

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
2016 LEGISLATIVE SESSION**

(52nd Legislature, 2nd Regular Session)
(**adjourned May 7, 2016**)

ENACTED BILLS ONLY

**Bills become law on August 6, 2016
(unless stated otherwise)**

To review a bill in its entirety, please visit
The State Legislature's Website: <http://www.azleg.gov/>

HB 2019 CREDITED SERVICE; MILITARY SERVICE PURCHASE

Members of the Elected Officials Retirement Plan, Public Safety Personnel Retirement System and Corrections Officer Retirement Plan are permitted to purchase credited service for periods of active military service if the member has at least 5 years of credited service with the applicable plan, decreased from 10 years. Retroactive to August 2, 2012 and until July 1, 2017, for PSPRS, EORP and CORP, the discount rate used by the actuary for the calculation of the actuarial present value of the projected benefits is an amount equal to the assumed rate of return that is prescribed by the PSPRS Board. AS SIGNED BY GOVERNOR.

Sponsor: Rep. Stevens

Current Action: Signed by the Governor, April 5, 2016. Chapter 90, Laws 2016.

HB 2074 PUBLIC SAFETY EMPLOYEES; OMNIBUS

Various changes relating to public safety employees. Neither a public entity nor a public employee is liable for an injury caused by a peace officer if the injury was caused by any act or omission while rendering emergency care at the scene of an emergency occurrence. Employees of "other members" (defined elsewhere in statute) of purpose of the Corrections Officer Retirement Plan are eligible to participate in the Firefighter, Peace Officer and Corrections Officer Cancer Insurance Policy Program. Retroactive to August 2, 2012, for the Public Safety Personnel Retirement System, the discount rate used by the actuary for the redemption calculation for prior service (which was enacted in 2012) must be used beginning January 1, 2018. AS SIGNED BY GOVERNOR.

Sponsor: Rep. Borrelli

Current Action: Signed by the Governor, May 11, 2016. Chapter 178, Laws 2016.

HB 2617 ISRAEL; BOYCOTTS; CONTRACTS; INVESTMENTS

“Public entities” (defined) are prohibited from entering into a contract with a company to acquire or dispose of services, supplies, information technology or construction unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of Israel. Some exceptions. By April 1 of each year, each "public fund" (defined as the State Treasurer or a retirement system) is required to prepare a list of “restricted companies” (defined as companies that boycott Israel) and post the list on its website. The State Treasurer and each retirement system are required to sell, redeem, divest or withdraw all direct holdings of a restricted company from the assets under their management in an orderly and fiducially responsible manner within three months after posting the list. Severability clause. AS SIGNED BY GOVERNOR.

Sponsor: Rep. Gowan

Current Action: Signed by the Governor March 17, 2016. Chapter 46, Laws 2016.

HB 2643 PSPRS; CORP; EORP; ADMINISTRATION CHANGES

Various changes relating to public retirement systems. For the Public Safety Personnel Retirement System and the Corrections Officer Retirement Plan, the alternate contribution rate is the portion of the individual employer’s total required contribution that is applied to the amortization of the unfunded actuarial accrued liability for the fiscal year, instead of to the total required contribution for all employers. For the Elected Officials’ Retirement Plan, a member who retires and who subsequently becomes an elected official, by election or appointment, is not considered reemployed by the same employer. AS SIGNED BY GOVERNOR.

Sponsor: Rep. Olson

Current Action: Signed by the Governor, May 17, 2016. Chapter 323, Laws 2016.

HB 2703 BUDGET; BRB; GOVERNMENT; FY2016-17

Makes various policy changes in the operation of state government that impact the budget. The State Board of Investment and State Treasurer are required to take all actions necessary for the distributions to be made from the State Trust Land Fund as required by the state Constitution and state statute. If the Board or the State Treasurer fails to perform those duties, the Governor, the Speaker of the House of Representatives or the President of the Senate is authorized to file an action with the Supreme Court to obtain a writ of mandamus or other appropriate action to compel performance of the Board’s or Treasurer’s duties. The information that the ASRS Board and PSPRS Board must include in their annual report to the Governor and the Legislature is expanded to include an estimate of the aggregate fees paid for private equity investments, including management fees and performance fees. Retroactive to July 1, 2015, the Arizona Medical Board is authorized to expend a supplemental appropriation from FY2014-15 in FY2015-16, but is prohibited from expending those monies after June 30, 2016. Makes a supplemental appropriation of \$300,000 from the general fund in FY2015-16 to the Emergency Management Assistance Compact Revolving Fund. AS SIGNED BY GOVERNOR.

