

LAWS OF ARIZONA

CHAPTER 142

Senate Bill 1068

AN ACT

RELATING TO STATE GOVERNMENT; ESTABLISHING A DEPARTMENT OF ECONOMIC SECURITY TO BE ADMINISTERED BY THE DIRECTOR; PROVIDING FOR A TRANSFER OF THE POWERS AND DUTIES OF THE EMPLOYMENT SECURITY COMMISSION AND ITS STATE EMPLOYMENT AND UNEMPLOYMENT COMPENSATION DIVISIONS, THE STATE DEPARTMENT OF PUBLIC WELFARE, THE DIVISION OF VOCATIONAL REHABILITATION, THE VETERANS' SERVICE COMMISSION, THE STATE OFFICE OF ECONOMIC OPPORTUNITY, THE APPRENTICESHIP COUNCIL AND THE STATE OFFICE OF MANPOWER PLANNING; ESTABLISHING AN ECONOMIC SECURITY COUNCIL; PROVIDING FOR THE ESTABLISHMENT OF A SECTION OF REHABILITATION FOR THE VISUALLY IMPAIRED AND A SECTION ON AGING; PROVIDING FOR A TRANSFER OF PROPERTY, RECORDS, FUNDS AND PERSONNEL; AMENDING TITLE 41, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 14; AMENDING SECTIONS 8-101, 8-126, 8-223, 8-224, 8-241, 8-501, 8-531, 8-546, 8-546.01, 8-546.03, 11-297, 12-902, 12-911, ARIZONA REVISED STATUTES; REPEALING SECTION 15-805, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-1091, 15-1181, 15-1182, 15-1183, 15-1184, 15-1185, 15-1186 AND 23-222, ARIZONA REVISED STATUTES; REPEALING SECTION 23-222.01, ARIZONA REVISED STATUTES; AMENDING TITLE 23, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 23-222.01; AMENDING SECTIONS 23-223, 23-224, 23-501, 23-502, 23-503, 23-507 AND 23-508, ARIZONA REVISED STATUTES; AMENDING TITLE 23, CHAPTER 4, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 23-609.01; AMENDING SECTIONS 23-611, 23-642, 23-648, 23-649, 23-671, 23-672, 23-673, 23-674, 23-704, 23-724, 23-732, 23-741, 23-772, 23-773, 23-774, 23-782, 36-715 AND 36-716, ARIZONA REVISED STATUTES; AMENDING SECTION 41-601, ARIZONA REVISED STATUTES, REPEALING SECTION 41-602, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 3, ARTICLE 7, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 41-602; AMENDING SECTIONS 41-603, 41-605, 41-606, 42-1341,

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46-101, 46-132, 46-134, 46-136, 46-137, 46-138, 46-140 AND 46-171, ARIZONA REVISED STATUTES; AMENDING TITLE 46, CHAPTER 1, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 7; AMENDING SECTIONS 46-201, 46-203, 46-204, 46-205, 46-207, 46-213, 46-214, 46-231, 46-232, 46-233, 46-251, 46-252, 46-261, 46-261.01, 46-261.04, 46-261.09, 46-261.10, 46-261.11, 46-271, 46-272, ARIZONA REVISED STATUTES; REPEALING SECTIONS 46-273 THROUGH 46-277, AND SECTIONS 46-279 THROUGH 46-281, ARIZONA REVISED STATUTES; AMENDING TITLE 46, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES; BY ADDING NEW SECTIONS 46-273 THROUGH 46-275; AMENDING TITLE 46, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 4.1; AMENDING SECTIONS 46-291, 46-292 AND 46-311, ARIZONA REVISED STATUTES; REPEALING SECTIONS 23-504, 23-505, 23-641, 23-643, 23-645, 23-646, 23-647, 23-650, 23-651, 23-653, 23-655, 23-681, 41-604, 46-111, 46-112, 46-113, 46-131, 46-139, 46-151, 46-152, 46-161, 46-162 AND 46-163, ARIZONA REVISED STATUTES, AND MAKING AN APPROPRIATION.

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

Section 1. Purpose

The purpose of this act is to provide an integration of direct services to the people of this state in a pattern that would reduce duplication of administrative efforts, services and expenditures. The department of economic security will provide the means by which people with multiple problems might find the solution to such problems in a single department's coordinated service. This act shall in no manner abridge the autonomy of the state, counties or municipalities in carrying out their authorized functions and responsibilities.

Sec. 2. Title 41, Arizona Revised Statutes, is amended by adding chapter 14, articles 1 through 3, to read:

CHAPTER 14.
DEPARTMENT OF ECONOMIC SECURITY
ARTICLE 1. GENERAL PROVISIONS

41-1951. Definitions

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

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1. "AGENCY" INCLUDES ONE OR MORE OF THE STATE AGENCIES CONSOLIDATED INTO THE DEPARTMENT OF ECONOMIC SECURITY BY THIS CHAPTER.

2. "COMPREHENSIVE PLAN" MEANS AN EVALUATION OF CLIENT NEEDS AND THE AVAILABILITY OF SERVICES TO MEET THESE NEEDS WITHIN THE STATE.

3. "COUNCIL" MEANS THE ECONOMIC SECURITY COUNCIL.

4. "DEPARTMENT" MEANS THE DEPARTMENT OF ECONOMIC SECURITY.

5. "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT OF ECONOMIC SECURITY.

6. "STATE PLAN" MEANS ANY OF THE SEVERAL STATE PLANS WHICH ESTABLISH THE FEDERAL-STATE CONTRACTUAL RELATIONSHIPS NECESSARY FOR FEDERAL FUNDING.

7. "COMMUNITY WORK AND TRAINING" MEANS WORK, TRAINING OR JOB DEVELOPMENT WHICH WILL BE PROVIDED THROUGH A PLAN JOINTLY ENTERED INTO BY THE DEPARTMENT AND AN AGENCY, DEPARTMENT, BOARD OR COMMISSION OF THE STATE OR FEDERAL GOVERNMENT, COUNTY, CITY, POLITICAL SUBDIVISION OR PRIVATE AGENCY. SUCH WORK, TRAINING OR JOB DEVELOPMENT WILL TAKE PLACE IN AND ABOUT PUBLIC OR PRIVATE WORKS OR IMPROVEMENTS AND WILL UTILIZE LABOR AND SERVICES REQUIRED TO BE PERFORMED WHERE FEASIBLE BY THOSE ELIGIBLE FOR THIS PROGRAM.

41-1952. **Department of economic security; director; search committee; appointment; compensation**

A. THERE IS ESTABLISHED A DEPARTMENT OF ECONOMIC SECURITY.

B. THE DIRECTION, OPERATION AND CONTROL OF THE DEPARTMENT IS THE RESPONSIBILITY OF THE DIRECTOR.

C. THE DIRECTOR SHALL BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE AND SHALL SERVE AT THE PLEASURE OF THE GOVERNOR.

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D. THE STATE PERSONNEL COMMISSION SHALL ASSIST THE GOVERNOR IN PREPARING A JOB DESCRIPTION FOR THE POSITION OF DIRECTOR AND RECRUITING CANDIDATES FOR THE POSITION. THE QUALIFICATIONS OF THE CANDIDATES SHALL BE REVIEWED BY A COMMITTEE OF SEVEN PERSONS SELECTED BY THE GOVERNOR. THE NAMES OF ALL THOSE CANDIDATES DETERMINED BY THE COMMITTEE TO BE QUALIFIED FOR THE POSITION SHALL BE SUBMITTED TO THE GOVERNOR FOR HIS CONSIDERATION. THE GOVERNOR MAY REQUEST ADDITIONAL NAMES FROM THE COMMITTEE IF HE DEEMS NECESSARY. FOR EACH SUBSEQUENT VACANCY IN THE POSITION OF DIRECTOR, A NEW COMMITTEE SHALL BE APPOINTED BY THE GOVERNOR AS PROVIDED HEREIN.

E. COMPENSATION FOR THE DIRECTOR SHALL BE ESTABLISHED PURSUANT TO SECTION 38-611.

41-1953. Department organization; deputy director; assistant directors

A. THE DIRECTOR MAY ESTABLISH, ABOLISH OR REORGANIZE THE POSITIONS OR ORGANIZATIONAL UNITS WITHIN THE DEPARTMENT TO CARRY OUT THE FUNCTIONS PROVIDED BY SECTION 41-1954, SUBJECT TO LEGISLATIVE APPROPRIATION, IF IN HIS JUDGMENT SUCH MODIFICATION OF ORGANIZATION WOULD MAKE THE OPERATION OF THE DEPARTMENT MORE EFFICIENT, EFFECTIVE OR ECONOMICAL. THE DIRECTOR OR HIS DEPUTY SHALL ENFORCE COOPERATION AMONG THE DIVISIONS IN THE PROVISIONS AND INTEGRATION OF ALL FUNCTIONS ON THE DISTRICT AND LOCAL LEVEL.

B. THERE SHALL BE A DEPUTY DIRECTOR OF THE DEPARTMENT WHO IS APPOINTED BY THE DIRECTOR WITH THE ADVICE AND CONSENT OF THE GOVERNOR. THE DEPUTY DIRECTOR SHALL SERVE AT THE PLEASURE OF THE DIRECTOR. THE DEPUTY DIRECTOR WILL BE DIRECTLY RESPONSIBLE FOR THE OPERATIONS AND COORDINATION OF THOSE SERVICES OF THE DEPARTMENT CONCERNING INITIAL INTAKE, SCREENING, EVALUATION AND REFERRAL OF PERSONS SERVED BY THE DEPARTMENT.

C. THE DIRECTOR SHALL APPOINT AN ASSISTANT DIRECTOR TO HEAD EACH ORGANIZATIONAL UNIT THAT THE DIRECTOR MAY ESTABLISH. EACH ASSISTANT DIRECTOR SHALL SERVE AT THE PLEASURE OF THE DIRECTOR.

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D. THE DEPARTMENT SUCCEEDS TO THE AUTHORITY, POWERS, DUTIES AND RESPONSIBILITIES OF THE FOLLOWING:

1. THE EMPLOYMENT SECURITY COMMISSION OF ARIZONA AND ITS ARIZONA STATE EMPLOYMENT SERVICE, UNEMPLOYMENT COMPENSATION AND ADMINISTRATIVE SERVICE DIVISIONS.

2. THE STATE DEPARTMENT OF PUBLIC WELFARE.

3. THE DIVISION OF VOCATIONAL REHABILITATION.

4. THE VETERANS' SERVICE COMMISSION.

5. THE STATE OFFICE OF ECONOMIC OPPORTUNITY.

6. THE APPRENTICESHIP COUNCIL.

7. THE STATE OFFICE OF MANPOWER PLANNING.

E. IN THE ARIZONA REVISED STATUTES, REFERENCES TO THE AGENCIES AND DEPARTMENTS LISTED IN SUBSECTION D SHALL BE DEEMED TO BE REFERENCES TO THE DEPARTMENT OF ECONOMIC SECURITY OR ITS APPROPRIATE DIVISIONS, OFFICES OR ORGANIZATIONAL UNITS.

41-1954. **Powers and duties**

IN ADDITION TO THE POWERS AND DUTIES OF THE AGENCIES LISTED IN SUBSECTION D OF SECTION 41-1953 THE DEPARTMENT SHALL:

1. ADMINISTER THE FOLLOWING SERVICES:

(a) EMPLOYMENT SERVICES, WHICH SHALL INCLUDE MANPOWER PROGRAMS AND WORK TRAINING, FIELD OPERATIONS, TECHNICAL SERVICES, UNEMPLOYMENT COMPENSATION, COMMUNITY WORK AND TRAINING AND OTHER RELATED FUNCTIONS IN FURTHERANCE OF PROGRAMS UNDER THE SOCIAL SECURITY ACT, AS AMENDED, THE WAGNER-PEYSER ACT, AS AMENDED, THE FEDERAL UNEMPLOYMENT TAX ACT, AS AMENDED, TITLE 33, U. S. CODE AND OTHER RELATED FEDERAL ACTS AND TITLES.

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(b) INDIVIDUAL AND FAMILY SERVICES, WHICH SHALL INCLUDE A SECTION ON AGING, SERVICES TO CHILDREN AND YOUTH AND OTHER RELATED FUNCTIONS IN FURTHERANCE OF SOCIAL SERVICE PROGRAMS UNDER THE SOCIAL SECURITY ACT, AS AMENDED, THE OLDER AMERICANS ACT, AS AMENDED, AND OTHER RELATED FEDERAL ACTS AND TITLES.

(c) INCOME MAINTENANCE SERVICES, WHICH SHALL INCLUDE CATEGORICAL ASSISTANCE PROGRAMS, SPECIAL SERVICES UNIT AND OTHER RELATED FUNCTIONS IN FURTHERANCE OF PROGRAMS UNDER THE SOCIAL SECURITY ACT, TITLE I, OLD AGE ASSISTANCE, TITLE IV, AID TO THE FAMILIES WITH DEPENDENT CHILDREN, TITLE X, AID TO THE BLIND, TITLE XIV, AID TO PERMANENTLY AND TOTALLY DISABLED, AS AMENDED, AND OTHER RELATED FEDERAL ACTS AND TITLES.

(d) REHABILITATION SERVICES WHICH SHALL INCLUDE VOCATIONAL REHABILITATION SERVICES AND SECTIONS FOR THE BLIND AND VISUALLY IMPAIRED, COMMUNICATION DISORDERS, CORRECTIONAL REHABILITATION AND OTHER RELATED FUNCTIONS IN FURTHERANCE OF PROGRAMS UNDER THE VOCATIONAL REHABILITATION ACT, AS AMENDED, THE RANDOLPH-SHEPPARD ACT, AS AMENDED, AND OTHER RELATED FEDERAL ACTS AND TITLES.

(e) ADMINISTRATIVE SERVICES, WHICH SHALL INCLUDE THE COORDINATION OF PROGRAM EVALUATION AND RESEARCH, INTERAGENCY PROGRAM COORDINATION AND IN-SERVICE TRAINING, PLANNING, GRANTS, DEVELOPMENT AND MANAGEMENT, INFORMATION, LEGISLATIVE LIAISON, BUDGET, LICENSING AND OTHER RELATED FUNCTIONS.

(f) MANPOWER PLANNING, WHICH SHALL INCLUDE A STATE MANPOWER PLANNING COUNCIL FOR THE PURPOSES OF THE FEDERAL-STATE-LOCAL COOPERATIVE MANPOWER PLANNING SYSTEM AND FURTHERANCE OF PROGRAMS UNDER THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED, PUBLIC LAW 90-636, 42 U.S. CODE 2571-2620, FEDERAL EXECUTIVE ORDER NO. 11422 DATED OCTOBER 15, 1968, AND OTHER RELATED FEDERAL ACTS AND TITLES.

(g) THE APPRENTICESHIP COUNCIL, WHICH SHALL INCLUDE RESPONSIBILITY FOR FUNCTIONS PRESCRIBED IN TITLE 23, CHAPTER 2, ARTICLE 2 AND FURTHERANCE OF PROGRAMS

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UNDER THE FITZGERALD ACT, PUBLIC LAW 308, 75TH CONGRESS, AS AMENDED AND OTHER RELATED FEDERAL ACTS AND TITLES.

(h) VETERANS' SERVICES, WHICH SHALL INCLUDE FUNCTIONS PRESCRIBED IN TITLE 41, CHAPTER 3, ARTICLE 7, AND FURTHERANCE OF PROGRAMS UNDER TITLE 38, U. S. CODE RELATING TO VETERANS' BENEFITS AND OTHER RELATED FEDERAL ACTS AND TITLES.

(i) ECONOMIC OPPORTUNITY SERVICES, WHICH SHALL INCLUDE THE FURTHERANCE OF PROGRAMS PRESCRIBED UNDER THE ECONOMIC OPPORTUNITY ACT OF 1967, AS AMENDED AND OTHER RELATED FEDERAL ACTS AND TITLES.

2. PROVIDE A COORDINATED SYSTEM OF INITIAL INTAKE, SCREENING, EVALUATION AND REFERRAL OF PERSONS SERVED BY THE DEPARTMENT.

3. ADOPT RULES AND REGULATIONS IT DEEMS NECESSARY OR DESIRABLE TO FURTHER THE OBJECTIVES AND PROGRAMS OF THE DEPARTMENT.

4. FORMULATE POLICIES, PLANS AND PROGRAMS TO EFFECTUATE THE MISSIONS AND PURPOSES OF THE DEPARTMENT.

5. EMPLOY, DETERMINE THE CONDITIONS OF EMPLOYMENT AND PRESCRIBE THE DUTIES AND POWERS OF ADMINISTRATIVE, PROFESSIONAL, TECHNICAL, SECRETARIAL, CLERICAL AND OTHER PERSONS AS MAY BE NECESSARY IN THE PERFORMANCE OF ITS DUTIES, AND CONTRACT FOR THE SERVICES OF OUTSIDE ADVISORS, CONSULTANTS AND AIDES AS MAY BE REASONABLY NECESSARY.

6. MAKE CONTRACTS AND INCUR OBLIGATIONS WITHIN THE GENERAL SCOPE OF ITS ACTIVITIES AND OPERATIONS SUBJECT TO THE AVAILABILITY OF FUNDS.

7. CONTRACT WITH OR ASSIST OTHER DEPARTMENTS, AGENCIES AND INSTITUTIONS OF THE STATE, LOCAL AND FEDERAL GOVERNMENTS IN THE FURTHERANCE OF ITS PURPOSES, OBJECTIVES AND PROGRAMS.

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8. BE DESIGNATED AS THE SINGLE STATE AGENCY FOR THE PURPOSES OF ADMINISTERING AND IN FURTHERANCE OF EACH FEDERALLY SUPPORTED STATE PLAN.

9. ACCEPT GRANTS, MATCHING FUNDS AND DIRECT PAYMENTS FROM PUBLIC OR PRIVATE AGENCIES FOR THE CONDUCT OF PROGRAMS WHICH ARE CONSISTENT WITH THE OVERALL PURPOSES AND OBJECTIVES OF THE DEPARTMENT.

10. PROVIDE INFORMATION AND ADVICE ON REQUEST BY LOCAL, STATE AND FEDERAL AGENCIES AND BY PRIVATE CITIZENS, BUSINESS ENTERPRISES AND COMMUNITY ORGANIZATIONS ON MATTERS WITHIN THE SCOPE OF ITS DUTIES SUBJECT TO THE DEPARTMENTAL RULES AND REGULATIONS ON THE CONFIDENTIALITY OF INFORMATION.

