



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature  
Second Regular Session

House: GOV DPA 5-4-0-0 | 3<sup>rd</sup> Read 31-27-1-0-1

Senate: GOV DP 4-2-2-0 | 3<sup>rd</sup> Read 16-13-1-0

Final Pass: 31-26-3-0

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## **HB 2275: settlement agreements; report; approval**

**Sponsor: Representative Marshall, LD 7**

**Vetoed**

### **Overview**

Outlines requirements for a city, town or county relating to settlement agreements.

### **History**

Current statute outlines the powers and duties of the Joint Legislative Budget Committee (JLBC) consisting of 16 members. JLBC has numerous powers and duties outlined in statute including to ascertain facts and make recommendations to the Legislature relating to the state budget, revenues and expenditures of the state (A.R.S. §§ [41-1271](#), [41-1272](#)).

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 is \$500,000 or more, to submit a settlement agreement report that describes the proposed terms to the:
  - a) Governor;
  - b) President of the Senate;
  - c) Speaker of the House of Representatives; and
  - d) Attorney General. (Sec. 1, 2)
2. Mandates a city, town or county to submit a proposed settlement agreement to JLBC for review and recommendations for amending before they enter into a settlement agreement that is \$1,000,000 or more. (Sec. 1, 2)
3. Specifies that if a settlement agreement of a city, town or county is finalized and not submitted to JLBC, the settlement agreement is not legally binding. (Sec. 1, 2)
4. Declares that legally binding contracts entered into by a city, town or county are a matter of statewide concern. (Sec. 1, 2)
5. Requires the Attorney General, at least 30 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)

6. Defines *settlement agreement* and *settlement agreement report*. (Sec. 1-3)
7. Makes technical changes. (Sec. 3)

Prop 105 (45 votes)     Prop 108 (40 votes)     Emergency (40 votes)     Fiscal Note