



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

May 31, 2019

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 1st Regular Session, which I signed on May 31st, 2019:

H.B. 2747 general appropriations act; 2019-2020. (Bowers)
H.B. 2748 capital outlay; appropriations; 2019-2020. (Bowers)
H.B. 2749 K-12 education; budget reconciliation; 2019-2020. (Cobb)
H.B. 2750 higher education; budget reconciliation; 2019-2020. (Cobb)
H.B. 2751 budget procedures; budget reconciliation; 2019-2020. (Cobb)
H.B. 2752 criminal justice; budget reconciliation; 2019-2020. (Bowers)
H.B. 2753 environment; appropriation; 2019-2020. (Bowers)
H.B. 2754 health; budget reconciliation; 2019-2020. (Cobb)
H.B. 2755 human services; budget reconciliation; 2019-2020. (Cobb)
H.B. 2756 revenue; budget reconciliation; 2019-2020. (Bowers)
H.B. 2757 tax provisions; omnibus. (Toma)

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed
FILED
KATIE HOBBS
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-fourth Legislature
First Regular Session
2019

CHAPTER 271
HOUSE BILL 2755

AN ACT

AMENDING TITLE 8, CHAPTER 4, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 8-530.02; AMENDING SECTIONS 25-528, 36-2960, 41-3955 AND 46-803, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO BUDGET RECONCILIATION FOR HUMAN SERVICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 8, chapter 4, article 4, Arizona Revised Statutes,
3 is amended by adding section 8-530.02, to read:

4 8-530.02. Child welfare; joint annual report

5 ON OR BEFORE FEBRUARY 1 EACH YEAR, THE ARIZONA EARLY CHILDHOOD
6 DEVELOPMENT AND HEALTH BOARD AND THE DEPARTMENT SHALL JOINTLY REPORT TO
7 THE JOINT LEGISLATIVE BUDGET COMMITTEE ON THEIR COLLABORATIVE EFFORTS TO
8 ADDRESS CHILD WELFARE ISSUES OF COMMON CONCERN DURING THE PRIOR YEAR. THE
9 REPORT SHALL INCLUDE INFORMATION ABOUT THE LEVEL OF COORDINATION AMONG THE
10 DEPARTMENT, THE ARIZONA EARLY CHILDHOOD DEVELOPMENT AND HEALTH BOARD AND
11 COMMUNITY GROUPS TO PROMOTE THE WELL-BEING OF CHILDREN AND FAMILIES THAT
12 ARE IDENTIFIED IN REPORTS OF ABUSE OR NEGLECT.

13 Sec. 2. Section 25-528, Arizona Revised Statutes, is amended to
14 read:

15 25-528. Title IV-D recipients; fee

16 A. If a recipient of title IV-D services receives at least ~~five~~
17 ~~hundred dollars~~ \$550 of support in a federal fiscal year and the recipient
18 has never received assistance under a state or tribal title IV-A program,
19 the department shall charge an annual fee ~~of twenty-five dollars~~ AS
20 PRESCRIBED IN 42 UNITED STATES CODE SECTION 654(6)(B)(ii), IN EFFECT ON
21 JANUARY 1, 2019, to the recipient of title IV-D services. The department
22 shall retain the fee from future collections of support once the threshold
23 of ~~five hundred dollars~~ \$550 has been met. If, after the threshold of
24 ~~five hundred dollars~~ \$550 has been met, no further support collections are
25 received or less than ~~twenty-five dollars~~ \$35 is received, the department
26 may charge the fee to the recipient of services after notice advising the
27 recipient of the deadline for payment of the fee. If the recipient does
28 not pay the fee by the deadline, the department may retain the fee from
29 future collections of support.

30 B. Notwithstanding subsection A of this section, if a foreign
31 country has requested enforcement of a support order in any title IV-D
32 case, the department shall charge the annual fee ~~of twenty-five dollars~~
33 PRESCRIBED IN SUBSECTION A OF THIS SECTION to the obligor.

34 C. The department shall transmit to the federal government its
35 portion of each fee withheld pursuant to subsections A and B of this
36 section and shall deposit, pursuant to sections 35-146 and 35-147, the
37 remainder in a child support enforcement administration fund.