11. ESTABLISH AND MAINTAIN SEPARATE FINANCIAL ACCOUNTS AS REQUIRED BY FEDERAL LAW OR REGULATIONS.

12. ADVISE WITH AND MAKE RECOMMENDATIONS TO THE GOVERNOR AND THE LEGISLATURE ON ALL MATTERS CONCERNING ITS OBJECTIVES.

13. HAVE AN OFFICIAL SEAL WHICH SHALL BE JUDICIALLY NOTICED.

41-1955. **Duty of department concerning employment stabilization, income maintenance and manpower development**

THE DEPARTMENT, WITH THE ADVICE AND AID OF ITS ADVISORY COUNCILS, SHALL:

1. TAKE APPROPRIATE STEPS TO REDUCE AND PREVENT UNEMPLOYMENT AND DEPENDENCY, AND TO ASSIST IN ALLEVIATING THE ECONOMIC AND SOCIAL IMPACT OF UNEMPLOYMENT AND DEPENDENCY ON THE PERSON AND HIS FAMILY.

2. ENCOURAGE AND ASSIST IN THE ADOPTION OF PRACTICAL METHODS OF MANPOWER SERVICES, OCCUPATIONAL TRAINING, VOCATIONAL COUNSELING AND GUIDANCE, VOCATIONAL REHABILITATION AND RETRAINING, SUPPORTIVE SERVICES AND OTHER SUCH SERVICES THE DIRECTOR DEEMS APPROPRIATE.

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3. RESEARCH, RECOMMEND, ADVISE AND ASSIST IN THE ESTABLISHMENT OF COMMUNITY OR AREA FACILITIES, PUBLIC AND PRIVATE, OR BOTH, TO PROVIDE AN INTEGRATION OF DIRECT SERVICES AND PROGRAMS FOR THE DEVELOPMENT OF THE STATE'S MANPOWER AND THE REDUCTION OF DEPENDENCY.

4. PROMOTE THE EFFECTIVE UTILIZATION OF UNEMPLOYED AND UNDERUTILIZED WORKERS.

5. CARRY OUT AND PUBLISH THE RESULTS OF RESEARCH STUDIES FOR THE PURPOSE OF THIS CHAPTER.

41-1956. **State comprehensive plan**

THE DEPARTMENT SHALL ANNUALLY PREPARE A COMPREHENSIVE PLAN FOR THE STATE FOR THE PURPOSE OF GUIDING THE DEVELOPMENT, FUNDING AND IMPLEMENTATION OF PROGRAMS AND ACTIVITIES BY THE DEPARTMENT AND OTHER STATE PROGRAMS CONCERNED WITH SERVICE DEVELOPMENT, INTEGRATION AND UTILIZATION. THE PLAN SHALL DESCRIBE THE PRESENT AND PROJECTED NEEDS FOR DEVELOPMENT OF SUCH PROGRAMS AND SET FORTH THE LONG-RANGE PROGRAM OBJECTIVES. THE PLAN SHALL ALSO INCLUDE A DESCRIPTION OF THE CONTENT AND ALLOCATION OF STATE AND FEDERAL FUNDS TO ALL PROGRAMS, SERVICES AND ACTIVITIES TO BE CARRIED OUT UNDER THE PLAN DURING THE YEAR. THE DEPARTMENT SHALL INDICATE HOW AND TO WHAT EXTENT SUCH PROGRAMS, SERVICES AND ACTIVITIES WILL CARRY OUT THE PROGRAM OBJECTIVES SET FORTH IN THE LONG-RANGE PROGRAM PLAN. THE DEPARTMENT SHALL HOLD PUBLIC HEARINGS ON THE PLAN BEFORE ADOPTION OF SUCH PLAN.

41-1957. **State-federal cooperation**

A. SUBJECT TO THE DEPARTMENTAL RULES AND REGULATIONS ON THE CONFIDENTIALITY OF INFORMATION, UPON REQUEST, THE DEPARTMENT SHALL FURNISH TO ANY AGENCY OF THE UNITED STATES WHICH IS CHARGED WITH THE ADMINISTRATION OF PUBLIC WORKS OR ASSISTANCE THROUGH PUBLIC EMPLOYMENT THE NAME, ADDRESS, ORDINARY OCCUPATION AND EMPLOYMENT STATUS OF EACH RECIPIENT OF BENEFITS AND THE RECIPIENT'S RIGHTS TO FURTHER

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BENEFITS FROM PROGRAMS ADMINISTERED BY THE DEPARTMENT.

B. IN THE ADMINISTRATION OF THE PROVISIONS OF THE EXTENDED BENEFIT PROGRAM REQUIRED BY THE FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1970, THE DEPARTMENT SHALL TAKE SUCH ACTION AS MAY BE NECESSARY TO ENSURE THAT THE PROVISIONS ARE SO INTERPRETED AND APPLIED AS TO MEET THE REQUIREMENTS OF SUCH FEDERAL ACT AS INTERPRETED BY THE UNITED STATES DEPARTMENT OF LABOR, AND TO SECURE TO THIS STATE THE FULL REIMBURSEMENT OF THE FEDERAL SHARE OF EXTENDED BENEFITS PAID UNDER TITLE 23, CHAPTER 4, THAT ARE REIMBURSABLE UNDER THE FEDERAL ACT.

41-1958. **Acquisition of lands and buildings**

A. THE DIRECTOR MAY ACQUIRE FOR AND IN THE NAME OF THE STATE BY LEASE, LEASE PURCHASE AGREEMENT OR OTHERWISE LANDS OR BUILDINGS FOR THE PURPOSE OF PROVIDING OFFICE SPACE FOR THE DEPARTMENT AT SUCH PLACES AS THE DIRECTOR FINDS NECESSARY AND SUITABLE.

B. AN AGREEMENT MADE FOR THE LEASE OR PURCHASE OF THE PREMISES MENTIONED IN SUBSECTION A IS SUBJECT TO THE APPROVAL OF THE ATTORNEY GENERAL AND THE COMMISSIONER OF FINANCE.

41-1959. **Power to promulgate rules concerning confidential nature of records**

THE DEPARTMENT SHALL PROMULGATE SUCH RULES AND REGULATIONS REQUIRED BY FEDERAL LAW OR REGULATION OR THAT THE DEPARTMENT DEEMS NECESSARY TO PROTECT CONFIDENTIAL INFORMATION. NO NAMES OR OTHER INFORMATION OF ANY APPLICANT, CLAIMANT, RECIPIENT OR EMPLOYER SHALL BE MADE AVAILABLE FOR ANY POLITICAL, COMMERCIAL OR OTHER UNOFFICIAL PURPOSE.

41-1960. **Annual report**

THE DIRECTOR SHALL MAKE AN ANNUAL REPORT ON THE STATE'S ECONOMIC SECURITY NEEDS AND RESOURCES, INCLUDING THE USE, TRAINING AND PLACEMENT OF

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MANPOWER, AND HIS RECOMMENDATIONS FOR THE FORTHCOMING FISCAL YEAR FOR THE STATE'S DEVELOPMENT OF RELEVANT PROGRAMS. SUCH REPORT SHALL BE TRANSMITTED TO THE GOVERNOR AND LEGISLATURE BY THE END OF EACH CALENDAR YEAR.

41-1961. District offices; location; representatives

A. THE DEPARTMENT SHALL ESTABLISH AT LEAST SIX DISTRICT OFFICES, TO BE LOCATED IN AND SERVE THE VARIOUS RELATED GEOGRAPHICAL AREAS OF THE STATE. THE DISTRICTS SHALL HAVE COMMON BOUNDARIES FOR ALL SERVICES PROVIDED BY THE DEPARTMENT.

B. EACH DISTRICT OFFICE SHALL BE STAFFED BY A REPRESENTATIVE FROM EACH MAJOR ORGANIZATIONAL SERVICE UNIT OF THE DEPARTMENT. ONE OF THE REPRESENTATIVES SHALL BE DESIGNATED BY THE DIRECTOR TO COORDINATE THE DISTRICT OFFICE.

C. EACH DISTRICT OFFICE SHALL BE CONSIDERED AN OPERATIONS UNIT OF THE DEPARTMENT AND SHALL BE RESPONSIBLE FOR THE PLANNING, PROGRAMS, INTRA AND INTERAGENCY COORDINATION WITHIN THE DISTRICT AREA.

D. EACH DISTRICT OFFICE SHALL BE CREATED IN ADDITION TO ANY LOCAL OFFICES OF THE DEPARTMENT THAT MAY EXIST IN THE DISTRICT AREA.

41-1962. Conflict with federal law

WHERE ANY CONFLICT WITH FEDERAL LAW OCCURS CONCERNING THE PROGRAMS AND FUNCTIONS OF THE DEPARTMENT AS ESTABLISHED BY THE LAW OF THIS STATE, SUCH FEDERAL LAW SHALL CONTROL.

ARTICLE 2. ADVISORY COUNCILS

41-1981. Economic security council; special purpose councils

A. IN ORDER TO FORM A COUNCIL ADVISORY TO THE GOVERNOR AND THE DEPARTMENT AND REPRESENTATIVE OF THE NEEDS OF THE PEOPLE OF ARIZONA AND WITH RESPECT TO MANPOWER, ECONOMIC SECURITY, SOCIAL WELFARE AND

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VOCATIONAL REHABILITATION, THERE IS ESTABLISHED AN ECONOMIC SECURITY COUNCIL. THE ECONOMIC SECURITY COUNCIL SHALL ALSO SERVE THE REQUIREMENTS OF THE WAGNER-PEYSER ACT, AS AMENDED, THE SOCIAL SECURITY ACT, AS AMENDED, THE VOCATIONAL REHABILITATION ACT, AS AMENDED, THE MANPOWER DEVELOPMENT AND TRAINING ACT, AS AMENDED, THE VOCATIONAL EDUCATION ACT, AS AMENDED, THE ECONOMIC OPPORTUNITY ACT, AS AMENDED, AND FUTURE FEDERAL AND STATE LEGISLATION RELATING TO ECONOMIC SECURITY, FOR PLANNING, FUNDING OR IMPLEMENTING PROGRAMS RELATED TO SUCH ACTS.

B. THE GOVERNOR SHALL APPOINT THE MEMBERS OF THE COUNCIL. MEMBERSHIP SHALL CORRESPOND TO PERTINENT FEDERAL REGULATIONS CONCERNING ADVISORY AND PLANNING COUNCILS OR COMMITTEES. THE GOVERNOR SHALL ANNUALLY SELECT THE COUNCIL CHAIRMAN FROM THE MEMBERSHIP OF THE COUNCIL.

C. THE COUNCIL SHOULD HAVE EIGHTEEN MEMBERS REPRESENTING THE PUBLIC AND RELEVANT PROFESSIONAL, BUSINESS, MANUFACTURING, LABOR AND EDUCATIONAL ORGANIZATIONS.

D. COUNCIL MEMBERS SERVE FOR A TERM OF THREE YEARS, EXCEPT THAT THE MEMBERS INITIALLY APPOINTED SHALL BE APPOINTED FOR STAGGERED TERMS OF ONE, TWO AND THREE YEARS.

E. THE DIRECTOR SHALL ESTABLISH ANY SPECIAL PURPOSE COUNCILS AS ARE REQUIRED BY STATE OR FEDERAL LAW, RULES OR REGULATIONS OR DETERMINED TO BE ESSENTIAL TO THE PUBLIC'S INTEREST. SUCH COUNCILS SHALL INCLUDE, BUT NOT BE LIMITED TO, A REHABILITATION ADVISORY COUNCIL, AN INCOME MAINTENANCE ADVISORY COUNCIL, AN APPRENTICESHIP ADVISORY COUNCIL, AN INDIAN AFFAIRS ADVISORY COUNCIL, A VETERANS' ADVISORY COUNCIL. MEMBERSHIP QUALIFICATIONS SHALL BE IN ACCORDANCE WITH THE APPROPRIATE LAW, RULE OR REGULATION. THE DIRECTOR SHALL APPOINT, WITH THE APPROVAL OF THE GOVERNOR, THE MEMBERS OF EACH SUCH COUNCIL AFTER CONSULTATION WITH MEMBERS OF THE ECONOMIC SECURITY COUNCIL.

F. APPOINTMENT TO FILL A VACANCY ON THE COUNCIL OR ANY SPECIAL PURPOSE COUNCIL RESULTING FROM OTHER

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THAN EXPIRATION OF TERM SHALL BE FOR THE UNEXPIRED PORTION OF A TERM ONLY.

G. THE DEPARTMENT SHALL PROVIDE SECRETARIAL AND STAFF SUPPORT SERVICES TO THE COUNCILS.

H. THE MEMBERS OF THE ECONOMIC SECURITY COUNCIL SHALL RECEIVE COMPENSATION DETERMINED PURSUANT TO SECTION 38-611. THE MEMBERS OF ANY SPECIAL PURPOSE COUNCIL SHALL SERVE WITHOUT COMPENSATION, EXCEPT FOR TRAVEL AND SUBSISTENCE EXPENSES AS PROVIDED BY LAW FOR OTHER STATE OFFICERS AND EMPLOYEES.

ARTICLE 3. HEARINGS AND APPEALS

41-1991. Appeals; procedures

APPEALS HEARD BY THE DEPARTMENT SHALL BE CONDUCTED IN ACCORDANCE WITH THE PROVISIONS OF TITLE 41, CHAPTER 6, ARTICLE 1, EXCEPT AS OTHERWISE PROVIDED BY LAW.

41-1992. Hearing officers; powers and duties

A. THE DIRECTOR SHALL APPOINT HEARING OFFICERS WHO SHALL CONDUCT SUCH HEARINGS AS THE DIRECTOR MAY DETERMINE ARE NECESSARY IN ACCORDANCE WITH LAW.

B. WITHIN A REASONABLE TIME PRIOR TO THE DATE SET FOR THE HEARING ANY INTERESTED PARTY TO A HEARING BEFORE THE DEPARTMENT MAY FILE AN AFFIDAVIT FOR CHANGE OF HEARING OFFICER AGAINST ANY HEARING OFFICER OF THE DEPARTMENT HEARING SUCH MATTERS AND THE HEARING OFFICER SHALL IMMEDIATELY TRANSFER THE MATTER TO ANOTHER HEARING OFFICER OF THE DEPARTMENT WHO SHALL PRESIDE THEREIN. REASONABLE TIME SHALL BE ESTABLISHED BY REGULATION. NOT MORE THAN ONE CHANGE OF HEARING OFFICER SHALL BE GRANTED TO ANY ONE PARTY.

C. THE HEARING OFFICER SHALL SUBMIT A WRITTEN RECOMMENDATION WHICH SHALL INCLUDE PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW. THE RECOMMENDATION OF THE HEARING OFFICER MAY BE APPROVED BY THE DIRECTOR AS SUBMITTED OR MAY BE MODIFIED BY THE DIRECTOR. SUCH DECISION, WHEN APPROVED

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OR MODIFIED BY THE DIRECTOR AND ORDERED FILED IN HIS OFFICE, SHALL BE THE FINDING, ORDER OR DECISION OF THE DIRECTOR. IF THE DIRECTOR DECLINES TO APPROVE THE DECISION OF THE HEARING OFFICER, THE DIRECTOR MAY ORDER ANY FURTHER PROCEEDINGS HE DEEMS APPROPRIATE.

41-1993. **Judicial review; procedures; exception**

ANY PARTY AGGRIEVED BY A DECISION OF THE DIRECTOR, EXCEPT DECISIONS RELATING TO PUBLIC WELFARE PURSUANT TO TITLE 46, IS ENTITLED TO JUDICIAL REVIEW OF THE DECISION PURSUANT TO THE PROVISIONS OF TITLE 12, CHAPTER 7, ARTICLE 6.

41-1994. **Appeal from superior court**

AN AGGRIEVED PARTY MAY SECURE A REVIEW OF A FINAL JUDGMENT OF THE SUPERIOR COURT MADE AND ENTERED UNDER THIS ARTICLE, UNLESS PROHIBITED BY LAW. THE APPEAL SHALL BE TAKEN IN THE MANNER PROVIDED BY LAW FOR APPEALS FROM SUPERIOR COURT IN A CIVIL ACTION.

Sec. 3. Section 8-101, Arizona Revised Statutes, is amended to read:

8-101. **Definitions**

In this article, unless the context otherwise requires:

1. "Adult" means a person ~~twenty-one~~ EIGHTEEN years of age or older.
2. "Agency" is an agency licensed by the division to place children for adoption.
3. "Child" means any person under ~~twenty-one~~ EIGHTEEN years of age.
4. "Custody" means a status embodying the following rights and responsibilities:
 - (a) The right to have the physical possession of the child.
 - (b) The right and the duty to protect, train and discipline the child, and

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(c) The responsibility to provide the child with food, shelter, education and ordinary medical care, and the authority to consent to surgery or other extraordinary medical care in an emergency.

5. "Division" means the ~~division of children's services of the state department of welfare~~ ECONOMIC SECURITY. ~~when created and until such time, the state department of public welfare.~~

6. "Juvenile court" or "court" means the juvenile division of the superior court.

7. "Petitioner" includes both petitioners under a joint petition.

Sec. 4. Section 8-126, Arizona Revised Statutes, is amended to read:

8-126. Fees

A. When an application is filed with the court, an agency or the division for the adoption of a child, the court, the agency or division may require the applicant to pay to the court, the agency or division a fee based upon the cost of services rendered but not in excess of amounts established by the state department of ~~public welfare~~ ECONOMIC SECURITY. Inability of the adoptive applicant to pay all or any part of such fee shall not be a disqualifying factor in determining whether to place a child with the applicant. The court, the agency or division may defer, waive or reduce the fee when its application would cause any type of hardship to the adoptive parent or be detrimental to the welfare of the adoptive child. Persons receiving a child from an agency or the division for the purpose of adoption may receive compensation for the care, clothing and medical attention of the child.

B. All fees collected or received by the division ~~or by the county welfare department~~ shall be paid to the state general fund.

C. No person and no agency, association, corporation, institution, society or other organization, except as provided in subsections A and B, ~~of this section,~~ shall request, receive or accept any compensation or thing of value, directly or indirectly, for placing out of a child.

D. Any attorney licensed to practice in this state may perform legal services in an adoption proceeding if he does not receive any compensation or thing of value, directly or indirectly beyond a reasonable fee, approved by the court, for legal services rendered, which fee shall not include any compensation for participation in the finding, locating or placing a child for adoption or for the finding of adoptive parents.

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Sec. 5. Section 8-223, Arizona Revised Statutes, is amended to read:

8-223. Taking into temporary custody; interference; penalty

A. A child may be taken into temporary custody:

1. Pursuant to an order of the juvenile court under the provisions of this chapter.

2. Pursuant to the laws of arrest, without a warrant, when there are reasonable grounds to believe that he has committed a delinquent act or is incorrigible.

