

Senate Engrossed

**FILED**

**MICHELE REAGAN  
SECRETARY OF STATE**

State of Arizona  
Senate  
Fifty-third Legislature  
First Regular Session  
2017

**CHAPTER 105  
SENATE BILL 1053**

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,  
6 shall have an official seal and shall transact all business in the name  
7 "Arizona state retirement system", and in that name may sue and be sued.

8 B. The board is responsible for supervising the administration of  
9 this 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  
14 providing for benefit modifications, except that the board shall provide  
15 technical and administrative information regarding the impact of benefit  
16 modification legislation.

17 E. The board may:

18 1. Determine the rights, benefits or obligations of any person  
19 under this article AND ANY MEMBER UNDER ARTICLES 2.1 AND 7 OF THIS CHAPTER  
20 and afford any person dissatisfied with a determination a hearing on the  
21 determination. The board may delegate the duty and authority to act on  
22 the board's behalf to a committee of the board for the purposes of this  
23 paragraph and title 41, chapter 6, article 10 relating to any decision  
24 made under this paragraph by that committee of the board.

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

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

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

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

34 G. The board and ASRS are not subject to title 41, chapter 6,  
35 except title 41, chapter 6, article 10, for actuarial assumptions and  
36 calculations, investment strategy and decisions and accounting  
37 methodology.

38 H. The board shall submit to the governor and legislature for each  
39 fiscal year no later than eight months after the close of the fiscal year  
40 a report of its operations and the operations of ASRS. The report shall  
41 follow generally accepted accounting principles and generally accepted  
42 financial reporting standards and shall include:

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

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

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

6           4. An estimate of the aggregate fees paid for private equity  
7 investments, including management fees and performance fees.

8           I. The board shall:

9           1. Prepare and publish a synopsis of the annual report for the  
10 information of ASRS members.

11           2. Contract for a study of the mortality, disability, service and  
12 other experiences of the members and employers participating in ASRS. The  
13 study shall be conducted for fiscal year 1990-1991 and for at least every  
14 fifth fiscal year thereafter. A report of the study shall be completed  
15 within eight months after the close of the applicable fiscal year and  
16 shall be submitted to the governor and the legislature.

17           3. Conduct an annual actuarial valuation of ASRS assets and  
18 liabilities.

19           J. The auditor general may make an annual audit of ASRS and  
20 transmit the results to the governor and the legislature.

**APPROVED BY THE GOVERNOR MARCH 29, 2017.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 29, 2017.**

Passed the House March 23, 20 17,

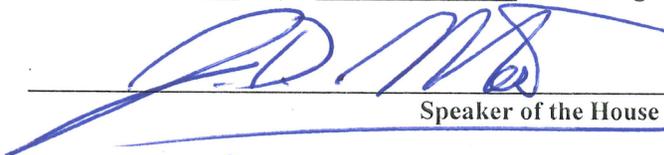
Passed the Senate January 26, 20 17,

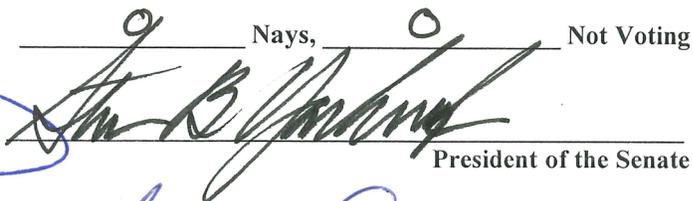
by the following vote: 55 Ayes,

by the following vote: 30 Ayes,

0 Nays, 5 Not Voting

9 Nays, 0 Not Voting

  
Speaker of the House

  
President of the Senate

  
Chief Clerk of the House

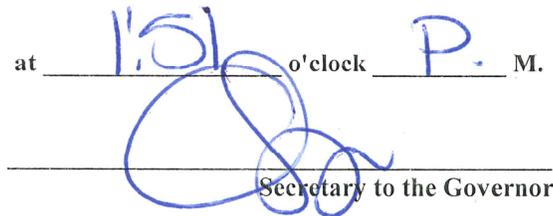
  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

27 day of March, 20 17,

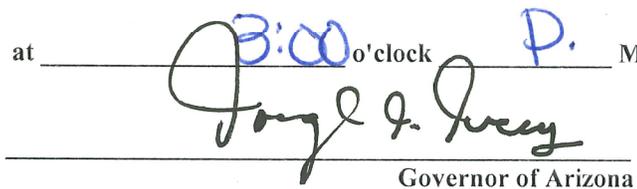
at 1:51 o'clock P. M.

  
Secretary to the Governor

Approved this 29<sup>th</sup> day of

March, 20 17,

at 3:00 o'clock P. M.

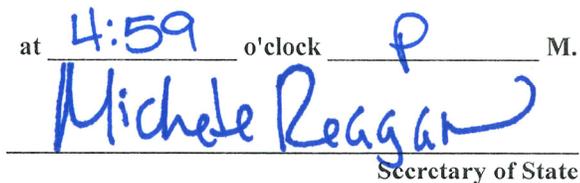
  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 29 day of March, 20 17,

at 4:59 o'clock P. M.

  
Secretary of State

S.B. 1053