

House Engrossed

FILED

MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-third Legislature
First Regular Session
2017

CHAPTER 323

HOUSE BILL 2372

AN ACT

AMENDING TITLE 41, CHAPTER 6, ARTICLE 7.2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1080.01; AMENDING SECTION 46-201, ARIZONA REVISED STATUTES; AMENDING TITLE 46, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 46-219; AMENDING SECTIONS 46-294 AND 46-297, ARIZONA REVISED STATUTES; AMENDING TITLE 46, CHAPTER 2, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 46-297.01 AND 46-297.02; AMENDING SECTIONS 46-299 AND 46-300, ARIZONA REVISED STATUTES; AMENDING TITLE 46, CHAPTER 2, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 46-300.07; RELATING TO PUBLIC BENEFITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Heading change

3 The article heading of title 41, chapter 6, article 7.2, Arizona
4 Revised Statutes, is changed from "LICENSING ELIGIBILITY" to "LICENSING
5 REQUIREMENTS".

6 Sec. 2. Title 41, chapter 6, article 7.2, Arizona Revised Statutes,
7 is amended by adding section 41-1080.01, to read:

8 41-1080.01. Licensing fees; waiver; definitions

9 A. EXCEPT FOR AN INDIVIDUAL WHO APPLIES FOR A LICENSE PURSUANT TO
10 TITLE 36, CHAPTER 4, ARTICLE 10 OR CHAPTER 28.1, AN AGENCY SHALL WAIVE ANY
11 FEE CHARGED FOR AN INITIAL LICENSE FOR ANY INDIVIDUAL APPLICANT WHOSE
12 FAMILY INCOME DOES NOT EXCEED TWO HUNDRED PERCENT OF THE FEDERAL POVERTY
13 GUIDELINES IF THE INDIVIDUAL IS APPLYING FOR THAT SPECIFIC LICENSE IN THIS
14 STATE FOR THE FIRST TIME.

15 B. FOR THE PURPOSES OF THIS SECTION, "AGENCY" AND "LICENSE" HAVE
16 THE SAME MEANINGS PRESCRIBED IN SECTION 41-1080.

17 Sec. 3. Section 46-201, Arizona Revised Statutes, is amended to
18 read:

19 46-201. Application for assistance; notice of penalties

20 A. Application for any form of assistance or service under this
21 title shall be made to a department in this state as specified by the
22 program. The application shall be in writing or reduced to writing on
23 forms prescribed by the state department and shall include a statement
24 subscribed by the applicant certifying that the contents of the
25 application are true under penalty of perjury. The application shall bear
26 the applicant's signature, which may be electronic. The application shall
27 contain a statement of the amount of property both personal and real in
28 which the applicant has an interest and of all income that the applicant
29 has at the time of filing the application, and a statement of any property
30 assigned or transferred by the applicant within one year immediately
31 before filing the application for assistance, and any further information
32 prescribed by the state department.

33 B. The department shall use application forms that contain
34 appropriate notice of the penalties for fraud ~~and~~, INCLUDING NOTICE THAT
35 IT IS MANDATORY FOR A RECIPIENT TO COOPERATE WITH A FRAUD INVESTIGATION
36 AND THAT ANY FAILURE TO COOPERATE MAY RESULT IN A CASE CLOSURE AND THE
37 TERMINATION OF BENEFITS WITHIN TEN DAYS OF NOTICE OF THE TERMINATION FROM
38 THE DEPARTMENT. THE DEPARTMENT shall deliver to each recipient before the
39 first payment of assistance or delivery of service and each
40 redetermination thereafter a notice explaining what changes in
41 circumstances require written notification to the department pursuant to
42 section 46-213, subsection A.

1 Sec. 4. Title 46, chapter 2, article 1, Arizona Revised Statutes,
2 is amended by adding section 46-219, to read:

3 46-219. Supplemental nutrition assistance program:
4 eligibility after conviction; drug testing

5 A. NOTWITHSTANDING SECTION 13-3418 AND IF THE PERSON AGREES TO
6 RANDOM DRUG TESTING, A PERSON WHO IS CONVICTED AFTER AUGUST 22, 1996 OF A
7 FELONY OFFENSE THAT HAS AS AN ELEMENT OF THE OFFENSE THE USE OR POSSESSION
8 OF A CONTROLLED SUBSTANCE AS DEFINED IN 21 UNITED STATES CODE SECTION
9 802(6) MAY BE ELIGIBLE FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
10 IF THE PERSON MEETS AT LEAST ONE OF THE FOLLOWING CRITERION:

11 1. SUCCESSFULLY COMPLETES A SUBSTANCE ABUSE TREATMENT PROGRAM.