38 Sec. 3. Section 36-2960, Arizona Revised Statutes, is amended to
39 read:

40 36-2960. Persons with developmental disabilities;
41 cost-effectiveness study rate; report

42 ~~A.~~ The department shall annually determine the ~~cost-effective~~
43 COST-EFFECTIVENESS study rate for persons who are receiving developmental
44 disability services pursuant to chapter 5.1 of this title and provide that
45 rate to the Arizona health care cost containment system administration.

1 On or before June 15 of each year, the department shall report to the
2 joint legislative budget committee the ~~cost-effective~~ COST-EFFECTIVENESS
3 study rate for persons receiving developmental disability services that
4 was determined for the subsequent fiscal year.

5 ~~B. The legislature shall annually adjust, according to the average~~
6 ~~annual percentage change in the metropolitan Phoenix-Mesa consumer price~~
7 ~~index published by the United States department of labor, bureau of labor~~
8 ~~statistics, the appropriation made in the previous fiscal year to the~~
9 ~~department of economic security to provide services for persons with~~
10 ~~developmental disabilities whose service costs exceed the current~~
11 ~~cost-effective study rate.~~

12 Sec. 4. Section 41-3955, Arizona Revised Statutes, is amended to
13 read:

14 41-3955. Housing trust fund; purpose; annual report

15 A. The housing trust fund is established, and the director shall
16 administer the fund. The fund consists of monies from unclaimed property
17 deposited in the fund pursuant to section 44-313, monies transferred
18 pursuant to section 35-751 and investment earnings.

19 B. On notice from the department, the state treasurer shall invest
20 and divest monies in the fund as provided by section 35-313, and monies
21 earned from investment shall be credited to the fund.

22 C. EXCEPT AS PROVIDED IN SUBSECTION D OF THIS SECTION, fund monies
23 shall be spent on approval of the department for developing projects and
24 programs connected with providing housing opportunities for low and
25 moderate income households and for housing affordability programs.
26 Pursuant to section 44-313, subsection A, a portion of fund monies shall
27 be used exclusively for housing in rural areas.

28 D. FUND MONIES MAY BE SPENT ON CONSTRUCTING OR RENOVATING
29 FACILITIES AND ON HOUSING ASSISTANCE, INCLUDING SUPPORT SERVICES, FOR
30 PERSONS WHO HAVE BEEN DETERMINED TO BE SERIOUSLY MENTALLY ILL AND TO BE
31 CHRONICALLY RESISTANT TO TREATMENT.

32 ~~D.~~ E. FOR THE PURPOSES OF SUBSECTION C OF THIS SECTION, in
33 approving the expenditure of monies, the director shall give priority to
34 funding projects that provide for operating, constructing or renovating
35 facilities for housing for ~~low income~~ LOW-INCOME families and that provide
36 housing and shelter to families that have children.

37 ~~E.~~ F. The director shall report annually to the legislature on the
38 status of the housing trust fund. The report shall include a summary of
39 facilities for which funding was provided during the preceding fiscal year
40 and shall show the cost and geographic location of each facility and the
41 number of individuals benefiting from the operation, construction or
42 renovation of the facility. THE REPORT SHALL ALSO INCLUDE THE NUMBER OF
43 INDIVIDUALS WHO BENEFIT FROM HOUSING ASSISTANCE PURSUANT TO SUBSECTION D
44 OF THIS SECTION. The report shall be submitted to the president of the
45 senate and the speaker of the house of representatives, ~~no~~ AND A COPY

1 PROVIDED TO THE SECRETARY OF STATE, NOT later than September 1 of each
2 year.

3 ~~F.~~ G. Monies in the housing trust fund are exempt from the
4 provisions of section 35-190 relating to lapsing of appropriations.

5 ~~G.~~ H. An amount not to exceed ten percent of the housing trust
6 fund monies may be appropriated annually by the legislature to the
7 department for administrative costs in providing services relating to the
8 housing trust fund.

9 ~~H.~~ I. For any construction project financed by the department
10 pursuant to this section, the department shall notify a city, town, county
11 or tribal government that a project is planned for its jurisdiction and,
12 before proceeding, shall seek comment from the governing body of the city,
13 town, county or tribal government or an official authorized by the
14 governing body of the city, town, county or tribal government. The
15 department shall not interfere with or attempt to override the local
16 jurisdiction's planning, zoning or land use regulations.