3. By a law enforcement officer or a child protective services specialist of the state department of ~~public welfare~~ ECONOMIC SECURITY if there are reasonable grounds to believe that the child is suffering from illness or injury or is in immediate danger from his surroundings, and that his removal is necessary.

4. By a law enforcement officer if there are reasonable grounds to believe that the child has run away from his parents, guardian, or other custodian.

B. A person who interferes with the taking of a child into temporary custody under provisions of this section is guilty of a misdemeanor.

Sec. 6. Section 8-224, Arizona Revised Statutes, is amended to read:

8-224. Investigation of alleged acts of delinquency, dependency, and incorrigibility

A. The law enforcement officer having jurisdiction in the place in which an act of delinquency or incorrigibility is alleged to have occurred shall have the responsibility for the complete investigation surrounding the alleged commission of the act.

B. A child protective services specialist of the state department of ~~public welfare~~ ECONOMIC SECURITY shall have the responsibility for the complete investigation of all complaints of alleged dependency. The state department of ~~public welfare~~ shall be responsible for the disposition of such child unless the matter requires the intervention of the court.

Sec. 7. Section 8-241, Arizona Revised Statutes, is amended to read:

8-241. Disposition and commitment

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A. After receiving and considering the evidence on the proper disposition of the case, the court may enter judgment as follows:

1. It may award a dependent child:
 - (a) To the care of his parents, subject to the supervision of the state department of ~~public welfare~~ ECONOMIC SECURITY.
 - (b) To a suitable institution.
 - (c) To an association willing to receive him.
 - (d) To a reputable citizen of good moral character.
 - (e) To an appropriate public or private agency licensed to care for children.
 - (f) To a suitable school.
 - (g) To maternal or paternal relatives, provided they are physically and financially able to provide proper care.
 2. It may award a delinquent or incorrigible child:
 - (a) To the care of his parents, subject to supervision of a probation department.
 - (b) To a probation department, subject to such conditions as the court may impose.
 - (c) To a reputable citizen of good moral character, subject to the supervision of a probation department.
 - (d) To a private agency or institution, subject to the supervision of a probation officer.
 - (e) To the department of corrections without further directions as to placement by that department.
- B. Except as provided in section 8-242, the juvenile court may make an order directing the parent of a child to contribute to his support such sum as the court may determine, or may allow a reasonable sum for the support of the child at the expense of the county.

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C. When the court awards a child to the department of corrections or an institution or agency, it shall transmit with the order of commitment copies of the case report, all psychological and medical reports and other documents or records pertaining to the case requested by the department of corrections, institution or agency.

D. The juvenile court may permit removal from the state of a dependent child or ward of the court by the person to whom his care may be temporarily awarded, upon such ~~recognition,~~ RECOGNIZANCE, with or without sureties, as may satisfy the court, obligating the person to produce the child when required by the court.

Sec. 8. Section 8-501, Arizona Revised Statutes, is amended to read:

8-501. **Definitions**

In this article, unless the context otherwise requires:

1. "Child welfare agency" or "agency" means:

(a) Any agency or institution maintained by a person, firm, corporation, association or organization to receive dependent, neglected, incorrigible, delinquent or mentally or physically handicapped children for care and maintenance.

(b) Any institution that provides care for unmarried mothers and their children.

(c) Any agency maintained by the state, or a political subdivision thereof, person, firm, corporation, association, or organization to place dependent, neglected, incorrigible, delinquent, or mentally or physically handicapped children or unmarried mothers in a foster home.

2. "Division" means the ~~division of children's services of the state~~ department of ~~public welfare~~ ECONOMIC SECURITY. ~~when created and until such time, the state department of public welfare.~~

3. "Foster child" means a child placed in a foster home or child welfare agency.

4. "Foster home" means a home maintained by any individual or individuals having the care or control of one or more but not more than five minor children, other than those related to each other by blood or marriage, or related to such individuals, or who are legal wards of such individuals.

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5. "Parent or parents" means the natural or adoptive parents of the child.

6. "Receiving foster home" means a licensed foster home suitable for immediate placement of children when taken into custody or pending medical examination and court disposition.

7. "Regular foster home" means a licensed foster home suitable for placement of children.

8. "Special foster home" means a licensed foster home capable of handling children who require special care for physical, mental or emotional reasons or have been adjudicated a delinquent.

Sec. 9. Section 8-531, Arizona Revised Statutes, is amended to read:

8-531. Definitions

In this article, unless the context otherwise requires:

1. "Abuse" means the infliction of physical or mental injury or the causing of deterioration of a child and shall include failing to maintain reasonable care and treatment or exploiting or overworking a child to such an extent that his health, morals or emotional well-being is endangered.

2. "Agency" means an agency licensed by the division to place children for adoption.

3. "Child" means a person less than eighteen years of age.

4. "Division" means the ~~division of children's services of the state department of public welfare~~ ECONOMIC SECURITY. ~~when created and, until such time, the state department of public welfare.~~

5. "Guardian ad litem" means a person appointed by the court to protect the interest of a minor or an incompetent in a particular case before the court.

6. "Guardianship of the person" with respect to a minor means the duty and authority to make important decisions in matters affecting the minor including but not necessarily limited either in number or kind to:

(a) The authority to consent to marriage, to enlistment in the armed forces of the United States and to major medical, psychiatric and surgical treatment, to represent the minor in legal actions, and to make other decisions concerning the child of substantial legal significance.

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(b) The authority and duty of reasonable visitation, except to the extent that such right of visitation has been limited by court order.

(c) The rights and responsibilities of legal custody, except where legal custody has been vested in another individual or in an authorized agency.

(d) When the parent-child relationship has been terminated by judicial decree with respect to the parents, or only living parent, or when there is no living parent, the authority to consent to the adoption of the child and to make any other decision concerning the child which the child's parents could make.

7. "Juvenile court" means the juvenile division of the superior court.

8. "Custody or legal custody" means a status embodying the following rights and responsibilities:

(a) The right to have the physical possession of the child,

(b) The right and the duty to protect, train and discipline the child, and

(c) The responsibility to provide the child with food, shelter, education and ordinary medical care, provided that such rights and responsibilities shall be exercised subject to the powers, rights, duties and responsibilities of the guardian of the person and subject to the residual parental rights and responsibilities if they have not been terminated by judicial decree.

9. "Neglected" used with respect to a child refers to a situation in which the child lacks proper parental care necessary for his health, morals, and well-being.

10. "Parent" means the natural or adoptive mother or father of a child.

11. "Parent-child relationship" includes all rights, privileges, duties, and obligations existing between parent and child, including inheritance rights.

12. "Parties" ~~include~~ INCLUDES the child and the petitioners.

Sec. 10. Section 8-546, Arizona Revised Statutes, is amended to read:

8-546. Definitions; exemption

A. In this chapter, unless the context otherwise requires:

1. "Abandoned" means the failure of the parent to provide reasonable support and to maintain regular contact with the child, including the

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providing of normal supervision, when such failure is accompanied by an intention on the part of the parent to permit such condition to continue for an indefinite period in the future. Failure to maintain a normal parental relationship with the child without just cause for a period of six months shall constitute prima facie evidence of abandonment.

2. "Abuse" means the infliction of physical or mental injury or the causing of deterioration of a child and shall include failing to maintain reasonable care and treatment or exploiting or overworking a child to such an extent that his health, morals or emotional well-being is endangered.

3. "Child" means an individual who is under the age of eighteen years.

4. "Dependent child" means a child who is adjudicated to be:

(a) In need of proper and effective parental care and control and has no parent or guardian, or one who has no parent or guardian willing to exercise or capable of exercising such care and control.

(b) Destitute or who is not provided with the necessities of life, or who is not provided with a home or suitable place of abode, or whose home is unfit for him by reason of abuse, neglect, cruelty, or depravity by either of his parents, his guardian, or other person having his custody or care.

5. "Protective services" means a program of identifiable and specialized child welfare which seeks to prevent dependency, abuse and exploitation of children by reaching out with social services to stabilize family life, and to preserve the family unit by focusing on families where unresolved problems have produced visible signs of dependency or abuse and the home situation presents actual and potential hazards to the physical or emotional well-being of children. The program shall seek to strengthen parental capacity and ability to provide good child care.

6. "Protective services worker" means a person who has been selected by and trained under the requirements prescribed by the state department of ~~public welfare~~ ECONOMIC SECURITY and assists in carrying out the provisions of this article.

7. "Worker" means a protective services worker, as defined in this section.

B. Notwithstanding any other provision of this chapter, no child who in good faith is being furnished christian science treatment by a duly accredited practitioner shall, for that reason alone, be considered to be an abused, neglected or dependent child.

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Sec. 11. Section 8-546.01, Arizona Revised Statutes, is amended to read:

8-546.01. Protective services worker; powers and duties

A. Protective services workers shall be employed by the state department of ~~public welfare~~ ECONOMIC SECURITY.

B. The department may cooperate with county agencies and community social services agencies to achieve the purposes of this section.

C. A protective services worker shall:

1. Be prepared to receive reports of dependent, abused or abandoned children and be prepared to provide temporary foster care for such children on a twenty-four hour basis. In counties of over one hundred thousand population, receive reports of dependent, abused or abandoned children on a twenty-four hour basis.

2. Receive from any source oral or written information regarding a child who may be in need of protective services.

3. Upon receipt of such information, make a prompt and thorough investigation which shall include a determination of the nature, extent, and cause of any condition which is contrary to the child's best interests and the name, age and condition of other children in the home.

4. Take a child into temporary custody if there are reasonable grounds to believe that the child is suffering from illness or injury or is in immediate danger from his surroundings and that his removal is necessary. Law enforcement officers shall cooperate with the department to remove a child from the custody of his parents, guardian, or custodian when necessary.

5. After investigation, evaluate the environment of the child or children in the same home and the risk to such children if they continue to be subjected to the existing home environment, and all other facts or matters found to be pertinent. He shall then determine whether any of the children is a child in need of protective services.

6. Offer to the family of any child found to be a child in need of protective services whatever services appear appropriate in view of the investigation and evaluation, which may include, but shall not be restricted to, protective services.

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7. Within thirty days after receipt of the initial information, render a written report of his investigation and evaluation to the central registry and to any participating member of the central registry if that is where the complaint originated.

Sec. 12. Section 8-546.03, Arizona Revised Statutes, is amended to read:

8-546.03. **Central registry**

A. The state department of ~~public welfare~~ ECONOMIC SECURITY shall maintain a central registry of reports, investigations, and evaluations made under this article. The registry shall contain the information furnished by protective service workers throughout the state.

B. Data shall be kept in the central registry until the child concerned reaches the age of eighteen years.

C. Data and information in the central registry shall be confidential and shall be made available only with the approval of the ~~commissioner~~ DIRECTOR of ~~public welfare~~ ECONOMIC SECURITY to the juvenile court, social agencies, public health and law enforcement agencies, licensed health practitioners, and health and educational institutions licensed or regulated by the state of Arizona.

Sec. 13. Section 11-297, Arizona Revised Statutes, is amended to read:

11-297. **Hospital treatment; application; affidavit**

A. Except in emergency cases when immediate hospitalization or medical care is necessary for the preservation of life or limb no person shall be provided hospitalization, medical care or outpatient relief under the provisions of this article without first filing with a member of the board of supervisors of the county in which he resides a statement in writing, subscribed and sworn to under oath, that he is an indigent as shall be defined by rules and regulations of the state ~~welfare~~ department, OF ECONOMIC SECURITY, an unemployable totally dependent upon the state or county government for financial support, or an employable of sworn low income without sufficient funds to provide himself necessary hospitalization and medical care, and that he has been a resident of the county for the preceding twelve months.

B. No person shall be admitted to the hospital or receive relief without an order from a member of the board.

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C. Any person who files a false or untrue statement with the board or a member thereof for the purpose of obtaining hospitalization, medical care or outpatient relief for himself, shall be guilty of a misdemeanor.

Sec. 14. Section 12-902, Arizona Revised Statutes, is amended to read:

12-902. Scope of article

A. This article applies to and governs every action to review judicially a final decision of an administrative agency except ~~the state department of public welfare~~ DECISIONS PURSUANT TO TITLE 46, or where the act creating or conferring power on an agency or a separate act provides for judicial review of the agency decisions and prescribes a definite procedure for the review.

B. Unless review is sought of an administrative decision within the time and in the manner provided in this article, the parties to the proceeding before the administrative agency shall be barred from obtaining judicial review of such decision. If under the terms of the law governing procedure before an agency an administrative decision has become final because of failure to file any document in the nature of an objection, protest, petition for hearing or application for administrative review within the time allowed by the law, the decision shall not be subject to judicial review under the provisions of this article except for the purpose of questioning the jurisdiction of the administrative agency over the person or subject matter.

Sec. 15. Section 12-911, Arizona Revised Statutes, is amended to read:

12-911. Powers of trial court

A. The superior court may:

1. With or without bond, unless required by the statute under authority of which the administrative decision was entered, and before or after answer, stay the decision in whole or in part pending final disposition of the case, after notice to the agency and for good cause shown, EXCEPT THAT THE COURT SHALL NOT STAY AN ADMINISTRATIVE DECISION WHEREIN UNEMPLOYMENT COMPENSATION BENEFITS HAVE BEEN ALLOWED TO A CLAIMANT PURSUANT TO TITLE 23, CHAPTER 4.

2. Make any order that it deems proper for the amendment, completion or filing of the record of the proceedings of the administrative agency.

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3. Allow substitution of parties by reason of marriage, death, bankruptcy, assignment or other cause.
4. Dismiss parties or realign parties plaintiff and defendant.
5. Modify, affirm or reverse the decision in whole or in part.
6. Specify questions or matters requiring further hearing or proceedings and give other proper instructions.
7. When a hearing has been held by the agency, remand for the purpose of taking additional evidence when from the state of the record of the administrative agency or otherwise it appears that such action is just.
8. In the case of affirmance or partial affirmance of an administrative decision requiring payment of money, enter judgment for the amount justified by the record and for costs, upon which execution may issue.

B. Technical errors in the proceedings before the administrative agency or its failure to observe technical rules of evidence shall not constitute grounds for reversal of the decision, unless it appears to the trial court that the error or failure affected the rights of a party and resulted in injustice to him.

C. On motion of a party before rendition of judgment, the trial court shall make findings of fact and state conclusions of law upon which its judgment is based.

Sec. 16. **Repeal**

Section 15-805, Arizona Revised Statutes, is repealed.

Sec. 17. Section 15-1091, Arizona Revised Statutes, is amended to read:

15-1091. **Establishment of advisory council; members; duties; compensation; meetings**

A. The state board of education is the state board of vocational education for the purposes of this article.

B. The state board of vocational education shall establish an advisory council for technical-vocational education consisting of representatives appointed from the fields of agriculture, business, industry, labor, the home, the ~~Arizona state employment service~~ DEPARTMENT OF ECONOMIC SECURITY, and the state director of vocational education

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who shall act as chairman. The members of the advisory council who represent agriculture, business, industry, labor and the home shall be recommended to the state board of vocational education by the state director of vocational education. The members shall serve at the pleasure of the state board of vocational education.

C. The advisory council shall provide leadership in planning and establishing a program, including curriculum, of technical-vocational education in Arizona.

D. The members of the advisory council shall serve without compensation, EXCEPT FOR TRAVEL AND SUBSISTENCE EXPENSES AS PROVIDED BY LAW FOR OTHER STATE OFFICERS AND EMPLOYEES.

E. Meetings of the advisory council may be called by the state director of vocational education.

Sec. 18. Section 15-1181, Arizona Revised Statutes, is amended to read:

15-1181. Arizona industries for the blind; establishment of program

The state department of ~~public welfare~~ ECONOMIC SECURITY may establish and maintain WITHIN ITS REHABILITATION SERVICES SECTION FOR THE BLIND AND VISUALLY IMPAIRED a program of industries for the blind, the activities of which, as authorized by this article, shall be known as "Arizona Industries for the Blind."

Sec. 19. Section 15-1182, Arizona Revised Statutes, is amended to read:

15-1182. Activities of Arizona industries for the blind

A. For the purposes of the program of industries for the blind authorized by this article, the state department of ~~public welfare~~ ECONOMIC SECURITY may equip and operate one or more training centers, one or more workshops, a business enterprise program, and a home industries program for training and employment of adaptable blind persons.

B. The state department of ~~public welfare~~ ECONOMIC SECURITY may devise ways and means for the sale, distribution and marketing of the products of the training centers, workshops and home industries authorized by subsection A. ~~of this section.~~

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C. The state department of ~~public welfare~~ ECONOMIC SECURITY may, in addition to the activities authorized by subsections A and B, ~~of this section,~~ aid individual blind persons or groups of such persons to become self-supporting by supplying materials, equipment or machinery to them, and may also aid them in the sale and distribution of their products.

Sec. 20. Section 15-1183, Arizona Revised Statutes, is amended to read:

15-1183. Compensation of workers; proportion of workers required to be legally blind; workers as state employees

A. The state department of ~~public welfare~~ ECONOMIC SECURITY may compensate blind and other workers for their work in the training centers, workshops and home industries authorized in subsections A and B of section 15-1182, but a minimum of seventy-five per cent of such workers in each of the training centers, workshops and home industries shall be legally blind as defined in paragraph 1 of section 46-272.

B. Persons participating in activities authorized by this article, and determined by the state department of ~~public welfare~~ ECONOMIC SECURITY to be blind or otherwise handicapped persons, shall be deemed state employees but shall not be eligible for participation in the state retirement system, or entitled to the benefits of the merit system procedures pertaining to the recruitment and retention of regular administrative employees of the department.

Sec. 21. Section 15-1184, Arizona Revised Statutes, is amended to read:

15-1184. Purchase of products of Arizona industries for the blind by state institutions and departments

When any of the products of Arizona industries for the blind, produced under the supervision and direction of the department of ~~public welfare~~ ECONOMIC SECURITY, meet the requirements of any state department or institution as to quality, quantity and price, such products shall have preference, and such state departments and institutions shall purchase from the department such products as are required.

Sec. 22. Section 15-1185, Arizona Revised Statutes, is amended to read:

15-1185. Industries for the blind account; disbursements; subsidy funds

A. Proceeds from sales of products of Arizona industries for the blind shall be paid into a non-reverting revolving account, which shall be known as the industries for the blind account.

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B. Expenditures for wages and salaries of production workers, inspectors and other employees necessary for the operation of the training centers, workshops or home industries, and for supplies, materials, equipment, equipment repair, overhead costs, and other costs incidental to the conduct of the program may be made from the industries for the blind account.

C. The department of ~~public welfare~~ ECONOMIC SECURITY may, in addition to the funds paid into the industries for the blind account as provided in subsection A, provide subsidy funds necessary to meet the costs set forth in subsection B from other funds available to the department for rehabilitative purposes.