12 2. IS CURRENTLY ACCEPTED FOR TREATMENT IN A SUBSTANCE ABUSE
13 TREATMENT PROGRAM BUT IS SUBJECT TO A WAITING LIST TO RECEIVE AVAILABLE
14 TREATMENT, AND THE PERSON REMAINS ENROLLED IN THE TREATMENT PROGRAM AND
15 ENTERS THE TREATMENT PROGRAM AT THE FIRST AVAILABLE OPPORTUNITY.

16 3. IS CURRENTLY ACCEPTED FOR TREATMENT IN AND IS PARTICIPATING IN A
17 SUBSTANCE ABUSE TREATMENT PROGRAM.

18 4. IS DETERMINED BY A LICENSED MEDICAL PROVIDER TO NOT NEED
19 SUBSTANCE ABUSE TREATMENT.

20 5. IF APPLICABLE, IS IN COMPLIANCE WITH ALL TERMS OF PROBATION.

21 B. THE DEPARTMENT SHALL ADOPT RULES RELATED TO DRUG TESTING
22 PURSUANT TO THIS SECTION THAT INCLUDE MORE FREQUENT DRUG TESTING FOR
23 OFFENSES THAT OCCURRED WITHIN TWENTY-FOUR MONTHS OF THE DATE OF
24 APPLICATION.

25 Sec. 5. Section 46-294, Arizona Revised Statutes, is amended to
26 read:

27 46-294. Duration of assistance

28 A. A needy family is ineligible for a cash assistance grant awarded
29 under this article, except in case of hardship OR AS PROVIDED IN
30 SUBSECTION G OF THIS SECTION, if any of the following applies:

31 1. The needy family includes a head of household or the spouse of
32 the head of household who has received cash assistance for himself for a
33 total of twelve months.

34 2. The needy family includes a cash assistance ineligible parent or
35 the spouse of the ineligible parent who has received cash assistance on
36 behalf of an eligible dependent child for a total of twelve months.

37 3. The needy family includes an adult nonparent relative head of
38 household or the spouse of the adult nonparent relative head of household
39 who has received cash assistance on behalf of an eligible dependent child
40 for a total of twelve months.

41 B. The time limit prescribed in subsection A OF THIS SECTION
42 applies retroactively to cash assistance received under this article or
43 the Arizona works program on or after October 1, 2002. The time limit
44 applies regardless of:

45 1. Whether the twelve months are consecutive.

1 2. The source of funding for the program.
2 C. The twelve month time limit prescribed in this section does not
3 apply to child only cases.

4 D. In determining the number of months that assistance has been
5 received, the department shall disregard any month during which assistance
6 is received by:

7 1. A foster parent, an unrelated adult or a nonparent relative, in
8 a child only case.

9 2. An assistance unit during the time in which the assistance unit
10 resides on an Indian reservation in which the unemployment rate of the
11 adults residing on the Indian reservation exceeds fifty percent.

12 3. An assistance unit if the cash assistance grant is less than the
13 full monthly amount of cash assistance for which the assistance unit
14 qualifies based on the date of the application.

15 4. An adult recipient who as a minor child was not a head of
16 household or married to a head of household.

17 E. Except in case of hardship OR AS PROVIDED IN SUBSECTION G OF
18 THIS SECTION, an assistance unit in which any adult or minor parent of a
19 dependent child who is a head of household or married to a head of
20 household has received sixty months of assistance funded in whole or in
21 part by the temporary assistance for needy families block grant in this or
22 any other state or United States territory or from a tribal temporary
23 assistance for needy families program shall not be eligible to receive
24 under any circumstances more than sixty months of such assistance.

25 F. Consistent with the adopted state plan, cash assistance shall
26 terminate on July 1, 2016 for any family, without regard to whether the
27 family meets the financial criteria established for a needy family, that
28 has received twelve or more months of cash assistance as of that date.

