



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

March 23, 2020

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, 2nd Regular Session, which I signed on March 23rd, 2020:

H.B. 2096 security guard registration; discharged veterans (Lawrence)
H.B. 2109 unification; consolidation; notice; ballot language (Udall)
H.B. 2217 outdoor recreation coordinating commission; continuation (Griffin)
H.B. 2230 justice court; jurisdiction; crimes (Allen, J.)
H.B. 2244 AHCCCS; dental services; Native Americans (Shope)
H.B. 2249 personal representatives; funeral directors; prohibition (Bolick)
H.B. 2406 state treasurer; financial services (Cobb)
H.B. 2407 appropriations; named claimants (Cobb)
H.B. 2601 residential utility consumer office; continuation (Roberts)
H.B. 2618 department of water resources; continuation (Griffin)
H.B. 2695 TANF; financial literacy education (Nutt)

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
Second Regular Session
2020

CHAPTER 19
HOUSE BILL 2406

AN ACT

AMENDING SECTION 35-315, ARIZONA REVISED STATUTES; RELATING TO THE STATE
MANAGEMENT OF PUBLIC MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 35-315, Arizona Revised Statutes, is amended to
3 read:

4 35-315. Servicing banks; qualifications; proposals;
5 definitions

6 A. Any bank that is eligible to become an eligible depository
7 having a total capital structure of \$10,000,000 or more and assets of
8 \$100,000,000 or more and that is otherwise in a sound condition is
9 eligible to be the servicing bank for the state.

10 B. The state board of investment shall provide for public notice to
11 the banks qualified to be a servicing bank of the time and place at which
12 servicing proposals will be received. Requests for proposals shall
13 clearly specify all services required to be performed by the servicing
14 bank. The servicing proposal submitted shall be the compensation for
15 which the qualified bank will agree to perform the required services as a
16 servicing bank for the ensuing period of designation as established by the
17 board of investment. The award shall be made for a period of not more
18 than five years and may be paid from state general fund interest earnings
19 according to rules adopted by the board of investment.

20 C. The state treasurer shall receive the servicing proposals in
21 writing. Only those proposals that conform to the specifications set
22 forth in the request for proposals shall be considered. The qualified
23 bank submitting the proposal with the highest value to this state, as
24 determined by the state treasurer and the board of investment, shall be
25 designated as the servicing bank. Designations shall be evidenced by the
26 signing of the final proposal by the state treasurer, the board of
27 investment and the designee bank. The state treasurer may maintain a bank
28 account in conjunction with the servicing bank account, which must always
29 have on deposit a sum of money approximating the average dollar value of
30 daily warrants paid by the bank the previous month.

31 D. The state treasurer may request and qualified banks may submit
32 proposals for any or all of the services required. The state treasurer
33 may specify differing contract periods for any of the services required.

34 E. The state treasurer or servicing bank may terminate a servicing
35 bank contract at any time after sixty days' prior written notice is given.

36 F. In addition to the services required of the servicing bank, the
37 state treasurer shall contract for all other ~~banking~~ FINANCIAL services
38 required by any state agency. A state agency shall not contract for
39 ~~banking~~ FINANCIAL services except with the written permission of the state
40 treasurer.

41 G. This section does not require the state treasurer to use a
42 servicing bank.

43 H. This section or the specifications set forth in the request for
44 proposals do not require the servicing bank to purchase warrants.

1 I. Deposits and withdrawals of monies shall be made by the state
2 treasurer on the servicing bank.
3 J. A MERCHANT SERVICER OR PAYMENT SERVICE PROVIDER MAY PROVIDE
4 PAYMENT PROCESSING AND GATEWAY SERVICES.
5 K. FOR THE PURPOSES OF THIS SECTION:
6 1. "FINANCIAL SERVICES" MEANS BANKING AND MERCHANT SERVICES
7 PROVIDED BY A BANK, CREDIT UNION, FINANCIAL INSTITUTION, FINANCIAL
8 SERVICES COMPANY OR FINANCIAL TECHNOLOGY COMPANY AND INCLUDES:
9 (a) ESTABLISHING BANK ACCOUNTS.
10 (b) DEPOSITORY SERVICES.
11 (c) ELECTRONIC PAYMENT SERVICES.
12 (d) PROVIDING MERCHANT CARD EQUIPMENT.
13 (e) PAYMENT PROCESSING AND GATEWAY SERVICES.
14 2. "PAYMENT PROCESSING AND GATEWAY SERVICES" MEANS A PAYMENT
15 GATEWAY THAT FACILITATES A PAYMENT TRANSACTION BY TRANSFERRING INFORMATION
16 BETWEEN A PAYMENT PORTAL, INCLUDING A WEBSITE, MOBILE PHONE OR INTERACTIVE
17 VOICE RESPONSE SERVICE, AND THE FRONT-END PROCESSOR OR ACQUIRING BANK.

APPROVED BY THE GOVERNOR MARCH 23, 2020.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 23, 2020.

Passed the House February 19, 2020

Passed the Senate March 16 2020

by the following vote: 60 Ayes,

by the following vote: 27 Ayes,

0 Nays, 0 Not Voting

0 Nays, 3 Not Voting

[Signature]

Speaker of the House

Pro Tempore

[Signature]
Chief Clerk of the House

[Signature]

President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

17th day of March, 2020

at 9:10 o'clock A M.

[Signature]
Secretary to the Governor

Approved this 23rd day of

March 2020

at 3:39 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 23 day of March, 2020

at 4:40 o'clock P M.

[Signature]
Secretary of State

H.B. 2406