17 Sec. 5. Section 46-803, Arizona Revised Statutes, is amended to
18 read:

19 46-803. Eligibility for child care assistance

20 A. The department shall provide child care assistance to eligible
21 families who are attempting to achieve independence from the cash
22 assistance program and who need child care assistance in support of and as
23 specified in their personal responsibility agreement pursuant to chapters
24 1 and 2 of this title.

25 B. The department shall provide child care assistance to eligible
26 families who are transitioning off of cash assistance due to increased
27 earnings or child support income in order to accept or maintain
28 employment. Eligible families must request this assistance within six
29 months after the cash assistance case closure. Child care assistance may
30 be provided for up to twenty-four months after the case closure and shall
31 cease after a time period specified in rule by the department once the
32 family income exceeds one hundred sixty-five percent of the federal
33 poverty level but remains below eighty-five percent of the state median
34 income. If the family income exceeds eighty-five percent of the state
35 median income, child care assistance shall cease on notification by the
36 department.

37 C. The department shall provide child care assistance to eligible
38 families who are diverted from cash assistance pursuant to section 46-298
39 in order to obtain or maintain employment. Child care assistance may be
40 provided for up to twenty-four months after the case closure and shall
41 cease after a time period specified in rule by the department once the
42 family income exceeds one hundred sixty-five percent of the federal
43 poverty level but remains below eighty-five percent of the state median
44 income. If the family income exceeds eighty-five percent of the state

1 median income, child care assistance shall cease on notification by the
2 department.

3 D. The department may provide child care assistance to support
4 eligible families with incomes of one hundred sixty-five percent or less
5 of the federal poverty level at the time of application to accept or
6 maintain employment. Child care assistance shall cease after a time
7 period specified in rule by the department once the family income exceeds
8 one hundred sixty-five percent of the federal poverty level but remains
9 below eighty-five percent of the state median income. If the family income
10 exceeds eighty-five percent of the state median income, child care
11 assistance shall cease on notification by the department. Priority for
12 this child care assistance shall be given to families with incomes of one
13 hundred percent or less of the federal poverty level.

14 E. The department may provide child care assistance to families
15 referred by the department of child safety and to children in foster care
16 pursuant to title 8, chapter 4 to support child protection.

17 F. The department may provide child care assistance to special
18 circumstance families whose incomes are one hundred sixty-five percent or
19 less of the federal poverty level at the time of application and who are
20 unable to provide child care for a portion of a ~~twenty-four hour~~
21 TWENTY-FOUR-HOUR day due to a crisis situation of domestic violence or
22 homelessness, or a physical, mental, emotional or medical condition,
23 participation in a drug treatment or drug rehabilitation program or ~~court~~
24 ~~ordered~~ COURT-ORDERED community restitution. Child care assistance shall
25 cease after a time period specified in rule by the department once the
26 family income exceeds one hundred sixty-five percent of the federal
27 poverty level but remains below eighty-five percent of the state median
28 income. If the family income exceeds eighty-five percent of the state
29 median income, child care assistance shall cease on notification by the
30 department. Priority for this child care assistance shall be given to
31 families with incomes of one hundred percent or less of the federal
32 poverty level.

33 G. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE
34 DEPARTMENT MAY REDUCE MAXIMUM INCOME ELIGIBILITY LEVELS FOR CHILD CARE
35 ASSISTANCE IN ORDER TO MANAGE WITHIN APPROPRIATED AND AVAILABLE MONIES.
36 THE DEPARTMENT SHALL NOTIFY THE JOINT LEGISLATIVE BUDGET COMMITTEE OF ANY
37 CHANGE IN MAXIMUM INCOME ELIGIBILITY LEVELS FOR CHILD CARE ASSISTANCE
38 WITHIN FIFTEEN DAYS AFTER IMPLEMENTING THE CHANGE.

39 ~~G.~~ H. In lieu of the employment activity required in subsection B,
40 C or D of this section, the department may allow eligible families with
41 teenaged custodial parents under twenty years of age to complete a high
42 school diploma or its equivalent or engage in remedial education
43 activities reasonably related to employment goals.

1 ~~H.~~ I. The department may provide supplemental child care
2 assistance for ~~department approved~~ DEPARTMENT-APPROVED education and
3 training activities if the eligible parent, legal guardian or caretaker
4 relative is working at least a monthly average of twenty hours per week
5 and ~~this~~ THE education and training are reasonably related to employment
6 goals. The eligible parent, legal guardian or caretaker relative must
7 demonstrate satisfactory progress in the education or training activity.