29 G. A NEEDY FAMILY MAY RECEIVE CASH ASSISTANCE FOR AN ADDITIONAL
30 TWELVE MONTHS IF BOTH OF THE FOLLOWING APPLY:

31 1. THE HEAD OF HOUSEHOLD OR OTHER ADULT HOUSEHOLD MEMBER WHO IS
32 REQUIRED TO PARTICIPATE IN THE WORK PROGRAM IS IN FULL COMPLIANCE AND
33 REMAINS IN FULL COMPLIANCE WITH ALL WORK ACTIVITY REQUIREMENTS OF THE
34 PROGRAM.

35 2. EACH DEPENDENT CHILD IN THE ASSISTANCE UNIT, WHO IS REQUIRED TO
36 ATTEND SCHOOL PURSUANT TO SECTION 15-803, NOT INCLUDING CHILD ONLY CASES,
37 HAS A SCHOOL ATTENDANCE RECORD OF AT LEAST NINETY PERCENT UNLESS THE CHILD
38 WAS EXCUSED PURSUANT TO SECTION 15-802, SUBSECTION D, PARAGRAPH 1, 3, 5, 6
39 OR 7.

40 Sec. 6. Section 46-297, Arizona Revised Statutes, is amended to
41 read:

42 46-297. Electronic benefit transfers; prohibitions;
43 penalties; violation; classification; definitions

44 A. A head of household who receives cash assistance pursuant to
45 this ~~section~~ ARTICLE, or on behalf of another person, and any person

1 authorized by the head of household shall not conduct an electronic
2 benefit transfer card transaction at any of the following:

- 3 1. A liquor store.
- 4 2. A commercial horse racing or dog racing facility as defined in
5 section 5-101.
- 6 3. A casino, gambling casino or gaming establishment or a gaming
7 facility located on Indian lands pursuant to section 5-601.02.
- 8 4. An adult oriented entertainment establishment.
- 9 5. A medical marijuana dispensary.

10 B. IN ADDITION TO THE RESTRICTIONS PRESCRIBED IN SUBSECTION A OF
11 THIS SECTION, A HEAD OF HOUSEHOLD WHO RECEIVES CASH ASSISTANCE PURSUANT TO
12 THIS ARTICLE, OR ON BEHALF OF ANOTHER PERSON, AND ANY PERSON AUTHORIZED BY
13 THE HEAD OF HOUSEHOLD MAY NOT USE AN ELECTRONIC BENEFIT TRANSFER CARD TO
14 PURCHASE LOTTERY TICKETS.

15 ~~B.~~ C. It is unlawful for an adult oriented entertainment
16 establishment to operate on the licensed or permitted premises an
17 automatic teller machine or a point-of-sale terminal that accepts
18 electronic benefit transfer cards issued under this title or that
19 processes electronic benefit transfer card transactions. A violation of
20 this subsection is a license violation.

21 ~~C.~~ D. The department shall notify electronic benefit transfer card
22 recipients of the restrictions prescribed in ~~subsection A~~ of this section.

23 ~~D.~~ E. A person who violates subsection A, ~~or~~ B OR C of this
24 section is guilty of a class 1 misdemeanor.

25 ~~E.~~ F. For the purposes of this section:

26 1. "Adult oriented entertainment establishment" means an
27 entertainment business at which performers disrobe or perform in an
28 unclothed state.

29 2. Casino, gambling casino and gaming establishment do not include
30 either of the following:

31 (a) A grocery store that sells groceries, including staple foods,
32 and that is located in the same building or complex as a casino, gambling
33 casino or gaming establishment.

34 (b) Any other business that offers gambling or gaming activities
35 incidental to the principal purpose of the business.

36 3. "Electronic benefit transfer card transaction" means the use of
37 a credit or debit card service, automated teller machine or point-of-sale
38 terminal or access to an online system for the withdrawal of cash
39 assistance provided pursuant to this article or for the processing of a
40 payment for merchandise or a service from cash assistance provided
41 pursuant to this article.

42 4. "Liquor" means the following substances as defined in section
43 4-101:

- 44 (a) Beer.
- 45 (b) Wine.

1 (c) Distilled spirits.

2 (d) Spirituous liquor.

3 5. "Liquor store" means:

4 (a) A retail establishment that exclusively or primarily sells
5 liquor, but does not include a grocery store that sells both liquor and
6 groceries, including staple foods.

7 (b) An on-sale retailer as defined in section 4-101 if the on-sale
8 retailer sells liquor in the original container for consumption off
9 premises.

