

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

Senate Engrossed
FILED
MICHELE REAGAN
SECRETARY OF STATE

CHAPTER 78

SENATE BILL 1485

AN ACT

AMENDING SECTION 38-612, ARIZONA REVISED STATUTES; RELATING TO ADMINISTRATION
OF PAYROLL SALARY DEDUCTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 38-612, Arizona Revised Statutes, is amended to
3 read:

4 38-612. Administration of payroll salary deductions;
5 prohibition; definition

6 A. There shall be no payroll salary deductions from the compensation
7 of state officers or employees except as specifically authorized by federal
8 law or regulation or by a statute of this state. No administrative agency of
9 this state may authorize any other deduction.

10 B. In addition to those payroll salary deductions required by federal
11 law or regulation or by statute, state officers or employees may authorize
12 deductions to be made from their salaries or wages for the payment of:

13 1. Premiums on any health benefits, disability plans or group life
14 plans provided for by statute and any existing insurance programs already
15 provided by payroll deduction.

16 2. Shares or obligations to any state or federally chartered credit
17 union established primarily for the purpose of serving state officers and
18 employees and their families.

19 3. Dues in a recognized association comprised principally of employees
20 and former employees of agencies of this state, subject to the following
21 criteria:

22 (a) When ~~comprised~~ COMPOSED of at least one thousand state employees
23 other than employees of the state universities, the department of public
24 safety and academic personnel of the Arizona state schools for the deaf and
25 the blind.

26 (b) When ~~comprised~~ COMPOSED of at least twenty-five ~~per-cent~~ PERCENT
27 of the academic personnel or of the nonacademic employees of any state
28 university.

29 (c) When ~~comprised~~ COMPOSED of at least twenty-five ~~per-cent~~ PERCENT
30 of the academic personnel of the Arizona state schools for the deaf and the
31 blind.

32 (d) When ~~comprised~~ COMPOSED of at least five hundred state employees
33 who are certified as peace officers by the Arizona peace officer standards
34 and training board established by section 41-1821.

35 4. Deferred compensation or tax sheltered annuity salary reductions
36 when made under approved plans.

37 5. Federal savings bond plans.

38 6. Recurrent fees, charges or other payments payable to a state agency
39 under a collection plan approved by the director of the department of
40 administration.

41 7. EXCEPT AS PROVIDED IN SUBSECTION F OF THIS SECTION, contributions
42 made to a charitable organization:

43 (a) Organized and operated exclusively for charitable purposes and
44 selected by the presidents of the state universities. Employees of the state
45 universities shall be advised by form of the charitable organizations to

1 which they may contribute through payroll salary deductions. The advisory
2 provided under this subdivision shall be substantially similar to the
3 following and prominently printed:

4 "You may contribute to any charitable organization registered under
5 internal revenue code section 501(c)(3), tax exempt status.

6
7 Charitable organization name"

8 This subdivision applies only to academic personnel and nonacademic
9 employees of the state universities.

10 (b) Organized and operated exclusively for charitable purposes,
11 provided a fund drive by such an organization shall be applicable to all
12 state agencies except the state universities covered under subdivision (a) of
13 this paragraph and no state officer or employee of state agencies subject to
14 this subdivision may authorize more than one deduction for charitable
15 purposes to be in effect at the same time. This subdivision applies to all
16 state agencies except the universities covered under subdivision (a) of this
17 paragraph.

18 8. Contributions made for the purpose of contributing to a fund
19 raising campaign for a university or a club for faculty or staff, or both,
20 which is recognized by the university president and authorized by the Arizona
21 board of regents. This paragraph applies only to academic personnel and
22 nonacademic employees of the state universities.

23 9. Charges payable for transportation expenses pursuant to section
24 41-710.01.

25 10. Payments ordered by courts of competent jurisdiction within this
26 state.

27 11. Automobile or homeowner's insurance premiums.

28 12. Premiums for the following state sponsored group benefits that are
29 established primarily for the purpose of serving state officers and employees
30 and their families:

31 (a) Long-term care insurance.

32 (b) Critical care insurance.

33 (c) Prepaid legal services.

34 (d) Identity theft protection services.

35 13. A computer system as defined in section 13-2301 for personal use.

36 C. In order for the department of administration to establish and
37 maintain a dues deduction pursuant to subsection B, paragraph 3 of this
38 section, the department of administration may establish and maintain the
39 deduction without the appropriation of any additional monies or technological
40 improvements. The department of administration shall track all personnel
41 hours dedicated to dues deduction. The department of administration may
42 charge a fee to a recognized association that qualifies under subsection B,
43 paragraph 3 of this section for establishing the automatic dues deduction and
44 anytime changes are needed in the automatic dues deduction system as a result
45 of an increase or decrease in association dues. If the membership criteria

1 of a recognized association falls below the criteria set forth in subsection
2 B, paragraph 3 of this section, the recognized association shall be on
3 probation for one year. If the membership of a recognized association falls
4 below the criteria set forth in subsection B, paragraph 3 of this section for
5 more than one year, or if the members of the association engage in a work
6 slowdown or work stoppage, the dues deduction authorized by this section
7 shall immediately be discontinued.

8 D. For those state officers and employees under payroll systems which
9 are under the direction of the director of the department of administration,
10 the director shall provide for the administration of payroll deductions for
11 the purposes set forth in this section. For all other state officers and
12 employees and for persons receiving allowances or benefits under other state
13 payroll and retirement systems, the appropriate state officer shall provide
14 for such administration of payroll deductions. Such administration shall
15 operate without cost or contribution from the state other than the incidental
16 expense of making the deductions and remittances to the payees. If any payee
17 requests additional services, the director of the department of
18 administration or any other appropriate state officer may require payment for
19 the additional cost of providing such services.

20 E. As a means of readily identifying the employee from whom payroll
21 deductions are to be made, the state officer administering payroll deductions
22 may request an employee to enter such employee's social security
23 identification number on the payroll deduction authorization. Such number
24 shall not be used for any other purpose.

25 F. THERE SHALL BE NO PAYROLL SALARY DEDUCTIONS FROM THE COMPENSATION
26 OF STATE OFFICERS OR EMPLOYEES FOR CONTRIBUTIONS MADE TO A CHARITABLE
27 ORGANIZATION THAT PERFORMS A NONFEDERALLY QUALIFIED ABORTION OR MAINTAINS OR
28 OPERATES A FACILITY WHERE A NONFEDERALLY QUALIFIED ABORTION IS PERFORMED FOR
29 THE PROVISION OF FAMILY PLANNING SERVICES. FOR THE PURPOSES OF THIS
30 SUBSECTION, "NONFEDERALLY QUALIFIED ABORTION" HAS THE SAME MEANING PRESCRIBED
31 IN SECTION 35-196.05.

32 ~~F.~~ G. The state, the director of the department of administration or
33 any other appropriate state officer shall be relieved of any liability to
34 employees authorizing deductions or organizations receiving deductions that
35 may result from authorizations pursuant to this section.

APPROVED BY THE GOVERNOR MARCH 30, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 31, 2016.

Passed the House March 24, 2016,

Passed the Senate February 24, 2016,

by the following vote: 35 Ayes,

by the following vote: 18 Ayes,

23 Nays, 2 Not Voting

11 Nays, 1 Not Voting

[Signature]
Speaker of the House
No Tenure

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

28th day of March, 2016,

at 2:38 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 30th day of

March, 2016,

at 4:02 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 31 day of March, 2016,

at 5:05 o'clock P. M.

[Signature]
Secretary of State

S.B. 1485