8 ~~I.~~ J. The department shall establish waiting lists for child care
9 assistance and prioritize child care assistance for different eligibility
10 categories in order to manage within appropriated and available monies.
11 Priority of children on the waiting list shall start with those families
12 at one hundred percent of the federal poverty level and continue with each
13 successive ten percent increase in the federal poverty level until the
14 maximum allowable federal poverty level of one hundred sixty-five percent.
15 Priority shall be given regardless of time spent on the waiting list.

16 ~~J.~~ K. The department shall establish criteria for denying,
17 reducing or terminating child care assistance that include:

18 1. Whether there is a parent, legal guardian or caretaker relative
19 available to care for the child.

20 2. Financial or programmatic eligibility changes or ineligibility.

21 3. Failure to cooperate with the requirements of the department to
22 determine or redetermine eligibility.

23 4. Hours of child care need that fall within the child's compulsory
24 academic school hours.

25 5. Reasonably accessible and available publicly funded early
26 childhood education programs.

27 6. Whether an otherwise eligible family has been sanctioned and
28 cash assistance has been terminated pursuant to chapter 2 of this title.

29 7. Other circumstances of a similar nature.

30 8. Whether sufficient monies exist for the assistance.

31 ~~K.~~ L. Families receiving child care assistance under subsection D
32 or F of this section are also subject to the following requirements for
33 that child care assistance:

34 1. Each child is limited to ~~no~~ NOT more than sixty cumulative
35 months of child care assistance. The department may provide an extension
36 if the family can prove that the family is making efforts to improve
37 skills and move towards self-sufficiency.

38 2. Families are limited to ~~no~~ NOT more than six children receiving
39 child care assistance.

40 3. Copayments shall be imposed for all children receiving child
41 care assistance. Copayments for each child may be higher for the first
42 child in child care than for additional children in child care.

1 ~~l.~~ M. The department shall review each case ~~no~~ NOT more than once
2 a year to evaluate eligibility for child care assistance.

3 ~~m.~~ N. The department shall report on December 31 and June 30 of
4 each year to the joint legislative budget committee the total number of
5 families who applied for child care assistance and the total number of
6 families who were denied assistance under this section because the
7 parents, legal guardians or caretaker relatives who applied for assistance
8 were not citizens or legal residents of the United States or were not
9 otherwise lawfully present in the United States.

10 ~~n.~~ O. This section shall be enforced without regard to race,
11 religion, gender, ethnicity or national origin.

12 ~~o.~~ P. The department shall refer all child care subsidy recipients
13 to child support enforcement and to local workforce services and provide
14 information on the earned income tax credit.

15 Sec. 6. Department of economic security; special
16 administration fund; fiscal year 2019-2020

17 Notwithstanding section 23-706, Arizona Revised Statutes, the
18 department of economic security may use the amount appropriated to the
19 department in fiscal year 2019-2020 from the special administration fund
20 established by section 23-705, Arizona Revised Statutes, for domestic
21 violence prevention and cost-effectiveness study client services.

22 Sec. 7. Department of economic security; drug testing; TANF
23 cash benefits recipients

24 During fiscal year 2019-2020, the department of economic security
25 shall screen and test each adult recipient who is otherwise eligible for
26 temporary assistance for needy families cash benefits and who the
27 department has reasonable cause to believe engages in the illegal use of
28 controlled substances. Any recipient who is found to have tested positive
29 for the use of a controlled substance that was not prescribed for the
30 recipient by a licensed health care provider is ineligible to receive
31 benefits for a period of one year.

APPROVED BY THE GOVERNOR MAY 31, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 31, 2019.

Passed the House May 24, 20 19

Passed the Senate May 27, 20 19

by the following vote: 31 Ayes,

by the following vote: 16 Ayes,

29 Nays, 0 Not Voting

13 Nays, 1 Not Voting

[Signature]
Speaker of the House

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House Pro Tempore

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

27th day of May, 20 19

at 9:25 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 31st day of

May 2019

at 8:20 o'clock A 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 May, 20 19

at 8:42 o'clock A. M.

[Signature]
Secretary of State

H.B. 2755