10 6. "Staple food" means food in any of the following categories
11 except accessory food items such as coffee, tea, cocoa, carbonated and
12 uncarbonated drinks, candy, condiments and spices:

13 (a) Meat, poultry or fish.

14 (b) Bread or cereals.

15 (c) Vegetables or fruits.

16 (d) Dairy products.

17 Sec. 7. Title 46, chapter 2, article 5, Arizona Revised Statutes,
18 is amended by adding sections 46-297.01 and 46-297.02, to read:

19 46-297.01. Electronic benefit transfer cards; replacements;
20 out-of-state spending; fraud investigation

21 A. THE DEPARTMENT SHALL SEND EACH RECIPIENT WHO REQUESTS TWO
22 REPLACEMENT CARDS WITHIN A TWELVE-MONTH PERIOD A LETTER INFORMING THE
23 RECIPIENT THAT ANOTHER REQUEST WILL INITIATE AN INVESTIGATION BY THE
24 DEPARTMENT TO DETERMINE WHETHER THERE IS FRAUD. IF A THIRD-PARTY VENDOR
25 IS ADMINISTERING REPLACEMENT CARDS DIRECTLY TO RECIPIENTS, THE VENDOR
26 SHALL NOTIFY THE DEPARTMENT AFTER A RECIPIENT REQUESTS A SECOND
27 REPLACEMENT CARD IN A TWELVE-MONTH PERIOD AND MAKES ANY SUBSEQUENT REQUEST
28 THEREAFTER.

29 B. AFTER A RECIPIENT'S REQUEST FOR A THIRD REPLACEMENT CARD WITHIN
30 ANY TWELVE-MONTH PERIOD, AND ANY SUBSEQUENT REQUEST THEREAFTER, THE
31 DEPARTMENT SHALL SCHEDULE AN INTERVIEW WITH THE RECIPIENT AND, IF THE
32 DEPARTMENT HAS BEEN GRANTED A WAIVER, DETERMINE WHETHER THERE IS FRAUD
33 BEFORE ISSUING A NEW CARD. THE RECIPIENT'S REQUEST FOR A FOURTH
34 REPLACEMENT CARD REQUIRES THE DEPARTMENT TO SCHEDULE AN INTERVIEW WITH THE
35 RECIPIENT TO DETERMINE WHETHER THERE IS FRAUD BEFORE ISSUING A NEW CARD.
36 THE DEPARTMENT SHALL REQUEST ANY NECESSARY FEDERAL WAIVERS TO COMPLY WITH
37 THIS SECTION.

38 C. IF A RECIPIENT USES MORE THAN TEN PERCENT OF THE RECIPIENT'S
39 ELECTRONIC BENEFIT TRANSFER CARD BALANCE IN A SIX-MONTH PERIOD ON
40 OUT-OF-STATE PURCHASES, THE DEPARTMENT SHALL SCHEDULE AN INTERVIEW WITH
41 THE RECIPIENT TO DETERMINE WHETHER THERE IS FRAUD.

42 46-297.02. Electronic benefit transfer card; spending report

43 A. THE DEPARTMENT SHALL POST ON THE DEPARTMENT'S WEBSITE A SPENDING
44 REPORT OF THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM AND TEMPORARY

1 ASSISTANCE FOR NEEDY FAMILIES BENEFIT. THE SPENDING REPORT SHALL INCLUDE
2 ALL OF THE FOLLOWING:

3 1. THE DOLLAR AMOUNT AND NUMBER OF TRANSACTIONS OF SUPPLEMENTAL
4 NUTRITION ASSISTANCE PROGRAM BENEFITS THAT ARE ACCESSED OR SPENT OUTSIDE
5 OF THIS STATE, DISAGGREGATED BY STATE.

6 2. THE DOLLAR AMOUNT AND NUMBER OF TRANSACTIONS OF TEMPORARY
7 ASSISTANCE FOR NEEDY FAMILIES BENEFITS THAT ARE ACCESSED OR SPENT OUTSIDE
8 OF THIS STATE, DISAGGREGATED BY STATE.

9 3. THE DOLLAR AMOUNT AND NUMBER OF TRANSACTIONS OF TEMPORARY
10 ASSISTANCE FOR NEEDY FAMILIES BENEFITS THAT ARE ACCESSED OR SPENT IN THIS
11 STATE, DISAGGREGATED BY RETAILER, INSTITUTION OR LOCATION.