Sponsor: Rep. Montenegro

Current Action: Signed by the Governor, May 10, 2016. Chapter 121, Laws 2016.

SB 1152 PSPRS; EORP; CORP; CONTINUATION

The statutory life of the Public Safety Personnel Retirement System Board of Trustees, which includes responsibility for the Elected Officials' Retirement Plan, Public Safety Personnel Retirement System, and Corrections Officer Retirement Plan, is extended eight years to July 1, 2024. Retroactive to July 1, 2016. AS SIGNED BY GOVERNOR.

Sponsor: Sen. Lesko

Current Action: Signed by the Governor May 17, 2016. Chapter 306, Laws 2016.

SB 1160 CORP; REVERSE DEFERRED RETIREMENT OPTION

The reverse deferred retirement option plan for members of the Corrections Officer Retirement Plan no longer terminates on June 30, 2016. Emergency clause. AS SIGNED BY GOVERNOR.

Sponsor: Sen. Smith

Current Action: Signed by the Governor, March 30, 2016. Chapter 74, Laws 2016.

SB 1428 PSPRS MODIFICATIONS

Various changes to statutes relating to the Public Safety Personnel Retirement System. Establishes a method for determining the employer and member contributions to PSPRS for members hired on or after July 1, 2017. Modifies the definition of “average monthly benefit compensation” for the purpose of determining PSPRS retirement benefit amounts and the definition of “normal retirement” and applies these changes only to members hired on or after July 1, 2017. For members who are hired on or after July 1, 2017, the annual compensation of each member taken into account for purposes of the system cannot exceed \$110,000, decreased from \$200,000. Beginning in FY2020-21 and every third FY after, the PSPRS Board is required to adjust the annual compensation limit by the average change in the public safety wage index as determined by a specified method. Establishes retirement multipliers based on years of credited service for members who become a PSPRS member on or after July 1, 2017. Repeals statutes providing for benefit increases, and establishes cost-of-living adjustments for members hired on or before June 30, 2017, and for members hired on or after July 1, 2017. Increases the number of members of the PSPRS Board to nine, from seven, and modifies requirements for Board members. Establishes a 10-member PSPRS Advisory Committee. The PSPRS Board is required to establish a Public Safety Personnel Defined Contribution Plan (DC Plan) to provide for the retirement of specified participants beginning July 1, 2017. Establishes powers and duties of the Board for the DC Plan, and establishes member and employer contributions to the DC Plan. An employee who is hired on or after July 1, 2017 and who was not a member of the PSPRS on June 30, 2017 is eligible and may elect to participate in either the PSPRS or in the DC Plan, and the election made is irrevocable. The employee’s participation in either system begins 90 days after the date the employee is hired. Also establishes a DC Plan disability program. More. Conditionally enacted on the state Constitution being amended as prescribed by Senate concurrent resolution 1019 by vote of the people at the special election on May 17, 2016. Severability clause. AS SIGNED BY GOVERNOR.

Sponsor: Sen. Lesko

Current Action: Signed by the Governor, February 16, 2016. Chapter 2, Laws 2016.

SB 1429 PUBLIC RETIREMENT SYSTEMS; SPECIAL ELECTION

The purpose of the special election called by Laws 2015, first special session, chapter 2 is expanded to include proposed amendments to the state Constitution that are proposed by Senate concurrent resolution 1019 that provide for changes to public retirement systems. For the public retirement systems measure, the Legislative Council analysis and Joint Legislative Budget Committee fiscal impact statement summary, and any arguments for or against the measure must be submitted to the Secretary of State no later than February 23, 2016. Emergency clause. AS SIGNED BY GOVERNOR.

Sponsor: Sen. Lesko

Current Action: Signed by the Governor, February 16, 2016. Chapter 2, Laws 2016.