



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

House: GOV DPA 5-4-0-0

HB 2275: settlement agreements; report; approval

Sponsor: Representative Marshall, LD 7

Caucus & COW

Overview

Outlines requirements for a city, town or county to receive approval for a settlement agreement.

History

Current statute outlines the powers and duties of the Joint Legislative Audit Committee (JLAC) consisting of five members each of the Senate and the House of Representatives. JLAC is directed to oversee all audit functions of the Legislature and state agencies and require state agencies to comply with the findings and directions of JLAC ([A.R.S. § 41-1279](#)).

The Arizona Attorney General is charged with directing the department of law and serving as the chief legal officer of the state. The Attorney General is authorized to compromise or settle any action or claim by or against this state. If the settlement involves a particular agency, board or department, the settlement must be first approved by the agency, board or department. If no agency or department is named, the approval of the Governor must be first received ([A.R.S. § 41-192](#)).

Provisions

1. Directs a city, town or county, at least 90 days before entering into a settlement agreement that would cost \$500,000 or more to implement, to submit a settlement agreement report that describes the proposed terms to the:
 - a) President of the Senate;
 - b) Speaker of the House of Representatives; and
 - c) Attorney General. (Sec. 1, 2)
2. Mandates a city, town or county to submit a proposed settlement agreement to the Governor for approval before it is considered legally binding, if the settlement agreement would cost \$1,000,000 or more to implement. (Sec. 1, 2)
3. Requires the city, town or county to submit the settlement agreement to JLAC for review, if the Governor has approved the settlement agreement. (Sec. 1, 2)
4. Allows JLAC to recommend the city, town or county:
 - a) finalize the settlement agreement; or
 - b) amend the settlement agreement and resubmit the settlement agreement to the Governor for approval. (Sec. 1, 2)
5. Specifies that if a settlement agreement of a city, town or county is finalized and not approved by the Governor, the settlement agreement is not legally binding. (Sec. 1, 2)

6. Instructs a city, town or county to notify the general counsel of the Senate and the House of Representatives when settlement agreement negotiations have begun and update each general counsel of any developments in the negotiation process. (Sec. 1, 2)
7. Authorizes the general counsel of the Senate and the House of Representatives to attend any settlement agreement negotiation meetings. (Sec. 1, 2)
8. Declares that legally binding contracts entered into by a city, town or county are a matter of statewide concern. (Sec. 1, 2)
9. Requires the Attorney General, at least 90 days before entering into a settlement agreement, to submit a settlement agreement report to the President of the Senate and the Speaker of the House of Representatives describing the proposed terms. (Sec. 3)
10. Defines *settlement agreement* and *settlement agreement report*. (Sec. 1-3)
11. Makes technical changes. (Sec. 3)

Amendments

Committee on Government

1. Directs the settlement agreement that would cost more than \$1,000,000 to implement to be sent to the Joint Legislative *Budget* Committee for review and recommendations.
2. Specifies that the *majority* general counsels must be notified of settlement agreement negotiations.
3. Stipulates that the time period for the Attorney General to submit a settlement agreement report is 30 days before entering into a settlement agreement.

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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