12 B. THE SPENDING REPORT SHALL BE DE-IDENTIFIED TO PREVENT
13 IDENTIFICATION OF INDIVIDUAL RECIPIENTS.

14 C. THE DEPARTMENT SHALL PURGE THE SPENDING REPORT SIX MONTHS AFTER
15 THE REPORT IS ISSUED.

16 Sec. 8. Section 46-299, Arizona Revised Statutes, is amended to
17 read:

18 46-299. Jobs program; definition

19 A. As a condition of eligibility or continuing eligibility for cash
20 assistance, all recipients shall engage in work activities that are
21 established in this article and determined appropriate by the
22 department. An individual with a disability shall engage in work
23 activities as required by this subsection unless the individual with a
24 disability provides the department verification of a condition that meets
25 disability or temporary disability criteria established by the department.
26 The following individuals are temporarily deferred from the requirement to
27 engage in work activities:

28 1. A parent in a single parent family or a nonparent relative
29 personally caring for a child who is under ~~the age of~~ twelve months OF AGE
30 for a period of not more than twelve months in the recipient's
31 lifetime. This deferral does not apply to teenaged custodial parents who
32 do not have a high school diploma or its equivalent.

33 2. An unmarried custodial parent who is under eighteen years of age
34 and who is personally caring for a child who is under ~~the age of~~ twelve
35 weeks OF AGE.

36 3. An individual who provides verification acceptable to the
37 department that the individual is personally caring for the individual's
38 dependent who is a person with a disability and WHO IS unable to care for
39 himself.

40 4. Victims of domestic violence whose participation in work
41 activities causes an immediate threat to their own safety or the safety of
42 their children.

43 5. Dependent children as defined in this article.

44 B. To the extent that the state meets the federally required work
45 participation rates, unmarried custodial parents may attend

1 ~~a postsecondary educational program~~ EDUCATION DIRECTLY RELATED TO
2 EMPLOYMENT full time in lieu of standard work participation requirements.
3 The department may require additional work activities. FOR THE PURPOSES
4 OF THIS SUBSECTION, "EDUCATION DIRECTLY RELATED TO EMPLOYMENT" INCLUDES A
5 GENERAL EDUCATION DEVELOPMENT PROGRAM, A CAREER AND TECHNICAL EDUCATION
6 PROGRAM, AN ASSOCIATE DEGREE PROGRAM OR A POSTSECONDARY EDUCATION PROGRAM.

7 C. Teenaged heads of household who are under twenty years of age
8 and who have not attained their high school diploma or its equivalent are
9 required to either:

10 1. Maintain satisfactory attendance at a secondary school or the
11 equivalent.

12 2. Satisfactorily participate in education directly related to
13 employment at the level of participation established by the department.

14 D. The department may establish the minimum work participation
15 level required to meet the work requirements established in Public Law
16 104-193, section 407 (1996).

17 E. All cash assistance recipients, excluding dependent children,
18 shall complete a personal responsibility declaration.

19 F. All cash assistance recipients, excluding dependent children
20 complying with compulsory school requirements as prescribed in section
21 15-803, shall also participate in the development of an employment plan
22 and shall receive services in support of and as specified in that plan.

23 G. Participants who fail or refuse to engage in work activities as
24 required by the department are subject to the ~~progressive~~ GRADUATED
25 sanctions prescribed in section 46-300.

26 H. The department shall adopt rules that establish good cause
27 reasons that excuse the participant from engaging in work activities.

28 I. THE DEPARTMENT SHALL PROVIDE THE JOBS PROGRAM TO ELIGIBLE
29 FAMILIES TRANSITIONING OFF OF CASH ASSISTANCE DUE TO THE TIME LIMIT IF
30 NEEDED TO OBTAIN EMPLOYMENT, TO MAINTAIN EMPLOYMENT OR TO RECEIVE A HIGHER
31 LEVEL OF EMPLOYMENT. THE JOBS PROGRAM SHALL BE PROVIDED FOR UP TO TWELVE
32 MONTHS AFTER A CASH ASSISTANCE CASE CLOSURE.

33 J. FOR A PARTICIPANT TO QUALIFY FOR JOBS PROGRAM SERVICES AFTER A
34 CASH ASSISTANCE CASE CLOSURE, ALL OF THE FOLLOWING MUST APPLY:

35 1. THE CASH ASSISTANCE CASE WAS CLOSED DUE TO THE TIME LIMIT.