Sec. 23. Section 15-1186, Arizona Revised Statutes, is amended to read:

15-1186. Prohibition upon disposal of goods labeled or sold as products of the blind without permit; violation; penalty

A. A person, group of persons, or organization of any description may not sell, market or otherwise dispose of to the public by any means, any goods or articles labeled as made by the blind or sold as products of the blind, either of this state or any other state, without a permit in writing from the state department of ~~public welfare~~ ECONOMIC SECURITY upon a form prescribed by the department.

B. Issuance of permits as provided for in subsection A shall be at the discretion of and subject to rules of the department.

C. A person violating any provision of this section is guilty of a misdemeanor punishable by a fine of two hundred dollars, by imprisonment for thirty days, or both.

Sec. 24. Section 23-222, Arizona Revised Statutes, is amended to read:

23-222. Apprenticeship advisory council; membership; qualifications; appointment; terms; compensation; powers and duties

A. There shall be an apprenticeship ADVISORY council, which shall consist of thirteen members who shall be appointed by the ~~director or head of the department of labor, or if there be no department of labor, by the governor~~ DIRECTOR OF THE DEPARTMENT OF ECONOMIC SECURITY SUBJECT TO THE APPROVAL OF THE GOVERNOR. Six members shall come from and be representative of the employer groups or organizations, six members shall come from bona fide employee organizations, and there shall be one non-voting public representative not

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employed by the state. The official designated by the state board for vocational education to have charge of trade and industrial education, the director or head of the department of labor, if there be such, and the ~~director of the employment service division of the employment security commission~~ DEPUTY DIRECTOR OF THE DEPARTMENT OF ECONOMIC SECURITY, shall be ex officio members of the council without vote.

B. The term of two representatives of employer groups and the term of two representatives of employee groups shall expire on the first Monday in February of 1956, 1957, 1958, 1959, 1960, and 1961, respectively, except that the term of the non-voting public member shall expire on the first Monday in February, 1958. Thereafter, each member shall be appointed for a term of three years to expire on the first Monday in February. Appointment to fill a vacancy resulting other than from expiration of term shall be for the unexpired portion of the term only.

C. Members of the apprenticeship ADVISORY council not otherwise compensated by public monies shall receive compensation as determined pursuant to section 38-611 while attending meetings of the council for not exceeding four meetings in any fiscal year, or while performing necessary duties authorized by the council.

D. The appointive power designated in subsection A may appoint additional personnel necessary to aid the apprenticeship ADVISORY council in the execution of its functions under this article.

E. At the call of and subject to the approval of the appointive authority the apprenticeship ADVISORY council shall:

1. Designate from its membership a chairman and a secretary, neither of whom shall be an employee of the state.
2. ~~Formulate~~ RECOMMEND policies for the effective administration of this article.
3. Establish standards for apprenticeship agreements which in no event shall be lower than those prescribed by this article.
4. ~~Adopt~~ RECOMMEND rules and regulations necessary to carry out the intent and purpose of this article.
5. Perform other functions relative to apprenticeship as the appointive authority directs.
6. Not less than once each year, make to the appointive authority a report covering the activities and findings of the council, which shall be transmitted to the legislature and given to the public.

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Sec. 25. Repeal

Section 23-222.01, Arizona Revised Statutes, is repealed.

Sec. 26. Title 23, chapter 2, article 2, Arizona Revised Statutes, is amended by adding a new section 23-222.01, to read:

23-222.01. Contracts; acceptance and disbursement of federal funds

THE DEPARTMENT OF ECONOMIC SECURITY MAY CONTRACT WITH FEDERAL AGENCIES AND RECEIVE AND DISBURSE FEDERAL FUNDS FOR THE APPRENTICESHIP PROGRAM.

Sec. 27. Section 23-223, Arizona Revised Statutes, is amended to read:

23-223. Quorum

No official action may be taken by the apprenticeship ADVISORY council without the concurrence of a majority of the council. For the purposes of this article, a quorum shall consist of not less than eight representatives appointed under the provisions of this article, not less than four of whom shall be representatives of the employer groups or organizations and four of whom shall be representatives from bona fide employee organizations.

Sec. 28. Section 23-224, Arizona Revised Statutes, is amended to read:

23-224. Joint apprenticeship committees; composition; powers and duties

A. Joint apprenticeship committees shall be approved by the apprenticeship ADVISORY council in any trade or group of trades or individual plants or establishments or political subdivisions in cities or trade areas whenever justified by apprentice APPRENTICESHIP training needs. Such committees shall consist of equal numbers of employer and employee representatives appointed by the respective employer and employee organizations in the trade or group of trades affected. In the case of individual plants or establishments the members of the committee shall be appointed by the employer and the employee organization or organizations, or the apprenticeship ADVISORY council may act as such committee where there is no employee organization.

B. The duties of the joint apprenticeship committee shall be to establish schedules for work experience training, assist in developing wage rates and working conditions for the apprentices, ascertain employer needs in the trade, specify the appropriate ratio of apprentices to journeymen,

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~~co-operate~~ COOPERATE with school authorities in regard to education of apprentices in technical and theoretical subjects related to their trades and adjust apprenticeship differences.

C. If the employees are not members of a bona fide union, standards of apprenticeship submitted by an employer or establishment conforming to the standards established under this article may be recognized by the state apprenticeship ADVISORY council. Standards shall meet the minimum standards of the state apprenticeship ADVISORY council.

D. Related and supplemental instruction for apprentices, coordination of instruction with job experiences, and the selection and training of teachers and coordinators for such instruction shall be the responsibility of state and local boards responsible for vocational education.

Sec. 29. Section 23-501, Arizona Revised Statutes, is amended to read:

23-501. **Definitions**

In this article, unless the context otherwise requires:

1. ~~“Board”~~ “DEPARTMENT” means the ~~state board of vocational education~~ DEPARTMENT OF ECONOMIC SECURITY.

2. “Director” means the director of the ~~division of vocational rehabilitation~~ DEPARTMENT.

3. “DISABLED PERSON” OR “HANDICAPPED PERSON” MEANS ANY INDIVIDUAL WHO HAS A PHYSICAL OR MENTAL DISABILITY AND A SUBSTANTIAL HANDICAP TO EMPLOYMENT, WHICH IS OF SUCH A NATURE THAT VOCATIONAL REHABILITATION SERVICES MAY REASONABLY BE EXPECTED TO RENDER HIM FIT TO ENGAGE IN A GAINFUL OCCUPATION, INCLUDING A GAINFUL OCCUPATION WHICH IS MORE CONSISTENT WITH HIS CAPACITIES AND ABILITIES, OR FOR WHOM VOCATIONAL REHABILITATION SERVICES ARE NECESSARY FOR THE PURPOSE OF EXTENDED EVALUATION TO DETERMINE REHABILITATION POTENTIAL.

4. “Division” means the ~~division of vocational rehabilitation~~ DEPARTMENT OF ECONOMIC SECURITY.

5. “Maintenance” means money payments not to exceed the estimated cost of subsistence during vocational rehabilitation.

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6. "Physical restoration" means medical, surgical or therapeutic treatment necessary to correct or reduce the employment handicap of a disabled person and includes medical, psychiatric, dental and surgical treatment, nursing service, hospital care not to exceed ninety days, convalescent home care, drugs, medical and surgical supplies, and prosthetic appliances AND OTHER RELATED SERVICES AS DEFINED IN THE VOCATIONAL REHABILITATION ACT, AS AMENDED.

7. "Prosthetic appliance" means an artificial device necessary to support or take the place of a part of the body, or to increase the acuity of a sense organ.

8. "Vocational rehabilitation" or "vocational rehabilitation service" means a service determined by the director to be necessary to enable a disabled person to engage in a remunerative occupation and includes medical and vocational diagnosis, vocational guidance, counsel and placement, rehabilitation, training, physical restoration, transportation, occupational licenses, customary occupational tools and equipment, maintenance and training books and materials, FOLLOW UP, EVALUATION AND WORK ADJUSTMENT AND OTHER RELATED SERVICES AS DEFINED IN THE VOCATIONAL REHABILITATION ACT, AS AMENDED.

Sec. 30. Section 23-502, Arizona Revised Statutes, is amended to read:

23-502. Rehabilitation services

The ~~state board of vocational education~~ DEPARTMENT shall ~~maintain a division of vocational rehabilitation, which shall~~ provide vocational rehabilitation service to disabled persons eligible therefor as provided by this article.

Sec. 31. Section 23-503, Arizona Revised Statutes, is amended to read:

23-503. Duties and powers

The ~~division of vocational rehabilitation, under the general supervision of the state board of vocational education,~~ DEPARTMENT shall cooperate in carrying out the purposes of federal statutes pertaining to vocational rehabilitation. The division may adopt methods of administration found by the federal government necessary for the proper and efficient operation of agreements relating to vocational rehabilitation, and shall comply with conditions deemed necessary to secure the full benefits of such federal statutes. The division may:

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1. Cooperate with other departments, DIVISIONS, agencies and institutions in providing for the vocational rehabilitation of disabled persons and studying the problems involved therein, and in establishing, developing and providing programs, facilities and services deemed necessary or desirable.

2. Enter into reciprocal agreements with other states to provide for vocational rehabilitation of residents of the states concerned.

~~3. Conduct research and compile statistics relating to the vocational rehabilitation of disabled persons.~~

Sec. 32. Section 23-507, Arizona Revised Statutes, is amended to read:

23-507. Hearings

A person applying for or receiving vocational rehabilitation service who is aggrieved by an action of the division may appeal to the ~~state board of vocational education~~ DIRECTOR, subject to rules and regulations of the ~~division~~ DEPARTMENT.

Sec. 33. Section 23-508, Arizona Revised Statutes, is amended to read:

23-508. Administrative funds

A. The state treasurer shall be the custodian of monies received from the federal government for the purpose of carrying out any federal law relating to vocational rehabilitation, and shall disburse them and any state monies available for vocational rehabilitation purposes in the manner provided by law.

B. The legislature shall annually appropriate to the ~~division of vocational rehabilitation~~ DEPARTMENT from the general fund such funds as may be necessary to carry out the purposes of this article.

Sec. 34. Title 23, chapter 4, article 1, Arizona Revised Statutes, is amended by adding section 23-609.01, to read:

23-609.01. Hearing officers

“HEARING OFFICER” MEANS A HEARING OFFICER OF THE DEPARTMENT OF ECONOMIC SECURITY.

Sec. 35. Section 23-611, Arizona Revised Statutes, is amended to read:

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23-611. **Definition**

“Commission” OR “EMPLOYMENT SECURITY COMMISSION” OR “DEPARTMENT” means the ~~employment security commission of Arizona~~ DEPARTMENT OF ECONOMIC SECURITY.

Sec. 36. Section 23-642, Arizona Revised Statutes, is amended to read:

23-642. **Compromise of claims for contributions**

~~A. The commission shall administer this chapter and may adopt, amend or rescind rules and regulations, employ persons, make expenditures, require reports, make investigations and take such other action as it deems necessary or suitable to that end.~~

~~B. The commission shall perfect its own organization, and shall prescribe methods of procedure in accordance with the provisions of this chapter. The commission shall have an official seal which shall be judicially noticed.~~

~~C. Not later than ninety days after the close of the fiscal year, the commission shall submit to the governor a report covering the administration and operation of this chapter during the fiscal year ending June 30 prior to the report, and shall make such recommendations for amendments to this chapter as it deems proper.~~

~~D. The commission~~ DEPARTMENT may compromise a claim for contributions or payments in lieu of contributions more than two years in arrears, or an action in relation thereto. When a compromise is made, ~~by the commission~~, there shall be placed in the files thereof a statement of the amount of contributions or payments in lieu of contributions due, the amount assessed, the amount of additional contributions, penalty and interest imposed by law in consequence of the neglect or delinquency of the employer in question and the amount actually paid in accordance with the terms of the compromise.

Sec. 37. Section 23-648, Arizona Revised Statutes, is amended to read:

23-648. **Manpower services**

~~A. The Arizona state employment service shall establish and maintain~~ THERE SHALL BE ESTABLISHED AND MAINTAINED BY THE DEPARTMENT free public employment offices in such number and in such places as may be necessary for the proper administration of this chapter and for the purpose of performing such duties as are within the purview of the act of congress entitled “an act to provide for the

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establishment of a national employment system and for cooperation with the states in the promotion of such system, and for other purposes" approved June 6, 1933.

B. The provisions of the act of congress, as amended, referred to in subsection A, are accepted by this state in conformity with section 4 of such act, and this state will observe and comply with the requirements thereof.

C. ~~The employment security commission of this state~~ DEPARTMENT is designated and constituted the agency of this state for the purpose of the act of congress, as amended, referred to in subsection A. ~~The commission~~ DEPARTMENT shall cooperate with any official or agency of the United States having powers or duties under the provisions of the act of congress, as amended, and shall do and perform all things necessary to secure to this state the benefits of that act, as amended, in the promotion and maintenance of a system of public employment offices.

~~D. The Arizona state employment service division shall be administered by a full time salaried director whose appointment shall be made in accordance with regulations prescribed by the director of the United States employment service and with the provisions of this chapter.~~

Sec. 38. Section 23-649, Arizona Revised Statutes, is amended to read:

23-649. Acquisition of lands and buildings

A. ~~The commission~~ DEPARTMENT may acquire for and in the name of the state by lease purchase agreement, or otherwise, lands or buildings for the purpose of providing office space for ~~the commission~~ UNITS OF THE DEPARTMENT PERFORMING FUNCTIONS PROVIDED BY THIS CHAPTER at such places as the ~~commission~~ DEPARTMENT finds necessary and suitable.

B. An agreement made for the purchase of the premises mentioned in subsection A of this section shall be subject to the approval of the attorney general as to form and as to title thereto and shall not subject the state to liability for payment of the purchase price or any part or portion thereof except from monies allocated to the state by the United States department of labor for the administration of this chapter.

C. All monies received from the United States for the payments authorized by this section for lands and buildings shall be deposited in the employment security administration fund in the state treasury and are appropriated therefrom for purposes of this chapter. Notwithstanding any

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provision of this chapter, monies received from the unemployment trust fund pursuant to section 903 of the social security act, as amended, are not liable or subject to appropriation, except in accordance with the provisions of subsection E of section 23-704.

D. If the premises are purchased pursuant to this chapter, the employment security commission or such other department of the state performing its functions, shall be housed therein, or if it is desirable to move the employment security commission, other substantially similar space will be furnished by the state to the commission without further payment therefor by the United States.

Sec. 39. Section 23-671, Arizona Revised Statutes, is amended to read:

23-671. Appeal tribunals; duties; membership and compensation

The ~~commission~~ DEPARTMENT shall establish one or more impartial appeal tribunals to hear and decide disputed claims. Such appeal tribunals shall consist in each case of three members. One of the members shall be a salaried examiner selected ~~in accordance with section 23-650~~ ON A NONPARTISAN MERIT BASIS, who shall serve as chairman, one member shall be a representative of employers, and one member shall be a representative of employees. Each of the latter two members shall serve at the pleasure of the ~~commission~~ DEPARTMENT and shall receive compensation as provided pursuant to section 38-611. No person shall participate on behalf of the ~~commission~~ DEPARTMENT in any case in which he is an interested party. ~~The commission may designate alternates to serve in the absence or disqualification of any member of an appeal tribunal.~~ In no case shall the hearing proceed unless the chairman of the appeal tribunal is present.

Sec. 40. Section 23-672, Arizona Revised Statutes, is amended to read:

23-672. Review of appeal tribunal decisions

The ~~commission~~ DIRECTOR, on ~~its~~ HIS own motion, may affirm, modify, REVERSE or set aside a decision of an appeal tribunal on the basis of evidence previously submitted in the case, or may direct the taking of additional evidence or may permit any of the parties to the decision to initiate further appeals. ~~before it.~~ The ~~commission~~ DIRECTOR shall permit further appeal by any party interested in a decision of an appeal tribunal which is not unanimous, or by the deputy whose decision has been overruled or modified by an appeal tribunal. The ~~commission~~ DIRECTOR may remove to ~~itself~~ HIMSELF or transfer to another appeal tribunal the proceedings of any claim pending before an appeal tribunal. ~~A~~

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~~proceeding so removed to the commission shall be heard in accordance with the requirements of section 23-674. The commission shall promptly notify the interested parties of its findings and decisions, which shall become final unless petition for judicial review is filed within the time and in the manner provided in section 23-681.~~

Sec. 41. Section 23-673, Arizona Revised Statutes, is amended to read:

23-673. Determination of claim on unemployment due to labor dispute

A. In any case in which the payment or denial of benefits will be determined by section 23-777, the deputy shall proceed as provided in section 23-773. His examination of the case may be by investigation or by affording the parties reasonable opportunity for a fair hearing.

B. The determination of the deputy thereupon shall be treated for all purposes as any other determination of a deputy made pursuant to section 23-773, except that ~~the commission shall permit timely appeal therefrom and shall remove to itself the proceedings on such appeal.~~ **A TIMELY APPEAL THEREFROM IS REMOVED TO THE DIRECTOR.**

C. ~~Such proceedings as are removed to the commission shall be had in accordance with section 23-674.~~ If the determination appealed from was based on a fair hearing, the ~~commission~~ **HEARING OFFICER** may make ~~its~~ **HIS RECOMMENDATION AND THE DIRECTOR MAY MAKE HIS** decision on the basis of the evidence previously submitted.

Sec. 42. Section 23-674, Arizona Revised Statutes, is amended to read:

23-674. Procedure in rendering decisions; rights of parties

A. In rendering its decisions, the ~~commission~~ **APPEAL TRIBUNAL** after reasonable notice shall afford all parties an opportunity for hearing, ~~before a member of the commission or an employee designated by the commission.~~ The notice shall state the time, place and issues involved but if by reason of the nature of the proceeding the issues cannot be fully stated in advance of the hearing, or if subsequent amendment of the issues is necessary, they shall be fully stated as soon as practicable, and opportunity shall be afforded all parties to present evidence and argument with respect thereto. ~~The commission shall prepare an official record which shall include testimony and exhibits, but shorthand notes shall not be transcribed unless required for court review.~~ **THE PROCEEDINGS SHALL BE RECORDED, BUT TRANSCRIPTS NEED NOT BE PREPARED UNLESS REQUIRED BY THE DIRECTOR.** Informal disposition may be made of any ~~such~~ case by stipulation, agreed settlement, consent order or default.

