

House Engrossed

State of Arizona  
House of Representatives  
Fifty-second Legislature  
Second Regular Session  
2016

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

CHAPTER 88

# **HOUSE BILL 2308**

AN ACT

AMENDING SECTION 48-5561, ARIZONA REVISED STATUTES; RELATING TO SPECIAL HEALTH CARE DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-5561, Arizona Revised Statutes, is amended to  
3 read:

4 48-5561. Deposit of district monies

5 ~~A. Except as provided in subsections D and E of this section, All~~  
6 special health care district monies from any source shall be deposited with  
7 the county treasurer to the credit of the district and shall be paid out only  
8 on warrants approved by the district's board of directors. All district  
9 monies shall MAY be included in the county treasurer's investment pool.

10 ~~B. Except as provided in subsections D and E of this section, All~~  
11 private investment of the district's monies is prohibited. Warrants may be  
12 issued only to pay for necessary operational expenses, including, but not  
13 limited to, lawful claims against the district, district employee payroll and  
14 contractual obligations of the district. Warrants may not be issued for  
15 investment purposes.

16 ~~C. Except as provided in subsections D and E of this section, For~~  
17 banking purposes, the district shall use the same bank as the bank used by  
18 the county and county treasurer as their servicing bank. The district may  
19 not establish or maintain an account with any other bank.

20 ~~D. Notwithstanding subsections A, B and C of this section, the~~  
21 district may appoint a treasurer other than the county treasurer to hold,  
22 deposit into the district's banking account, withdraw and invest all district  
23 monies other than special payments pursuant to section 48-5561.01, and may  
24 enter into contracts with servicing banks other than the treasurer's  
25 servicing bank if all of the following conditions apply:

26 1. ~~The district may only use investment instruments under title 35.~~

27 2. ~~All provisions relating to audit and reporting requirements~~  
28 applicable to the county treasurer shall, other than special payments made  
29 pursuant to section 48-5561.01, also be applicable to the district treasurer.

30 3. ~~If the district appoints a treasurer of the district other than the~~  
31 county treasurer, the county treasurer shall pay to the treasurer of the  
32 district all monies of the district, other than special payments pursuant to  
33 section 48-5561.01, in accordance with an intergovernmental agreement between  
34 the treasurer and the district and shall take the receipt of the treasurer of  
35 the district therefor, which shall constitute the county treasurer's  
36 discharge from any further liability for the monies or the application of the  
37 monies. Interest earned on monies invested by the district is not subject to  
38 subsection A of this section.

39 ~~E. If the district elects to proceed pursuant to subsection D of this~~  
40 section, after each transfer required by section 48-5561.01, subsection A,  
41 has been made, the county treasurer shall transfer any remaining funds as  
42 directed by the district board. The district board shall direct that any  
43 transfer pursuant to this subsection shall be to the district treasurer.

1           Sec. 2. Special health care district monies; transfer to county  
2                           treasurer; no liability

3           A. All monies to be transferred to a county treasurer pursuant to  
4 section 48-5561, Arizona Revised Statutes, as amended by this act shall be  
5 transferred to the county treasurer no later than forty-five days after the  
6 effective date of this act.

7           B. The county and county treasurer are not liable, in any capacity,  
8 for any special health care district monies not disbursed pursuant to section  
9 48-5561, Arizona Revised Statutes, as amended by this act unless and until  
10 the monies are transferred to the possession of the county treasurer.

APPROVED BY THE GOVERNOR MARCH 30, 2016.

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

Passed the House February 25, 2016

Passed the Senate March 24, 2016

by the following vote: 60 Ayes,

by the following vote: 29 Ayes,

0 Nays, 0 Not Voting

0 Nays, 1 Not Voting

[Signature]  
Speaker of the House

[Signature]  
President of the Senate

Pro Tempore

[Signature]  
Chief Clerk of the House

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this  
29<sup>th</sup> day of March, 2016

at 3:37 o'clock P. M.

[Signature]  
Secretary to the Governor

Approved this 30<sup>th</sup> day of

March

at 2:02 o'clock P. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State  
this 31 day of March, 20 16

at 4:43 o'clock P. M.

[Signature]  
Secretary of State

H.B. 2308