36 2. THE PARTICIPANT WAS ENROLLED IN THE JOBS PROGRAM AT THE TIME OF
37 CASE CLOSURE.

38 3. THE CASE WAS NOT IN A JOBS SANCTION AT THE TIME OF CLOSURE.

39 4. THE DEPARTMENT HAS SUFFICIENT MONIES TO PAY FOR ACTIVITIES OR
40 SERVICES.

41 ~~f.~~ K. This state shall provide workers' compensation coverage for
42 cash assistance recipients WHO ARE engaged in unpaid work experience or
43 community service programs as established in this article. The cost shall
44 be paid from the temporary assistance for needy families monies.

1 ~~+~~ L. The department may operate on a statewide basis a wage
2 subsidy program. Employers may hire recipients of cash assistance and
3 ~~food stamps~~ SUPPLEMENTAL NUTRITION ASSISTANCE for subsidized job slots
4 that are full time and that offer a reasonable possibility of unsubsidized
5 employment after the subsidy period. This program shall provide that:

6 1. Employers who operate an approved wage subsidy program shall
7 receive a subsidy for up to six months. The department may grant an
8 extension of three months to employers operating in areas identified as
9 having a higher unemployment rate than the state average, as defined by
10 the department, if the extension increases the likelihood of ongoing
11 unsubsidized employment for the subsidized employee.

12 2. The department shall ensure that subsidized jobs made available
13 to subsidized employees:

14 (a) Do not require work in excess of forty hours per week.

15 (b) Pay a wage that is substantially like the wage paid for similar
16 jobs with the employer with appropriate adjustments for experience and
17 training but not less than the federal minimum hourly wage.

18 (c) Do not impair an existing contract or collective bargaining
19 agreement.

20 (d) Do not displace currently employed workers or fill positions
21 that are vacant due to a layoff.

22 3. Wage subsidy employers shall:

23 (a) Maintain health, safety and working conditions at or above
24 levels generally acceptable in the industry and not less than those of
25 comparable jobs offered by the employer.

26 (b) Provide on-the-job training necessary for subsidized employees
27 to perform their duties.

28 (c) Sign an agreement for each placement outlining the specific job
29 offered to a subsidized employee and agree to abide by all of the
30 requirements of the program. All agreements shall contain a provision
31 that sets forth the employer's responsibility to repay subsidies paid
32 under this article if the employer violates program requirements.

33 (d) Provide workers' compensation coverage for each subsidized
34 employee they employ.

35 (e) Provide the subsidized employee with benefits equal to those
36 for new employees or as required by state and federal law, whichever is
37 greater. For THE purposes of this subdivision, "benefits" includes health
38 care coverage, paid sick leave and holiday and vacation pay.

39 4. Eligible subsidized employees are those who:

40 (a) Do not have sufficient work experience to obtain unsubsidized
41 employment.

42 (b) Have completed an employment preparation program.

43 (c) Are deemed able to benefit from this employment strategy by the
44 department.

45 5. The department shall:

1 (a) Disregard income earned by the subsidized employee in the
2 subsidized job when determining the household's eligibility for cash
3 assistance and ~~food stamps~~ THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

4 (b) Suspend regular payments of cash assistance and ~~food stamps~~
5 SUPPLEMENTAL NUTRITION ASSISTANCE to the household at the end of the
6 calendar month in which an employer makes the first subsidized wage
7 payment to a subsidized employee who is otherwise eligible to receive the
8 cash assistance and ~~food stamps~~ SUPPLEMENTAL NUTRITION ASSISTANCE.

9 (c) Reimburse employers each month, from cash assistance and ~~food~~
10 ~~stamps~~ THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM, the lesser of a
11 fixed subsidy amount determined by the department or the gross wages paid
12 to the subsidized employee.

13 (d) Determine eligibility for supplemental payments as follows:

14 (i) If the net monthly full-time wage paid to a subsidized employee
15 is less than the combined monthly total of the cash assistance and ~~food~~
16 ~~stamps~~ SUPPLEMENTAL NUTRITION ASSISTANCE the participant is eligible to
17 receive, the department shall authorize issuance of a supplemental cash
18 payment to compensate for the deficit. To determine if a deficit exists,
19 the department shall adopt, through rules, an equivalency scale that is
20 adjustable to household size and other factors. For THE purposes of this
21 item, "net monthly full-time wage" ~~refers to~~ MEANS a participant's wages
22 after required payroll deductions.