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B. The ~~commission~~ TRIBUNAL may admit and give probative effect to evidence which possesses probative value commonly accepted by reasonably prudent men in the conduct of their affairs. It shall give effect to the rules of privilege recognized by law. It may exclude incompetent, irrelevant, immaterial and unduly repetitious evidence. All evidence, including records and documents in the possession of the ~~commission~~ DEPARTMENT of which it desires to avail itself, shall be offered and made a part of the record in the case, and no other factual information or evidence shall be considered in the determination of the case. Documentary evidence may be received in the form of copies or excerpts, or by incorporation by reference. The ~~commission~~ TRIBUNAL may take notice of judicially cognizable facts and in addition may take notice of general, technical or scientific facts within its specialized knowledge. Parties shall be notified either before or during hearing, or by reference in preliminary reports or otherwise, of the material so noticed, and they shall be afforded an opportunity to contest the facts so noticed. The ~~commission~~ TRIBUNAL may utilize its experience, technical competence and specialized knowledge in the evaluation of the evidence presented to it. Each party shall have the right of cross-examination of the witnesses who testify and shall have the right to submit rebuttal evidence.

~~G. When a majority of the members of the commission who are to render the final decision have not heard or read the evidence, the decision, if adverse to a party to the proceeding other than the commission itself, shall not be made until a proposal for decision, including findings of fact and conclusions of law, has been served upon the parties, and an opportunity has been afforded to each party adversely affected to object and present argument to a majority of the members who are to render the decision, who shall personally consider the whole record or such portions thereof as may be cited by the parties.~~

~~D. C. Every decision and order adverse to a party to the proceeding PROCEEDINGS shall be in writing or stated in the record and shall be accompanied by findings of fact and conclusions of law. The findings of fact shall consist of a concise statement of the conclusions upon each contested issue of fact. Parties to the proceeding shall be notified of the decision and order in person or by mail. A copy of the decision and order and accompanying findings and conclusions shall be delivered or mailed upon request to each party or his attorney of record.~~

Sec. 43. Section 23-704, Arizona Revised Statutes, is amended to read:

23-704. **Requisitions and withdrawals from accounts in unemployment compensation fund; conditions of expenditure for benefits, refunds and administration**

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A. Monies requisitioned from this state's account in the unemployment trust fund shall be used exclusively for the payment of benefits and for refunds pursuant to this chapter in accordance with AUTHORIZED regulations ~~prescribed by the commission~~, except that monies credited to this state's account in the unemployment trust fund pursuant to section 903 of the social security act, as amended, shall be used exclusively as provided in subsection E of this section. The ~~commission~~ DEPARTMENT from time to time shall requisition from the unemployment trust fund such amounts, not exceeding the amounts standing to the state's account therein, as it deems necessary for the payment of benefits and refunds for a reasonable future period. ~~The requisitions shall bear the signatures of not less than two members of the commission and the counter signature of the state treasurer.~~ Upon receipt thereof the treasurer shall deposit the monies in the benefit account and shall pay warrants for payment of benefits and refunds solely from the benefit account. If the ~~commission~~ DEPARTMENT believes more efficient administration will result from such practice, it, in turn, may withdraw from the benefit account amounts it deems necessary for payment of benefits for a reasonable future period and deposit such amounts to the account of the ~~commission~~ DEPARTMENT in a bank or public depository of its choosing and issue checks against it in payment of benefits to claimants entitled thereto under law. The monies shall be secured by the depository to the same extent and in the same manner as required by the general depository law of the state.

B. Expenditures of monies in the benefit account and refunds from the clearing account shall not be subject to any provisions of law requiring specific appropriations or other formal release by state officers of monies in their custody.

C. All claims, warrants or other instruments utilized by the ~~commission~~ DEPARTMENT for the payment of benefits and refunds shall bear the signature of an employee designated for that purpose by the ~~commission~~ ~~and the counter signature of a member of the commission~~ DIRECTOR.

D. Any balance of monies requisitioned from the unemployment trust fund which remains unclaimed or unpaid in the benefit account after expiration of the period for which the sums were requisitioned either shall be deducted from estimates for, and may be utilized for the payment of, benefits and refunds during succeeding periods, or, in the discretion of the ~~commission~~ DIRECTOR, shall be redeposited with the secretary of the treasury of the United States to the credit of this state's account in the unemployment trust fund established and maintained pursuant to section 904 of the social security act, as amended.

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E. Monies credited to the account of this state in the unemployment trust fund by the secretary of the treasury of the United States pursuant to section 903 of the social security act, as amended, may be requisitioned and used only in accordance with the following requirements:

1. Except as provided in paragraph 2, such monies shall be used only in the payment of benefits exclusive of administrative expense.

2. Such monies may be requisitioned and used for the payment of expenses incurred for the administration of this ~~employment security law and public employment offices~~ CHAPTER if and only if the monies are requisitioned and expenses are incurred pursuant to and after the enactment of a state appropriation law which:

(a) Specifies the purposes for which such monies are appropriated and the amounts appropriated therefor,

(b) Limits the period within which such monies may be obligated to a period ending not more than two years after the date of the enactment of the appropriation law, and

(c) Limits the amount which may be obligated during a fiscal year to an amount which does not exceed the limitations on amount as prescribed by section 903 of the social security act, as amended. For the purposes of this subsection, amounts obligated during any such fiscal year shall be charged against equivalent amounts which were first credited and which are not already so charged, in accordance with the requirements for and limitations on charging prescribed by section 903 of the social security act, as amended.

3. Monies appropriated for the payment of the expenses of administration pursuant to this subsection shall be requisitioned as needed for the payment of obligations incurred under such appropriation and, upon requisition, shall be deposited in the employment security administration fund from which such payments shall be made. The ~~commission~~ DEPARTMENT shall maintain a separate record of the deposit, obligation, expenditure, and return of funds so deposited. Monies so deposited shall, until expended, remain a part of the unemployment compensation fund and, if they will not be expended they shall be returned promptly to the secretary of the treasury for credit to this state's account in the unemployment trust fund.

Sec. 44. Section 23-724, Arizona Revised Statutes, is amended to read:

23-724. Liability determinations; review; finality

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A. When the ~~commission~~ DEPARTMENT makes a determination, which determination shall be made either on the motion of the ~~commission~~ DEPARTMENT or upon application of an employing unit, that an employing unit constitutes an employer as defined in section 23-613 or that services performed for or in connection with the business of an employing unit constitute employment as defined in section 23-615 which is not exempt under section 23-617 or that remuneration for services constitutes wages as defined in section 23-622, the determination shall become final with respect to the employing unit fifteen days after written notice is served personally or by ~~registered~~ CERTIFIED mail addressed to the last known address of the employing unit, unless within such time the employing unit files a written request for reconsideration.

B. When request for reconsideration is filed as prescribed in subsection A OF THIS SECTION, a reconsidered determination shall be made. The reconsidered determination shall become final with respect to the employing unit fifteen days after written notice thereof is served personally or by ~~registered~~ CERTIFIED mail addressed to the last known address of the employing unit, unless within such time the employing unit files with the ~~commission~~ DIRECTOR a written petition for hearing.

C. Notwithstanding any other provision of ~~this chapter~~ LAW, the ~~commission~~ DIRECTOR may initiate hearings to obtain information AND REQUIRE A HEARING OFFICER TO HOLD HEARINGS AND ISSUE RECOMMENDATIONS as to whether an employing unit constitutes an employer or whether services performed for or in connection with the business of an employing unit constitute employment or whether remuneration for services paid by an employing unit constitutes wages.

D. If petition for hearing is filed as prescribed in subsection B OF THIS SECTION or if the ~~commission initiates a hearing~~ DIRECTOR ORDERS A HEARING under subsection C OF THIS SECTION, the affected employing unit shall be afforded an opportunity for hearing and thereafter furnished with a decision. ~~as prescribed in section 23-674.~~ The decision shall become final with respect to the employing unit unless petition for judicial review is filed within the time and in the manner provided in section ~~23-681~~ 41-1993 AND TITLE 12, CHAPTER 7, ARTICLE 6.

E. The determination ~~or decision~~ of the ~~commission~~ DEPARTMENT OR DECISION OF THE DIRECTOR, together with the record therein made, shall be admissible in any subsequent judicial proceeding involving liability for contributions. A determination or decision that an employing unit is liable which has become final shall be conclusive and binding upon the employing unit and shall not be reconsidered in proceedings brought

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before the ~~commission~~ DEPARTMENT OR A HEARING OFFICER.

Sec. 45. Section 23-732, Arizona Revised Statutes, is amended to read:

23-732. Annual notice to employer of contribution rate; procedure for review and redetermination; quarterly notification

A. The ~~commission~~ DEPARTMENT shall promptly notify each employer of his rate of contributions as determined for any calendar year. The determination shall become conclusive and binding upon the employer unless, within fifteen days after the mailing of notice thereof to his last known address or in the absence of mailing, within fifteen days after delivery of the notice, the employer files an application for review and redetermination, setting forth his reasons therefor. ~~If the commission grants a review, the employer shall be promptly notified thereof and shall be granted an opportunity for a fair hearing~~ THE DEPARTMENT SHALL RECONSIDER THE RATE, but no employer shall in any proceeding involving his rate of contributions or contribution liability contest the chargeability to his account of any benefits paid in accordance with a determination, redetermination or decision pursuant to section 23-773, and determined to be chargeable to the employer's account pursuant to section 23-727, except upon the ground that the services on the basis of which the benefits were found to be chargeable did not constitute services performed in employment for him and only in the event that he was not a party to the determination, redetermination or decision or to any other proceedings under this chapter in which the character of the services was determined. The employer shall be promptly notified of the ~~commission's~~ DEPARTMENT'S denial of his application, or of the ~~commission's~~ DEPARTMENT'S redetermination, both of which shall become final unless ~~petition for judicial review is filed within the time and in the manner provided in section 23-681~~ WITHIN FIFTEEN DAYS AFTER MAILING OR DELIVERY OF NOTIFICATION AN APPEAL IS FILED WITH THE DIRECTOR.

B. The ~~commission~~ DEPARTMENT may give quarterly notification to employers of benefits paid and chargeable to their accounts or of the status of such accounts, and such notification, in the absence of an application for redetermination filed within fifteen days after mailing, shall become conclusive and binding upon the employer for all purposes. A REDETERMINATION OR DENIAL OF AN APPLICATION BY THE DEPARTMENT SHALL BECOME FINAL UNLESS WITHIN FIFTEEN DAYS AFTER MAILING OR DELIVERY THEREOF AN APPEAL IS FILED WITH THE DIRECTOR. The redetermination ~~made after notice and opportunity for hearing, and the commission's finding of fact in~~

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~~connection therewith, may be introduced in any subsequent administrative or judicial proceedings involving the determination of the rate of contributions of any employer for any calendar year. and shall be entitled to the same finality as is provided in this section with respect to the findings of fact made by the commission in proceedings to redetermine the contribution rate of an employer.~~

Sec. 46. Section 23-741, Arizona Revised Statutes, is amended to read:

23-741. Payment of contribution under protest; petition for reduction of contribution; action to recover payment

A. An employer aggrieved by a contribution required by this chapter shall pay it before the delinquent date and shall at the same time give notice to the ~~commission~~ DEPARTMENT that all or part of the payment is made under protest. The notice shall be in writing, addressed to the ~~commission~~ DEPARTMENT, stating the reasons for protest and that all or a portion of the payment is protested. Within ten days thereafter the employer may petition for ~~a hearing~~ RECONSIDERATION, setting forth the reasons why the petition should be granted and the amount by which the contribution should be reduced. The ~~commission~~ DEPARTMENT shall ~~grant the hearing, which shall be not later than twenty days after filing the petition, and shall notify the petitioner of the time and place thereof.~~ After the hearing the ~~commission~~ RECONSIDER THE MATTER AND shall make an appropriate order and shall furnish a copy thereof to the petitioner.

B. Within twenty days after entry of the order the petitioner may bring an action against the ~~commission~~ DEPARTMENT in the superior court, or in the United States district court when requisite jurisdiction exists, to recover the payment claimed invalid.

C. The procedure and the right of appeal from a judgment entered therein shall be subject to the rules applicable to civil actions, but no judgment for the refund of the contributions shall provide for interest thereon.

D. If final judgment is rendered in favor of the employer, the ~~commission~~ DEPARTMENT shall refund from the clearing account of the fund the amount found by the judgment to have been invalid or illegally collected.

Sec. 47. Section 23-772, Arizona Revised Statutes, is amended to read:

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23-772. Claims for benefits; notice to employer of initial claim; posting printed statements dealing with claims

A. Claims for benefits shall be made in accordance with such regulations as the ~~commission~~ DEPARTMENT prescribes.

B. All base period employers of a claimant for benefits shall be promptly notified when a claimant files an initial claim for benefits during a period of unemployment.

C. Each employer shall post and maintain printed statements ~~of the regulations of the commission~~ dealing with claims for benefits in places readily accessible to individuals in his service, and shall make available to each individual at the time he becomes unemployed, a printed statement ~~of such regulations~~ DEALING WITH CLAIMS FOR BENEFITS. Printed statements shall be supplied by the ~~commission~~ DEPARTMENT to each employer without cost.

Sec. 48. Section 23-773, Arizona Revised Statutes, is amended to read:

23-773. Examination and determination of claims

A. A representative designated by the ~~commission~~ DEPARTMENT as a deputy shall promptly examine any claim for benefits and, on the basis of the facts found by him, shall determine whether or not the claim is valid. If the claim is valid, the deputy shall also determine the week with respect to which the benefit year shall commence, the weekly benefit amount payable and the maximum duration thereof.

B. The deputy shall promptly notify the claimant and any other interested parties of the determination and the reasons therefor. Unless the claimant or an interested party, within seven calendar days after the delivery of notification, or within ten calendar days after notification was mailed to his last known address, files an appeal from the determination, it shall become final, and benefits shall be paid or denied in accordance therewith. ~~If an appeal is duly filed, benefits with respect to the period prior to the final decision of the commission shall be paid only after the decision.~~ If an appeal tribunal affirms a determination of the deputy allowing benefits, or the ~~commission~~ DIRECTOR affirms ~~the decision of an appeal tribunal~~ A DETERMINATION OR DECISION allowing benefits, such benefits shall be paid regardless of any appeal which may thereafter be taken, but if such decision is finally reversed, no employer's account shall be charged with benefits so paid.

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C. The deputy may refer the claim or any question involved therein to an appeal tribunal ~~OR TO THE DIRECTOR. or to the commission.~~ ~~The appeal tribunal or the commission shall make its decision with respect thereto in accordance with the procedure provided by section 23-774.~~ THE APPEAL TRIBUNAL MAY REFER THE CLAIM OR ANY QUESTION INVOLVED THEREIN TO THE DIRECTOR. THE DIRECTOR MAY REMOVE TO HIMSELF OR TO AN APPEAL TRIBUNAL ANY CLAIM OR QUESTION INVOLVED THEREIN WHICH IS PENDING BEFORE A DEPUTY.

Sec. 49. Section 23-774, Arizona Revised Statutes, is amended to read:

23-774. Notice of tribunal decision on initial claims determination; finality

Unless an appeal is withdrawn, an appeal tribunal, after affording the parties reasonable opportunity for a fair hearing, shall affirm, REVERSE or modify the findings of fact and decision of the deputy. The parties shall be duly notified of the tribunal's decision together with its reasons therefor and the decision shall ~~be deemed to be the final decision of the commission~~ BECOME FINAL unless within ten days after the date of notification or mailing of the decision ~~further appeal is initiated pursuant to section 23-672~~ AN APPEAL TO THE DIRECTOR IS FILED.

Sec. 50. Section 23-782, Arizona Revised Statutes, is amended to read:

23-782. Payment of benefits

All benefits provided by this chapter shall be payable from the unemployment compensation fund. All benefits shall be paid through ~~employment offices in accordance with such regulations as the commission prescribes~~ OFFICES OF THE DEPARTMENT OF ECONOMIC SECURITY.

Sec. 51. Section 36-715, Arizona Revised Statutes, is amended to read:

36-715. Costs of removal of persons to another state or country

When any person who has communicable or contagious tuberculosis and who has relatives, friends or a public agency willing to undertake the obligation to support him or to aid in supporting him, in any other state or country, the tuberculosis control officer, subject to the regulations of the board, may furnish him with transportation to such state or country if in his judgment the interest of the state of Arizona and the welfare of such

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person will be promoted thereby. The expense of such transportation shall be paid by the state ~~welfare~~ department OF ECONOMIC SECURITY out of funds appropriated to it for the purpose of carrying out the provisions of this article.

Sec. 52. Section 36-716, Arizona Revised Statutes, is amended to read:

36-716. Payment of assistance

Any person having communicable or contagious tuberculosis, or who is still under medical treatment for tuberculosis prior to release for employment and who needs or whose family needs financial assistance while the person is being treated for tuberculosis either at home or in an institution within or without the state recommended for the person's care by the tuberculosis control officer, shall be referred to the state ~~welfare~~ department OF ECONOMIC SECURITY. The ~~welfare~~ department shall determine and furnish such ~~welfare~~ assistance as may be necessary to provide adequate support for those who have a legal claim for support or care from such person, and for the person himself provided the tuberculosis control officer has approved such person or the member or members of his family for home care.

Sec. 53. Section 41-601, Arizona Revised Statutes, is amended to read:

41-601. Definitions

In this article, unless the context otherwise requires:

~~1. "Commission" means the Arizona veterans' service commission.~~

1. "DEPARTMENT" MEANS THE DEPARTMENT OF ECONOMIC SECURITY.

2. "Director" means the director of ~~veterans' affairs.~~ THE DEPARTMENT OF ECONOMIC SECURITY.

3. "Veteran" means a citizen of the United States regularly enlisted, drafted, inducted or commissioned, who was accepted for and assigned to active duty in the armed forces of the United States.

Sec. 54. Repeal

Section 41-602, Arizona Revised Statutes, is repealed.

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Sec. 55. Title 41, chapter 3, article 7, Arizona Revised Statutes, is amended by adding a new section 41-602, to read:

41-602. Veterans' service advisory council; terms

A. THERE SHALL BE A VETERANS' SERVICE ADVISORY COUNCIL CONSISTING OF FIVE MEMBERS APPOINTED BY THE DIRECTOR, SUBJECT TO THE APPROVAL OF THE GOVERNOR. OF THOSE MEMBERS INITIALLY APPOINTED, TWO SHALL SERVE A TERM EXPIRING ON FEBRUARY 1, 1973, TWO SHALL SERVE A TERM EXPIRING ON FEBRUARY 1, 1974 AND ONE SHALL SERVE A TERM EXPIRING ON FEBRUARY 1, 1975. THEREAFTER EACH MEMBER SHALL SERVE A TERM OF THREE YEARS.

