 3. Conduct an annual actuarial valuation of ASRS assets and  
11 liabilities.

12 I. The auditor general may make an annual audit of ASRS and transmit  
13 the results to the governor and the legislature.

APPROVED BY THE GOVERNOR MAY 17, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 18, 2016.

Passed the House May 6, 2016,

by the following vote: 56 Ayes,  
0 Nays, 4 Not Voting

[Signature]  
Speaker of the House

[Signature]  
Chief Clerk of the House

Passed the Senate January 28, 2016,

by the following vote: 28 Ayes,  
0 Nays, 2 Not Voting

[Signature]  
President of the Senate

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

6<sup>th</sup> day of May, 2016,

at 5:56 o'clock P. M.

[Signature]  
Secretary to the Governor

Approved this 17<sup>th</sup> day of

May, 2016,

at 4:56 o'clock P. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 18<sup>th</sup> day of May, 2016,

at 10:20 o'clock A M.

[Signature]  
Secretary of State

S.B. 1037