23 (ii) The department shall monthly determine and pay in advance
24 supplemental payments to eligible subsidized employees. In calculating
25 the payment, the department shall assume that the participant will work
26 forty hours per week during the month unless an employer provides
27 information that the number of hours to be worked by a subsidized employee
28 will be reduced.

29 ~~K.~~ M. For THE purposes of this section, "subsidized employee"
30 means an individual WHO IS engaged in this subsidized employment activity.

31 Sec. 9. Section 46-300, Arizona Revised Statutes, is amended to
32 read:

33 46-300. Sanctions

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

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

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

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

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

4 B. IN ADDITION TO SUBSECTION A OF THIS SECTION, THE DEPARTMENT
5 SHALL IMPOSE A SERIES OF GRADUATED SANCTIONS AS DESCRIBED IN SUBSECTION D
6 OF THIS SECTION IF EITHER OF THE FOLLOWING OCCURS:

7 1. THE RECIPIENT VOLUNTARILY TERMINATES PAID EMPLOYMENT WITHOUT
8 GOOD CAUSE AS SPECIFIED IN RULES ADOPTED BY THE DIRECTOR.

9 2. AN ADULT RECIPIENT USES, SELLS OR POSSESSES A CONTROLLED
10 SUBSTANCE IN VIOLATION OF TITLE 13 AS SPECIFIED IN RULES ADOPTED BY THE
11 DIRECTOR.

12 ~~B.~~ C. Noncompliance with one or more of the requirements listed in
13 subsection A of this section during any calendar month is deemed to be a
14 month of noncompliance and shall result in the sanctions prescribed in
15 subsection ~~C~~ D of this section. The department shall impose these
16 graduated sanctions even if the instances of noncompliance do not occur in
17 consecutive months.

18 ~~C.~~ D. The department shall impose the following sanctions:

19 1. For the first instance of noncompliance, the department shall
20 reduce the household's cash assistance grant by ~~twenty-five per cent~~ FIFTY
21 PERCENT for one month.

22 ~~2. For a second instance of noncompliance that occurs in a month
23 other than the month in which the first noncompliance occurred, the
24 department shall reduce the household's cash assistance grant by fifty per
25 cent for one month.~~

26 ~~3.~~ 2. For a ~~third~~ SECOND instance of noncompliance that occurs in
27 a month other than the month in which the ~~second~~ FIRST noncompliance
28 occurred and any instance of noncompliance thereafter, the department
29 shall terminate the household's cash assistance grant for at least one
30 month or until the household complies.

31 Sec. 10. Title 46, chapter 2, article 5, Arizona Revised Statutes,
32 is amended by adding section 46-300.07, to read:

33 46-300.07. Employment service contractors; success rate;
34 semiannual report

35 BEGINNING IN 2017, EACH EMPLOYMENT SERVICE CONTRACTOR SHALL REPORT
36 SEMIANNUALLY TO THE DIRECTOR, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,
37 THE PRESIDENT OF THE SENATE AND THE GOVERNOR, ON OR BEFORE DECEMBER 31 AND
38 JUNE 30 OF EACH YEAR, THE PERCENTAGE OF PERSONS PLACED IN JOBS BY THE
39 CONTRACTOR, THE PERCENTAGE OF PERSONS WHO HAVE RETAINED A JOB FOR MORE
40 THAN THREE MONTHS, THE AVERAGE WAGE PAID FOR ALL PERSONS EMPLOYED THROUGH
41 THE CONTRACTOR AND THE PERCENTAGE OF PERSONS RECEIVING HEALTH BENEFITS
42 THROUGH THEIR EMPLOYER. A COPY OF THE REPORT SHALL BE PROVIDED TO THE
43 SECRETARY OF STATE.

APPROVED BY THE GOVERNOR MAY 22, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 22, 2017.

Passed the House February 23, 20 17

by the following vote: 31 Ayes,

29 Nays, 0 Not Voting

[Signature]
Speaker of the House Pro Tempore

[Signature]
Chief Clerk of the House

Passed the Senate May 10, 20 17

by the following vote: 17 Ayes,

12 Nays, 1 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

11th day of May, 20 17

at 9:20 o'clock A. M.

[Signature]
Secretary to the Governor

Approved this 22nd day of

May 2017

at 4:40 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 22 day of May, 20 17

at 6:34 o'clock P. M.

[Signature]
Secretary of State

H.B. 2372