B. MEMBERS SHALL BE VETERANS AND SHALL BE APPOINTED FROM A LIST OF THREE NAMES SUBMITTED BY EACH VETERANS' ORGANIZATION IN THE STATE HOLDING A CHARTER GRANTED BY CONGRESS. NOT MORE THAN TWO MEMBERS SHALL BE APPOINTED FROM ANY LIST SO SUBMITTED.

Sec. 56. Section 41-603, Arizona Revised Statutes, is amended to read:

41-603. Powers and duties

A. The ~~commission~~ DEPARTMENT shall:

1. Have authority to act as guardian of the estate of an insane or incompetent veteran OR HIS WIDOW, or of the minor children of a veteran.
2. Provide emergency relief for veterans and their dependents, and to that end cooperate with the state, the United States or any political subdivision of either established for the purpose of extending emergency relief to veterans.
3. Disseminate information relating to laws beneficial to veterans or to their widows and children.
4. Assist veterans and widows, children, personal representatives or heirs of veterans in establishing any right or benefit accruing to them.
5. Assist veterans in obtaining employment preferences authorized by law.

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6. Cooperate with the state, the United States or with a political subdivision of either established for the beneficial interest of veterans, and to that end enter into agreements and contracts deemed necessary to protect the rights or benefits extended to veterans.

7. Prescribe rules and regulations not in conflict with law deemed necessary for the administration of the provisions of this article, including rules and regulations governing the granting of emergency relief.

B. A claim for emergency relief submitted to the ~~commission~~ DEPARTMENT under the provisions of paragraph 7 of subsection A shall upon approval by the director, be paid by the state treasurer on a warrant issued by the commissioner of finance. Claims for emergency relief as provided in this article shall not exceed the amount made available therefor in the general appropriations bill.

~~C. The commission is constituted a public corporation and may sue or be sued in its corporate name. It shall adopt an official seal, and not later than December 1 each year shall submit to the governor a written report of its activities.~~

C. THE DEPARTMENT SHALL INSPECT, SUPERVISE, APPROVE, AND DISAPPROVE COURSES OF STUDY OFFERED BY EDUCATIONAL INSTITUTIONS AS WELL AS REVISIONS MADE BY THE SCHOOL, PURSUANT TO THE PROVISIONS OF TITLE 38, UNITED STATES CODE AND STATE REGULATIONS, SO THAT VETERANS OR THE CHILDREN OF VETERANS MAY DRAW THE EDUCATIONAL ALLOWANCE PROVIDED BY FEDERAL STATUTE WHILE PURSUING THE COURSES.

Sec. 57. Section 41-605, Arizona Revised Statutes, is amended to read:

41-605. Service of department as guardian

The ~~commission~~ DEPARTMENT may, without collecting guardianship fees therefor and without limit as to the number of wards, institute in a court of competent jurisdiction a proceeding for appointment as guardian of the estate of a minor child of a veteran or of the estate of an insane or incompetent veteran, as provided by article 5 of chapter 6, title 14.

Sec. 58. Section 41-606, Arizona Revised Statutes, is amended to read:

41-606. Action as executor, administrator or guardian; bond; method of payment

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A. The ~~Arizona veterans' service commission~~ DEPARTMENT shall post with the secretary of state a corporate surety bond in an amount of five hundred thousand dollars. The bond shall be conditioned upon the faithful discharge of the ~~commission's~~ DEPARTMENT'S duties as executor, administrator or guardian, and shall inure to the use and benefit of each person or estate for whom the ~~commission~~ DEPARTMENT is appointed to act. In any case or proceeding in which the ~~Arizona veterans' service commission~~ DEPARTMENT shall be appointed administrator or executor of any veteran's estate or as guardian of the estate of any incompetent or insane veteran or as guardian of the estate of any minor children of any veteran the ~~commission~~ DEPARTMENT shall act without additional bond and the court or official having jurisdiction shall so order in its order of appointment.

B. In each case where the ~~Arizona veterans' service commission~~ DEPARTMENT is appointed to serve as administrator or executor of any veteran's estate or as guardian of the estate of any incompetent or insane veteran or as guardian of the estate of any minor children of any veteran, the court in which the estate is filed shall authorize a charge for each estate's share of the bond premium to be paid from the assets of the estate to the state treasurer which shall be credited to the general fund. The ~~veterans' service commission~~ DEPARTMENT shall determine the charge to be made against each estate.

Sec. 59. Section 42-1341, Arizona Revised Statutes, is amended to read:

42-1341. **Special privilege tax account; license fee and privilege tax administration fund; appropriation to economic security department and municipalities; permitting the taking of a special census to be used as the basis for apportionment**

A. The commission shall each day remit all revenues collected under this article to the state treasurer and the state treasurer shall credit the payments to a fund designated as a special privilege tax account.

B. For the purpose of enforcing the provisions of this article, there is appropriated to the commission from taxes collected under this article four per cent of the taxes collected each month which shall be credited by the state treasurer to the license fee and privilege tax administration fund. The fund shall be disbursed only in the manner and in amounts as provided by the legislature in the general appropriation bill, and any amount remaining unexpended in the special fund at the end of the fiscal year shall revert to the general fund.

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C. There is appropriated to the ~~state board of social security and welfare~~ DEPARTMENT OF ECONOMIC SECURITY from the taxes collected under this article fifteen per cent of the taxes collected each month to be used for the purposes set forth in chapter 1 of title 46.

D. The state treasurer shall pay twenty-five per cent of the tax collected under this article to the various municipalities of the state to be used by the municipalities for any municipal purpose and to be distributed in proportion to their population as shown by the last federal decennial census. Any municipality during the fifth year following the decennial census, may cause to be taken by the United States Census Bureau a special census of the population within the municipal limits. The result of such special census may be certified by the state tax commission. Commencing on July 1, in the sixth year following the last federal decennial census, such special census shall be used as the basis of apportionment of the taxes collected under this article in determining the amount payable to such municipality until the next federal decennial census.

Sec. 60. Section 46-101, Arizona Revised Statutes, is amended to read:

46-101. Definitions

As used in this title, unless the context otherwise requires:

1. "Applicant" means a person who has applied for assistance or services under this title, or a person who has applied for assistance or services under this title who has custody of a dependent child.

2. "Assistance" means payments in cash or kind to or in behalf of a person or persons in need as provided for in this title.

3. "Commissioner" means the ~~commissioner~~ DIRECTOR of the ~~Arizona state department of public welfare~~ ECONOMIC SECURITY.

~~4. "County advisory council" means the county welfare advisory council.~~

~~5. "County department" means the county department of public welfare.~~

~~6.~~ 4. "Dependent child" means a needy child under the age of twenty-one years who has been deprived of parental support or care by reason of the death, unemployment of the supporting parent as defined

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and prescribed by federal statutes relating to welfare, continued absence from the home, or physical or mental incapacity of a parent, and whose relatives who are responsible under the law for the child's support are not able to provide adequate care and support of the child without public assistance, and who is living with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle or aunt, in a place of residence maintained by one or more of such relatives as his or their own home or who is placed in a foster home as a recipient of aid for dependent children. ~~An educable child acceptable in the public school system must attend school to be eligible as a dependent child. A~~ SUCH DEPENDENT CHILD MUST BE UNDER THE AGE OF EIGHTEEN YEARS OR A child who is eighteen years of age and under twenty-one years of age ~~shall be attending high school regularly in pursuance of a course of study leading to a high school diploma or its equivalent,~~ REGULARLY ATTENDING A SCHOOL, COLLEGE OR UNIVERSITY or regularly attending a course of vocational or technical training designed to fit him for gainful employment.

5. "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT OF ECONOMIC SECURITY.

~~7.~~ 6. "Homestead property" means a home owned and occupied by applicant or recipient, or his spouse.

~~8.~~ 7. "Recipient" means a person who has received assistance or services under the provisions of this title, or a person with whom a dependent child is living while receiving assistance under the provisions of this title.

~~9.~~ 8. "Services" includes social casework, rehabilitation counseling and similar services, other than money payments, rendered to a person or persons in need as provided for in this title.

~~10.~~ "State board" means the Arizona state board of public welfare.

~~11.~~ 9. "State department" OR "DEPARTMENT" means the Arizona state department of ~~public welfare~~ ECONOMIC SECURITY.

~~12.~~ 10. "Vendor payment" means any payment to a person other than the recipient on his behalf.

Sec. 61. Section 46-132, Arizona Revised Statutes, is amended to read:

46-132. **Special services unit**

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~~A. The state department shall include such operating divisions and units as the state board deems necessary for effective administration, including a special services unit and a legal consultant.~~

A. THERE SHALL BE A SPECIAL SERVICES UNIT IN THE DEPARTMENT OF ECONOMIC SECURITY.

B. The supervisor of the special services unit shall be qualified with appropriate investigative or legal background. He shall be responsible to the ~~commissioner~~ DIRECTOR for the following:

1. Performing such special investigating duties in any county in the state as may be assigned.
2. Assist in preparing fraud charges involving public assistance recipients for presentation to the appropriate county attorney.
3. Establish liaison with the various law enforcement agencies.
4. Other related duties and responsibilities as may be assigned.

~~C. The state board shall appoint a legal consultant for the state department. The term and compensation of the legal consultant shall be as determined pursuant to section 38-611. His duties shall be assigned by the commissioner and shall include duties as a liaison officer between federal, state and county officials in the matter of law enforcement. The legal consultant shall be a graduate of an accredited college of law.~~

Sec. 62. Section 46-134, Arizona Revised Statutes, is amended to read:

46-134. **Powers and duties**

~~The state department shall administer all public welfare activities of the state as provided by law. The state department shall:~~

1. Administer all forms of public relief and assistance except those which by law are administered by other departments, agencies or boards.
- ~~2. Approve the incorporation of charitable agencies.~~
- ~~3.~~ 2. Administer child welfare activities, including:
 - (a) Importation of children.

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- (b) Licensing and supervising private and local public child caring agencies and institutions.
- (c) Providing the cost of care of:
- (i) Children, adjudicated by the court as dependent, neglected or delinquent, who are in foster family homes or institutions, except state institutions.
- (ii) Children placed in foster family homes with the consent of the parent, guardian or relative to the second degree of consanguinity or affinity, and when determined by the department to be economically eligible, for a period not to exceed ninety days.
- (d) Providing services for children placed in adoption.
- (e) Providing the cost of care of unwed mothers who are under the age of eighteen years during the period of their pregnancy and confinement in foster family homes or institutions and when determined by the department to be economically eligible. Costs of hospitalization and medical expenses attendant to the care of the mother and child shall be excluded from any payments made under this subdivision.

~~4. 3. Develop agencies it deems necessary for providing services to the blind including prevention of blindness, the location of blind persons, medical service for eye conditions, medical service for other conditions affecting vocational rehabilitation of the blind, vocational guidance and training of the blind, placement of blind persons in employment, instruction of the adult blind in their homes, and other social services for blind persons, or cooperate with similar agencies already established.~~

DEVELOP A SECTION OF REHABILITATION FOR THE VISUALLY IMPAIRED WHICH SHALL INCLUDE A SIGHT CONSERVATION SECTION, A VOCATIONAL REHABILITATION SECTION IN ACCORDANCE WITH THE FEDERAL VOCATIONAL REHABILITATION ACT, A VENDING STAND SECTION IN ACCORDANCE WITH THE FEDERAL RANDOLPH-SHEPPARD ACT, AN ADJUSTMENT SERVICE SECTION WHICH SHALL INCLUDE REHABILITATION TEACHING AND TALKING BOOK MACHINE SERVICES AND OTHER SOCIAL SERVICES DEEMED NECESSARY, AND SHALL COOPERATE WITH SIMILAR AGENCIES ALREADY ESTABLISHED. THE ADMINISTRATIVE OFFICER AND STAFF OF THE SECTION FOR THE BLIND AND VISUALLY IMPAIRED SHALL BE EMPLOYED ONLY IN THE WORK OF THAT SECTION.

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~~5-~~ 4. Assist other departments, agencies and institutions of the state and federal governments, when requested, by performing services in conformity with the purposes of this title.

~~6-~~ 5. Act as agent of the federal government in furtherance of any functions of the state department.

~~7-~~ 6. Carry on research and compile statistics relating to the entire public welfare program throughout the state, including all phases of dependency and defectiveness.

~~8-~~ 7. Cooperate with the superior courts in cases of delinquency and related problems.

~~9-~~ 8. Develop plans in cooperation with other public and private agencies for the prevention and treatment of conditions giving rise to public welfare and social security problems.

~~10-~~ 9. Make necessary expenditures in connection with the duties specified in paragraphs ~~7, 8 and 9~~ 6, 7 AND 8 of this section.

~~11-~~ 10. Have the power to apply for, accept, receive and expend public and private gifts or grants of money or property upon such terms and conditions as may be imposed by the donor and for any purpose provided for by this chapter.

~~12-~~ 11. Make rules and regulations, and take action necessary or desirable to carry out the provisions of this title, and which are not inconsistent therewith.

~~13-~~ 12. Administer any additional welfare functions required by law.

Sec. 63. Section 46-136, Arizona Revised Statutes, is amended to read:

46-136. Powers of state department regarding work projects for unemployed persons

A. The state department may institute work projects for the employment of needy unemployed persons being granted public assistance. The nature of the work projects shall be determined by the state department and the governing body of the county, municipal government or school district involved, to be projects necessary and desirable to the community including projects designed to improve health and public safety. County or municipal governments, including school

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districts, shall cooperate in such projects by furnishing supervision, transportation and payment of industrial commission insurance.

B. The state department shall act as the official agency for the state in any social welfare activity initiated by the federal government and shall administer state funds appropriated or made available for the relief of dependent persons, except as otherwise provided by law.

C. The state department shall expend from appropriations available for general assistance, or from any amounts otherwise available by law, amounts as in the discretion of the ~~state board~~ DIRECTOR, are determined necessary for such purpose in conjunction with any agency or department of the federal government for the purpose of receiving and distributing ~~commodities~~ FOOD STAMPS offered to public welfare agencies for needy persons. The amount so determined may be expended by the department in payment of expenses necessarily incurred by reason of the receipt or distribution of such ~~commodities~~ FOOD STAMPS.

Sec. 64. Section 46-137, Arizona Revised Statutes, is amended to read:

46-137. **Administrative expenses**

A. ~~Administrative expenses of the state board and county departments and advisory councils~~ shall be paid from funds made available for that purpose by the legislature or by the federal government or any of its agencies. Federal grants for research, demonstration projects, or training, or older Americans' act administration may be used in addition to the appropriation.

B. In this section, "administrative expenses" does not include:

1. Grants in cash or kind to or for the benefit of needy persons.
2. Cost of providing shelter and subsistence for needy persons.
3. Cost of distributing ~~surplus commodities~~ FOOD STAMPS, except as necessary in claiming any federal reimbursement.
4. Cost of sponsoring work relief projects, except as necessary in claiming any federal reimbursement.

Sec. 65. Section 46-138, Arizona Revised Statutes, is amended to read:

46-138. **Expenditures for public welfare**

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The total amount which may be expended in any fiscal year by the state department for each of the objects and purposes provided by this title shall in no event exceed the amount appropriated in the general appropriation bill for each such object or purpose and any funds granted by the federal government for such object or purpose, together with additional amounts appropriated therefor by any special legislative appropriation bill other than section 42-1341. If at the end of a fiscal year there is an unencumbered balance of the appropriation for such fiscal year made to the state department for any such object or purpose, the balance shall be deemed to consist exclusively of funds other than those credited to the state department ~~of public welfare~~ pursuant to section 42-1341.

Sec. 66. Section 46-140, Arizona Revised Statutes, is amended to read:

46-140. Duty of employees to report violations; dismissal for failure to do so

A. When a person employed under this title interviews or consults an applicant for or recipient of assistance or services authorized by this title, and is informed that the applicant or recipient has by mistake, by withholding facts, or in any other manner, violated or attempted to violate, knowingly or unknowingly, any provision of this title which resulted in, or if undiscovered, would have resulted in the applicant or recipient receiving assistance or service or in receiving more assistance or service than the applicant or recipient would have been otherwise entitled to receive, the employee interviewing or consulting with such applicant or recipient shall promptly make a complete written report of the information to the state department.

B. Failure of the employee to make the report required by subsection A, or failure of the supervisor of such employee, if aware of such fact, to direct the employee to make the report, constitutes cause for immediate dismissal from the department ~~of public welfare~~ of such employee and supervisor.

Sec. 67. Section 46-171, Arizona Revised Statutes, is amended to read:

46-171. Local offices; reimbursement

A. There shall be ~~a county department of public welfare~~ AN OFFICE OF THE DEPARTMENT IN EACH COUNTY. ~~The county department shall consist of a county welfare director and other officers and employees provided for by this title, who shall maintain in the county seat an office~~

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~~provided by the board of supervisors. Maintaining such an office includes providing~~ THE BOARD OF SUPERVISORS SHALL PROVIDE HOUSING, utilities, janitor service, supplies, fixtures and all maintenance needed FOR THE OFFICE, BUT IN NO EVENT SHALL THE BOARD BE REQUIRED TO PROVIDE MORE SPACE THAN WAS PROVIDED DURING THE 1971-72 FISCAL YEAR.

B. When the state is reimbursed by the federal government for office space, utilities, janitor service or any other services required for the maintenance thereof, the ~~commissioner~~ DIRECTOR may in the same proportion reimburse the counties furnishing such office space, utilities, janitor service or any other services required for the maintenance thereof.

Sec. 68. Title 46, chapter 1, Arizona Revised Statutes, is amended by adding article 7, sections 46-181 through 46-184, to read:

ARTICLE 7. SECTION ON AGING

46-181. Section on aging

THERE IS A SECTION ON AGING IN THE DEPARTMENT OF ECONOMIC SECURITY.

46-182. Section powers and duties; costs

THE SECTION, IN CARRYING OUT THE PROVISIONS OF THE OLDER AMERICANS ACT OF 1965, PUBLIC LAW 89-73, AS AMENDED, SHALL:

1. COOPERATE WITH THE FEDERAL COMMISSIONER ON AGING AND PROVIDE INFORMATION TO THE ADMINISTRATION ON AGING, DEPARTMENT OF HEALTH, EDUCATION AND WELFARE UPON REQUEST.
2. ASSIST THE DEPARTMENT IN PREPARING A STATE PLAN FOR THE ADMINISTRATION OF THE STATE PROGRAM FOR THE AGING WHICH SHALL SET FORTH THE PROVISIONS CONTAINED IN SECTION 303 OF THE OLDER AMERICANS ACT OF 1965.
3. SERVE AS A CLEARING HOUSE FOR INFORMATION RELATED TO STATE PROBLEMS OF THE AGED AND AGING. GATHER AND DISSEMINATE INFORMATION AND CONDUCT HEARINGS, CONFERENCES AND SPECIAL STUDIES ON PROBLEMS AND PROGRAMS CONCERNING THE AGING.

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4. DEVELOP PLANS, CONDUCT AND ARRANGE FOR RESEARCH AND DEMONSTRATION PROGRAMS IN THE FIELD OF AGING.

5. PROVIDE CONSULTATION TO COUNTIES AND SUBDIVISIONS THEREOF WITH RESPECT TO LOCAL COMMUNITY PROGRAMS FOR THE AGED AND AGING. DEVELOP, COORDINATE, AND ASSIST OTHER PUBLIC AND PRIVATE ORGANIZATIONS WHICH SERVE THE AGING.

6. PREPARE, PUBLISH AND DISSEMINATE EDUCATIONAL MATERIALS DEALING WITH THE HEALTH AND WELFARE OF AGED PERSONS. STIMULATE PUBLIC AWARENESS OF THE PROBLEMS OF THE AGING BY CONDUCTING A PROGRAM OF PUBLIC EDUCATION AND ENCOURAGE THE GOVERNOR AND THE LEGISLATURE TO DEVELOP PROGRAMS TO DEAL WITH SUCH PROBLEMS.

7. STIMULATE MORE EFFECTIVE USE OF EXISTING RESOURCES AND AVAILABLE SERVICES FOR THE AGED AND AGING, INCLUDING COORDINATION OF THE ACTIVITIES OF OTHER STATE DEPARTMENTS, AND THE COLLABORATION WITH SUCH DEPARTMENTS, AGENCIES OR COMMISSIONS, WITH COUNTY OFFICIALS AND VOLUNTARY AGENCIES AND WITH STATE AND LOCAL PROFESSIONAL ASSOCIATIONS AND SOCIETIES FOR THE AGED AND AGING.

46-183. **Advisory council on aging; members; appointment; terms; compensation; officers**

A. THERE SHALL BE AN ADVISORY COUNCIL ON AGING.

B. THE ADVISORY COUNCIL ON AGING SHALL BE COMPOSED OF FIFTEEN MEMBERS APPOINTED BY THE DIRECTOR, SUBJECT TO THE APPROVAL OF THE GOVERNOR. AT LEAST EIGHT OF THE MEMBERS SHALL BE CONSUMERS OR POTENTIAL CONSUMERS OF SERVICES PROVIDED UNDER THE OLDER AMERICANS ACT OF 1965, AS AMENDED. MEMBERS APPOINTED TO THE COUNCIL SHALL HAVE A KNOWLEDGE OF, AND AN ESTABLISHED BASIC INTEREST IN, THE PROBLEMS AFFECTING OLDER CITIZENS AND MEMBERS SHALL BE SELECTED WITH DUE REGARD TO GEOGRAPHIC AND OTHER ELEMENTS OF REPRESENTATION IN ORDER THAT AS MANY DIVERGENT VIEWS AS POSSIBLE CAN BE REPRESENTED.

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C. EACH MEMBER OF THE COUNCIL SHALL BE APPOINTED FOR A TERM OF THREE YEARS. OF THOSE PERSONS FIRST APPOINTED, FIVE SHALL BE APPOINTED FOR A TERM OF ONE YEAR, FIVE SHALL BE APPOINTED FOR A TERM OF TWO YEARS, AND FIVE SHALL BE APPOINTED FOR A FULL TERM OF THREE YEARS. VACANCIES OCCURRING OTHER THAN BY EXPIRATION OF TERM SHALL BE FILLED IN THE SAME MANNER FOR THE BALANCE OF THE UNEXPIRED TERM.

D. A CHAIRMAN, VICE CHAIRMAN AND SECRETARY SHALL BE DESIGNATED EACH CALENDAR YEAR FROM THE COUNCIL MEMBERSHIP BY THE DIRECTOR, WITH THE APPROVAL OF THE GOVERNOR. AN EXECUTIVE SECRETARY TO SERVE THE COUNCIL SHALL BE DESIGNATED FROM AMONG THE STAFF OF THE DEPARTMENT OF ECONOMIC SECURITY. THE DEPARTMENT SHALL PROVIDE NECESSARY STAFF SERVICES TO THE ADVISORY COUNCIL ON AGING.

46-184. **Advisory council duties**

A. THE ADVISORY COUNCIL SHALL ADVISE THE DEPARTMENT ON ALL MATTERS OR PROBLEMS WITH RESPECT TO THE ADMINISTRATION OF THE STATE PLAN ON AGING. IN PERFORMING THIS FUNCTION, THE COUNCIL SHALL NOT BE LIMITED TO PROVISIONS OF THE OLDER AMERICANS ACT OF 1965, AS AMENDED.

B. THE COUNCIL SHALL CONVENE IN FORMAL MEETING AT THE CALL OF THE CHAIRMAN, BUT IN NO CASE LESS THAN TWO TIMES EACH FISCAL YEAR. A QUORUM SHALL CONSIST OF NO LESS THAN NINE MEMBERS PRESENT. RECOMMENDATIONS TO THE DEPARTMENT BY THE COUNCIL SHALL BE REPRESENTED BY A SIMPLE MAJORITY VOTE OF MEMBERS PRESENT OF A QUORUM IN FORMAL MEETING. MINORITY OPINIONS WITH RESPECT TO ANY COUNCIL RECOMMENDATION MAY BE FORMALLY SUBMITTED IN WRITING TO THE DEPARTMENT THROUGH THE CHAIRMAN OF THE COUNCIL.

Sec. 69. Section 46-201, Arizona Revised Statutes, is amended to read:

46-201. **Application for assistance**

Application for any form of assistance or service under this title shall be made to the ~~county~~ department OFFICE ~~of public welfare~~ IN THE COUNTY in which the applicant resides. The application shall be in

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writing or reduced to writing upon forms prescribed by the state department and shall be verified by the oath of the applicant. The application shall contain a statement of the amount of property both personal and real in which the applicant has an interest and of all income which applicant has at the time of filing the application, and a statement of any property assigned or transferred by applicant within the five years immediately prior to filing the application for assistance, and any further information prescribed by the state department.

Sec. 70. Section 46-203, Arizona Revised Statutes, is amended to read:

46-203. Investigation of application; witnesses

A. When ~~a county~~ THE department receives an application for assistance or service under this title, an investigation and record of the application shall promptly be made, and other information required by the rules of the state department shall be obtained.

B. The ~~county and state departments~~ DEPARTMENT and the officers and authorized representatives thereof may conduct examinations, subpoena witnesses, require attendance of witnesses and production of books, records and papers, and shall pay witnesses the same fees and mileage paid witnesses in civil actions.

C. Officers and employees who are thereunto authorized by the state department may administer oaths and affirmations.

Sec. 71. Section 46-204, Arizona Revised Statutes, is amended to read:

46-204. Granting of assistance; notice to applicant; award; certification to commissioner of finance; payment of assistance from state and federal funds

A. Upon completion of an investigation the ~~county~~ LOCAL OFFICE OF THE department shall decide, according to the policies, rules and regulations of the state department whether applicant is eligible for assistance or service applied for, and shall determine the amount of assistance or service and the date on which it shall begin.

B. The applicant shall be notified of the decision in writing. The assistance shall be paid at least once monthly to applicant. When an application is rejected wholly or in part, or when modification of assistance is made, written notice shall be given to the applicant. Such notice shall inform the applicant or recipient of the right to a hearing on the rejection or modification.

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C. When assistance is granted, the state department shall make an award setting forth the date, the recipient's name, age and residence, the amount of monthly assistance, and other determinations or information it deems necessary, and shall certify to the commissioner of finance the facts with respect thereto on a form prescribed by the department. The award shall be binding until changed, modified, suspended, discontinued or until death of the recipient. The assistance shall commence on the date specified in the award.

D. When funds have been expended on rehabilitating a recipient, the department may accept reimbursement after the recipient has completed training or education and secured a job.

Sec. 72. Section 46-205, Arizona Revised Statutes, is amended to read:

46-205. Appeal to state department from denial of application or failure of the local office to act; consideration by state department on own motion

A. If the ~~county~~ LOCAL OFFICE OF THE department does not act with reasonable promptness on an application, or if the application is denied wholly or in part by the ~~county~~ LOCAL OFFICE OF THE department, the applicant or recipient may appeal to the state department in the manner and form prescribed by the state department. The state department shall, upon receipt of the appeal, give the applicant or recipient an opportunity for a hearing.

B. The state department may also, upon its own motion, receive and consider any application upon which ~~an action~~ A RECOMMENDATION has not been made by the ~~county~~ LOCAL OFFICE OF THE department within a reasonable time. The state department may make additional investigation as it deems necessary, and shall make a decision as to granting assistance or service and the amount of assistance or service to be granted applicant which in its opinion is justified and in conformity with the provisions of this title. If the application is denied wholly or in part by the state department, or if any award or assistance or service is modified or cancelled by the state department, the applicant or recipient may appeal to the state department. The state department shall, upon receipt of the appeal, give the applicant or recipient an opportunity for a hearing.

C. All decisions of the state department shall be final, and shall be binding upon the ~~county~~ LOCAL OFFICE OF THE department.

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Sec. 73. Section 46-207, Arizona Revised Statutes, is amended to read:

46-207. Grant plus income; uniform assistance plan; amount of assistance

A. In no event shall assistance paid any recipient under this title be an amount, which when added to income from all other sources, causes the total of income and grant to exceed the need of the recipient under a uniform assistance plan as determined by the state department.

B. If the total funds available for payment of assistance grants is not sufficient to meet the maximum amount for which each applicant or recipient is eligible by law, the department shall not make reductions of an equal amount from every grant in each category of assistance, but shall take into consideration the needs of the applicants or recipients, and shall make reductions necessary by specifying the percentage of budgeted needs which may be met within the maximums established in accordance with subsection A. ~~of this section.~~

C. In determining the amount of assistance which a recipient or applicant may receive under this title, the ~~state and county departments~~ DEPARTMENT shall include all income and resources from every source of the person claiming such aid, except that which is required to be disregarded by the federal social security act or by other provision of this title, and shall consider and take into account earning capacity, living conditions and all facts and circumstances surrounding such person.

D. In making a determination of need or grant plus income maximum for old age assistance, the department, in addition to any other income or resources which are required to be disregarded, shall disregard the first seven dollars fifty cents per month of income of the person claiming old age assistance.

E. In making a determination of need or grant plus income maximum for blind assistance, the department, in addition to any other income or resources which are required to be disregarded, shall disregard the first seven dollars fifty cents per month of income of the person claiming blind assistance.

Sec. 74. Section 46-213, Arizona Revised Statutes, is amended to read:

46-213. Duty of recipient to notify department of change in status; repayment by recipient of assistance received in excess of lawful amount; recovery of excess assistance paid; liability of recipient using wilful misrepresentation

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A. At all times while a recipient of assistance, a person must report changes in his financial and household circumstances promptly to ~~the county welfare~~ ANY LOCAL OFFICE OF THE department in order for the department to know whether the grant should be maintained at its existing level, increased, decreased, or discontinued. Deliberate concealment of assets and resources for the purposes of fraud shall constitute a misdemeanor.

B. When a recipient is overpaid for whatever reason, the state department of ~~public welfare~~ with the concurrence of the department of law shall determine the method of securing repayment which is most appropriate to the particular situation. Where there are no assets or resources, or where the overpayment was due to an error on the part of the department, the commissioner may waive a repayment by the recipient.

C. Each warrant issued as an assistance payment shall contain a statement on the reverse thereof, relating to recipient's eligibility. The wording of this statement shall be determined by the department.

D. If it is found that a recipient has obtained assistance or service by wilful misrepresentation, he shall be liable for the amount of the assistance paid.

Sec. 75. Section 46-214, Arizona Revised Statutes, is amended to read:

46-214. Fee for representing applicant or recipient in civil proceeding under article prohibited

No person shall charge or receive any fee for representing an applicant for or recipient of assistance or service in any proceedings under this title, except fees prescribed by the ~~state board~~ DEPARTMENT, but the provisions of this section shall not apply to representation of an applicant or recipient in criminal proceedings brought pursuant to this title.

Sec. 76. Section 46-231, Arizona Revised Statutes, is amended to read:

46-231. Administration

General assistance provided for in this article shall be administered by the ~~state~~ department of ~~public welfare~~, subject to the provisions of chapter 1 and article 1 of chapter 2 of this title.

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Sec. 77. Section 46-232, Arizona Revised Statutes, is amended to read:

46-232. Duty of state department to establish plan for aid to permanently and totally disabled persons; conformity with federal law; state funds

A. The state department shall establish a plan for aid to permanently and totally disabled persons, which shall conform to the requirements necessary to qualify for federal funds under title XIV of the federal social security act.

B. The eligibility requirements as provided in this article for general assistance shall be applied, except that the minimum age for eligibility shall be established as eighteen. Persons in public or private institutions for tuberculosis or mental disease, or in public or private medical institutions as a result of diagnosis of tuberculosis or psychosis, shall not be eligible.

C. Funds appropriated to the state department for direct relief shall be available to the department for expenditure for assistance to persons permanently and totally disabled pursuant to the provisions of this section. Medical expenses incurred by the department in establishing permanent and total disability as defined by the ~~state board~~ DEPARTMENT may be paid from administrative funds or from funds available for assistance.

Sec. 78. Section 46-233, Arizona Revised Statutes, is amended to read:

46-233. Eligibility for general assistance

A. No person shall be entitled to general assistance who does not meet and maintain the following requirements:

~~1. Is a citizen of the United States, or has resided in the United States a total of fifteen years.~~

~~2. 1. Has resided in the state for not less than five years within the nine years, and continuously for not less than one year immediately preceding the date of application for assistance.~~ HAS ESTABLISHED RESIDENCE AT THE TIME OF APPLICATION. The applicant shall prove that he meets the residence requirements.

~~3. 2.~~ Is not an inmate of or being maintained by any municipal, county, state, or federal institution at the time of receiving assistance. This shall not be construed to prohibit granting assistance to a person temporarily confined in an institution for medical or surgical care.

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~~4-~~ 3. Is not employable according to the findings of the state department.

~~5-~~ 4. Has not, within five years prior to application, or while a recipient, transferred or assigned real or personal property with the intent to render himself eligible or with the intent to increase his need for assistance. Transfer of property with retention of a life estate for the purpose of qualifying for assistance is prohibited. Where fair consideration for the property was received, no inquiry into motive is necessary. A person found ineligible under this provision shall be ineligible for such time as the state department determines.

~~6-~~5. Does not have resources in excess of the following:

(a) Household furnishings used by the recipient and his family in his usual place of residence.

(b) Wearing apparel and necessary personal effects.

(c) Homestead property and the land contiguous thereto, which has a fair market value not in excess of eight thousand dollars.

(d) Other property or assets having a total fair market value of eight hundred dollars for a single recipient or twelve hundred dollars for a recipient and spouse, or two or more recipients in a single household. Not more than four hundred dollars of the other property or assets for a single recipient or six hundred dollars for a recipient and spouse or two or more recipients in a single household shall be in cash, bonds or negotiable securities.

(e) Tools of his trade in an amount not to exceed two hundred fifty dollars.

B. Nothing in this section shall be construed to prevent granting of assistance in emergency cases.

Sec. 79. Section 46-251, Arizona Revised Statutes, is amended to read:

46-251. **Administration**

Old age assistance as provided for in this article shall be administered by the state department of public welfare subject to the provisions of chapter ~~1~~ and article ~~1~~ of chapter ~~2~~ of this title ECONOMIC SECURITY.

Sec. 80. Section 46-252, Arizona Revised Statutes, is amended to read:

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46-252. **Eligibility for assistance**

Assistance shall be granted under this article to any person who meets and maintains the following requirements:

1. Is not less than sixty-five years of age.

~~2. Is a citizen of the United States or has resided in the United States a total of fifteen years.~~

~~3. Has resided in the state for not less than five years within the nine years, and continuously for not less than one year immediately preceding the date of application for assistance. The applicant shall prove that he meets the residence requirements.~~

2. HAS ESTABLISHED RESIDENCE AT THE TIME OF APPLICATION.

~~4.~~ 3. Is not an inmate of or being maintained by any municipal, state or federal institution at the time of receiving assistance except as a guest of the home for aged and infirm Arizona pioneers, or in any hospital for treatment for injury or illness. An inmate of any such institution, except a penal institution, may make application for assistance, but the assistance, if granted, shall not begin until after applicant ceases to be an inmate. This paragraph shall not be construed to prohibit the granting of assistance to a person temporarily confined to an institution for medical or surgical care.

~~5. If employable, shall not refuse to accept employment available to him, but if the conditions involved in the employment available to such person are not satisfactory to him, the county department after making thorough investigation, and upon a written finding of fact in each case, shall determine whether or not acceptance of such employment shall be required as a condition of eligibility for assistance.~~

~~6.~~ 4. Has not, within five years prior to application, or while a recipient, transferred or assigned real or personal property with the intent to render himself eligible or with the intent to increase his need for assistance. Transfer of property with retention of a life estate for the purpose of qualifying for assistance is prohibited. Where fair consideration for the property was received, no inquiry into motive is necessary. A person found ineligible under this provision shall be ineligible for such time as the state department determines.

~~7.~~ 5. Does not have resources in excess of the following:

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- (a) Household ~~furnishing~~ FURNISHINGS used by the recipient and his family in his usual place of residence.
- (b) Wearing apparel and necessary personal effects.
- (c) Homestead property in which such person resides and the land contiguous thereto, which has a fair market value not in excess of eight thousand dollars.
- (d) Livestock used primarily for domestic purposes.
- (e) Other property or assets having a total fair market value of eight hundred dollars for a single recipient or twelve hundred dollars for a recipient and spouse, or two or more recipients in a single household.
- (f) Tools of trade in an amount not to exceed two hundred fifty dollars.

Sec. 81. Section 46-261, Arizona Revised Statutes, is amended to read:

46-261. **Definitions**

In this article, unless the context otherwise requires:

1. "Applicant" means any person who has applied for benefits under the provisions of this article.
2. "DEPARTMENT" MEANS THE DEPARTMENT OF ECONOMIC SECURITY.
- ~~2-~~ 3. "Eligible person" means any person determined eligible to receive benefits under the provisions of this article.
- ~~3-~~ 4. "Health department" means the state department of public health.
- ~~4-~~ 5. "Hospital" means a hospital licensed under the provisions of sections 36-441 through 36-446 or as defined in section 1861(e) of U.S. Public Law 89-97.
- ~~5-~~ 6. "Licensed physician" means a doctor of medicine or osteopathy who holds a current, valid license to practice medicine in the state where the recipient is treated.
- ~~6-~~ 7. "Medical assistance for the aged" means any medical or related service rendered persons eligible therefor under provisions of this article.

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~~7-~~ 8. "Net income" means income from all sources exclusive of all medical expenses incurred.

~~8-~~ 9. "Recipient" means any person who has received benefits under the provisions of this article.

~~9. "Welfare department" means the state department of public welfare.~~

Sec. 82. Section 46-261.01, Arizona Revised Statutes, is amended to read:

46-261.01. **Establishment; administration; insurance**

A. A program of medical assistance is established to provide for payment for medical services and related expenses provided for persons sixty-five years of age and older who meet the qualifications established by this article.

B. The ~~welfare~~ department shall administer the provisions of this article and shall contract with the health department for the management and supervision of the medical care aspects of the program, as long as such is required to bring about federal financial participation under subsection (2), U.S. Public Laws 86-778. If the secretary of the United States department of health, education and welfare determines that federal financial participation is not available to pay for part of the program of medical assistance adopted under the provisions of this article, the administration of this article and any appropriation made hereunder shall be transferred to the health department and the health department shall thereafter contract with the ~~welfare~~ department for the management and supervision of the eligibility aspects of the program.

C. The medical care aspects of this program shall consist of supplemental and complementary medical assistance in conjunction with the provisions of title 18, parts A and B, of U.S. Public Law 89-97, providing for payment for and on behalf of each eligible person of the following:

1. Up to a maximum of the first forty dollars incurred, for each hospital admission occasioned by a spell of illness as defined in title 18 of U.S. Public Law 89-97.

2. Up to a maximum of the first twenty dollars for each hospital outpatient diagnostic study furnished under conditions established by title 18, part A, of U.S. Public Law 89-97.

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D. Payment of the sums provided by subsection C, paragraphs 1 and 2, shall be made either to the hospital involved through the fiscal intermediary appointed by the federal government or directly to the hospital upon receipt of satisfactory proof that the covered service has been furnished an eligible person. In lieu of any payment and notwithstanding any limitation of title 20, the health department may purchase for each eligible person a contract to cover as a minimum the payments authorized by subsection C. Each such contract shall be with a nonprofit hospital service corporation or medical service corporation or combination thereof or with an insurance company that is established and licensed in Arizona in the field of health coverages.

E. As part of a program as provided for under subsection C, paragraphs 1 and 2, or as a separate program, payment or reimbursement shall be made in a sum equal to the amount of the monthly premium required for coverage under title 18, part B, of U.S. Public Law 89-97 for each eligible person not receiving monthly insurance benefits under title II of the social security act or an annuity or pension under the railroad retirement act of 1937.

Sec. 83. Section 46-261.04, Arizona Revised Statutes, is amended to read:

46-261.04. Determination of eligibility; hearing

A. The ~~welfare~~ department shall establish necessary rules and regulations for the determination and certification or rejection of applicants for medical assistance under the provisions of this article.

B. The rules and regulations so adopted shall provide for a prompt and fair hearing upon reasonable notice for any applicant or recipient aggrieved by any ruling, decision or order adversely affecting such person with regard to his eligibility to receive medical assistance under the provisions of this article, or for the failure of the ~~welfare~~ department to act with reasonable promptness on any application filed.

C. The ~~welfare~~ department shall examine all resources owned by or available to an applicant for assistance under the provisions of this article, provided however that the medical assistance provided for under the provisions of this article shall not be denied to any applicant during any period of investigation if it otherwise appears in his application that the applicant is entitled to receive such assistance. Re-examination for eligibility shall be made within each twelve-month period.

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D. The ~~welfare~~ department shall provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of this article.

Sec. 84. Section 46-261.09, Arizona Revised Statutes, is amended to read:

46-261.09. **Medical advisory committee; membership**

A. A medical advisory committee shall be established for the purpose of advising the ~~welfare~~ department and the health department in the administration and operation of the program provided for by this article.

B. The medical advisory committee shall consist of nine members. The commissioner of the health department and the ~~commissioner~~ DIRECTOR of the ~~welfare~~ department shall be ex officio members. The other seven members of the committee shall be appointed by the governor with the advice and consent of the senate and shall hold office for a term of four years or until their successors are appointed and qualify. Of the members first appointed one member shall serve for one year, one member for two years, two members for three years, and three members for four years. The respective terms of the first members shall be designated by the governor at the time of their appointments.

C. The regular membership of the committee shall at all times include ~~three~~ TWO licensed physicians, ONE LICENSED PHARMACIST, one hospital administrator, one nursing home administrator and two other nonmedical members. THE PHARMACIST MEMBER SHALL NOT BE APPOINTED UNTIL THE REGULAR EXPIRATION OF THE TERM OF ONE OF THE LICENSED PHYSICIAN MEMBERS SUBSEQUENT TO THE EFFECTIVE DATE OF THIS SECTION.

D. Each appointive member of the committee shall serve without compensation.

E. Vacancies shall be filled for unexpired terms in the same manner as original appointments, maintaining original representation.

F. The committee shall elect a chairman, a vice chairman and a secretary from among its members at its first regular meeting in each fiscal year and shall adopt rules governing its proceedings. The committee shall hold a meeting at least once every six months and such other special and regular meetings as may be deemed necessary.

Sec. 85. Section 46-261.10, Arizona Revised Statutes, is amended to read:

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46-261.10. **Inaccurate or false information; penalty**

Any person who receives medical assistance under the provisions of this article after and by reason of inaccurate or false information regarding age, income, or resources furnished to the ~~welfare~~ department by that person is guilty of a misdemeanor, and upon conviction shall be punished by a fine not to exceed three hundred dollars, by imprisonment not to exceed six months, or both.

Sec. 86. Section 46-261.11, Arizona Revised Statutes, is amended to read:

46-261.11. **Annual reports**

The ~~welfare~~ department and the health department, singly or jointly, shall from time to time, but not less than once a year in December, report to the legislature and the governor, describing in detail the operation of the program under this article, and file with them a copy of all recommendations as to additional action by legislative enactment or otherwise.

Sec. 87. Section 46-271, Arizona Revised Statutes, is amended to read:

46-271. **Administration**

Blind assistance shall be administered by the state department of ~~public welfare~~ ECONOMIC SECURITY subject to the provisions of chapter 1 and article 1 of chapter 2 of this title.

Sec. 88. Section 46-272, Arizona Revised Statutes, is amended to read:

46-272. **Eligibility for blind assistance**

Assistance shall be granted to any person who meets and maintains the following requirements:

1. As to vision:
 - (a) Has no vision or acuity.
 - (b) Has central visual acuity of 20/200 or less in the better eye, with THE best correction by single magnification.
 - (c) If there is a field defect in which the peripheral field has been

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contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than 20 degrees.

~~2. If~~ Is sixteen or more years of age, ~~except that any person irrespective of age shall be eligible for medical treatment to restore sight or prevent blindness.~~

~~3. Lost his eyesight while residing within the state or has resided in the state for not less than five years within the nine years, and continuously for not less than one year immediately preceding the date of application for assistance. The applicant shall prove that he meets the residence requirements.~~

3. HAS ESTABLISHED RESIDENCY IN ARIZONA AT THE TIME OF APPLICATION.

~~4. Is a citizen of the United States, or has resided in the United States a total of fifteen years.~~

~~5.~~ 4. Is not an inmate of or being maintained by any municipal, county, state or federal institution at the time of receiving assistance except as a guest of the home for aged and infirm Arizona pioneers or in any hospital for treatment for injury or illness. An inmate of any such institution, except a penal institution, may make application for assistance, but the assistance, if granted, shall not begin until after he ceases to be an inmate. This paragraph shall not be construed to prohibit the granting of assistance to a person temporarily confined in an institution for medical or surgical care.

~~6.~~ 5. If employable, shall not refuse to accept employment available to him, but if the conditions involved in the employment available to such person are not satisfactory to him, the ~~county department~~ LOCAL OFFICE, after making thorough investigation and upon a written finding of fact in each case, shall determine whether or not the acceptance of such employment shall be required as a condition of eligibility for assistance.

~~7.~~ 6. Has not, within five years prior to application, or while a recipient, transferred or assigned real or personal property with the intent to render himself eligible or with the intent to increase his need for assistance. Transfer of property with retention of a life estate for the purpose of qualifying for assistance is prohibited. Where fair consideration for the property was received, no inquiry into motive is necessary. A person found ineligible under this provision shall be ineligible for such time as the state department determines.

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~~8.~~7. Does not have resources in excess of the following:

- (a) Household furnishings used by the recipient and his family in his usual place of residence.
- (b) Wearing apparel and necessary personal effects.
- (c) Homestead property in which such person resides and the land contiguous thereto, which has a fair market value not in excess of eight thousand dollars.
- (d) Livestock used primarily for domestic purposes.
- (e) Other property or assets having a total fair market value of eight hundred dollars for a single recipient or twelve hundred dollars for a recipient and spouse or two or more recipients in a single household.
- (f) Tools of his trade in an amount not to exceed two hundred fifty dollars.

~~9.~~8. Does not, during the period of receiving assistance, solicit alms.

~~10. Is not receiving old age assistance, but benefits as authorized by section 46-273 may be extended to any person currently receiving old age assistance.~~

Sec. 89. Repeal

Sections 46-273 to 46-277, inclusive, Arizona Revised Statutes, and sections 46-279 to 46-281, inclusive, Arizona Revised Statutes, are repealed.

Sec. 90. Title 46, chapter 2, article 4, Arizona Revised Statutes, is amended by adding new sections 46-273 to 46-275, inclusive to read:

46-273. Ineligibility for other public assistance

A PERSON RECEIVING ASSISTANCE UNDER THIS ARTICLE SHALL NOT AT THE SAME TIME RECEIVE ANY OTHER PUBLIC ASSISTANCE BY VIRTUE OF ANY PROVISION OF THIS TITLE, EXCEPT BY AUTHORIZATION OF THE STATE DEPARTMENT.

46-274. Re-examination of recipient

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EVERY RECIPIENT SHALL SUBMIT TO RE-EXAMINATION AT LEAST ONCE EVERY THREE YEARS, UNLESS EXCUSED BY THE STATE DEPARTMENT, AND AT OTHER TIMES WHEN REQUIRED TO DO SO BY THE LOCAL OFFICE OR STATE DEPARTMENT. HE SHALL ALSO FURNISH ANY INFORMATION REQUIRED BY THE LOCAL OFFICE OR STATE DEPARTMENT.

46-275. **Funeral expenses**

ON THE DEATH OF A PERSON RECEIVING ASSISTANCE UNDER THIS ARTICLE, REASONABLE FUNERAL EXPENSES NOT EXCEEDING SEVENTY-FIVE DOLLARS, UNLESS IN THE OPINION OF THE STATE DEPARTMENT LOCAL CONDITIONS DISCLOSE THAT THE AMOUNT IS INSUFFICIENT FOR THE PURPOSE REQUIRED, BUT IN NO EVENT TO EXCEED ONE HUNDRED DOLLARS, MAY BE PAID BY THE STATE DEPARTMENT, IF THE ESTATE OF THE DECEASED IS INSUFFICIENT TO PAY THE EXPENSES, BUT BURIAL SHALL BE MADE IN A CEMETERY NOT USED FOR INDIGENT PERSONS.

Sec. 91. Title 46, chapter 2, Arizona Revised Statutes, is amended by adding article 4.1, sections 46-281 to 46-285, inclusive, to read:

ARTICLE 4.1. SERVICES FOR THE VISUALLY IMPAIRED

46-281. **Medical, optometric and other eye care services**

A PROGRAM OF MEDICAL, OPTOMETRIC AND OTHER EYE CARE SERVICES SHALL BE PROVIDED BY THE OFFICE OF REHABILITATION FOR THE VISUALLY IMPAIRED FOR PERSONS RECEIVING ASSISTANCE UNDER THIS TITLE AND OTHER PERSONS DETERMINED TO BE ELIGIBLE FOR THESE SERVICES BY THE STATE DEPARTMENT, IN ORDER TO RESTORE SIGHT OR PREVENT BLINDNESS.

46-282. **Eligibility**

THE STATE DEPARTMENT SHALL ESTABLISH REGULATIONS FOR THE DETERMINATION OF ELIGIBILITY, THE SCOPE OF MEDICAL, OPTOMETRIC AND OTHER EYE CARE SERVICES AND THE PAYMENTS TO BE MADE FOR THE SERVICES FURNISHED UNDER THE PROVISIONS OF THIS ARTICLE.

46-283. **Eye examinations**

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EACH APPLICANT FOR ASSISTANCE OR SERVICES FURNISHED UNDER THE PROVISIONS OF THIS ARTICLE SHALL RECEIVE A PROFESSIONAL EYE EXAMINATION FROM AN AUTHORIZED LICENSED PRACTITIONER FOR THE PURPOSES OF DETERMINING VISUAL ABILITY AND A DIAGNOSIS, PROGNOSIS AND RECOMMENDATION FOR EACH VISUAL DISORDER.

46-284. **Hearing**

THE STATE DEPARTMENT SHALL ADOPT REGULATIONS PROVIDING FOR A PROMPT AND FAIR HEARING UPON REASONABLE NOTICE FOR ANY APPLICANT OR RECIPIENT AGGRIEVED BY ANY RULING, DECISION OR ORDER ADVERSELY AFFECTING SUCH PERSON UNDER THE PROVISIONS OF THIS ARTICLE, OR FOR FAILURE OF THE STATE DEPARTMENT TO ACT WITH REASONABLE PROMPTNESS ON ANY APPLICATION FILED.

46-285. **Advisory committee**

A. THE DIRECTOR SHALL APPOINT AN ADVISORY COMMITTEE OF WHICH THE SUPERINTENDENT OF THE STATE SCHOOL FOR THE DEAF AND BLIND AND THE COMMISSIONER OF PUBLIC HEALTH SHALL BE EX OFFICIO MEMBERS.

B. THE COMMITTEE SHALL STUDY CONDITIONS AFFECTING THE BLIND AND VISUALLY IMPAIRED AND RECOMMEND TO THE STATE DEPARTMENT PROGRAMS OF CONSTRUCTIVE SERVICE FOR SUCH PERSONS, WITH SPECIAL EMPHASIS UPON PREVENTION, CURE AND REHABILITATION.

Sec. 92. Section 46-291, Arizona Revised Statutes, is amended to read:

46-291. **Administration and notice; locating deserting parents**

A. Dependent children assistance shall be administered by the state department of ~~public welfare~~ ECONOMIC SECURITY subject to the provisions of chapter 1 and article 1 of chapter 2 of this title.

B. The state department shall give prompt notice to appropriate law enforcement officials of the furnishing of aid to a dependent child who has been deserted or abandoned by a parent.

C. To assist in locating parents who have deserted their children and other persons liable for support of dependents, the state department may request and shall receive information from the records of all departments

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of the state and its political subdivisions who shall provide such information as is necessary for this purpose. Only information directly bearing on the identity and whereabouts of a person owing or asserted to be owing an obligation of support shall be requested and used or transmitted by the state department pursuant to the authority conferred by this section. The state department may make such information available only to public officials, agencies of this state and its political subdivisions, and other states and their political subdivisions seeking to locate parents who have deserted their children and other persons liable for support of dependents for the purpose of enforcing their liability for support.

Sec. 93. Section 46-292, Arizona Revised Statutes, is amended to read:

46-292. **Eligibility for assistance**

Assistance shall be given under this title to any dependent child:

~~1. Who has resided in this state for one year immediately preceding the application for such assistance.~~ ESTABLISHED RESIDENCE IN ARIZONA AT THE TIME OF APPLICATION.

~~2. Who was born within one year immediately preceding the application and whose parent or other relative with whom the child is living has resided in the state one year immediately preceding the birth of said child.~~

~~3.~~ 2. Whose parent or parents or person or persons acting in the parents' place, if employable, shall not refuse to accept available employment and if any employable child in the family does not refuse to accept available employment. The determination of employability and the conditions under which employment shall be required shall be determined by the state department, except that claimed unemployability because of physical or mental incapacity shall be determined by the state department in accordance with the provisions of this title.

~~4.~~ 3. Whose parent or parents or persons legally responsible for the child's support does not have resources in excess of the following:

(a) Household furnishings used by the recipient and his family in his usual place of residence.

(b) Wearing apparel and necessary personal effects.

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(c) Homestead property and the land contiguous thereto, which has a fair market value not in excess of eight thousand dollars.

(d) Other property or assets having a total fair market value of eight hundred dollars for a single recipient or twelve hundred dollars for a recipient and spouse, or two or more recipients in a single household. Not more than four hundred dollars of the other property or assets for a single recipient or six hundred dollars for a recipient and spouse or two or more recipients in a single household shall be in cash, bonds or negotiable securities.

(e) Tools of his trade in an amount not to exceed two hundred fifty dollars.

~~5-~~ 4. Whose parent or parents or persons legally responsible for the child's support, has not, within five years prior to application, or while a recipient, transferred or assigned real or personal property with the intent to increase his need for assistance. Transfer of property with retention of a life estate for the purpose of qualifying for assistance is prohibited. Where fair consideration for the property was received, no inquiry into motive is necessary. A person found ineligible under this provision shall be ineligible for such time as the state department determines.

Sec. 94. Section 46-311, Arizona Revised Statutes, is amended to read:

46-311. Conformity with federal legislation

Where any conflict with the FEDERAL VOCATIONAL REHABILITATION ACT, THE FEDERAL RANDOLPH-SHEPPARD ACT, OR THE federal social security act shall occur in this title, ~~that act~~ THE FEDERAL LEGISLATION shall control.

Sec. 95. Repeal

Sections 23-504, 23-505, 23-641, 23-643, 23-645, 23-646, 23-647, 23-650, 23-651, 23-653, 23-655, 23-681, 41-604, 46-111, 46-112, 46-113, 46-131, 46-139, 46-151, 46-152, 46-161, 46-162 and 46-163, Arizona Revised Statutes, are repealed.

Sec. 96. Retention of members

All persons serving as members of a board, council or commission on the effective date of this act whose board, council or commission is retained as a part of the department of economic security shall continue to serve until expiration of their normal term.

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Sec. 97. Effective date; transition provisions; notice of transfer; transfer of records, property, funds and personnel

A. The provisions of this act shall become effective at such time and to the extent that the governor by executive order declares that the department of economic security shall become operative and may be phased into effect, but in no event later than July 1, 1973, except as provided in subsection C.

B. In order to permit an orderly transition from the authority, funding, functions and programs carried out under the provisions of laws repealed and amended by this act, the authority, funding, functions and programs carried out by the then existing agencies shall continue for such period of time as may be necessary to effectuate the transition.

C. The governor may appoint the director of the department of economic security at any time after July 1, 1972 but not later than January 1, 1973. The director, immediately after his appointment, shall appoint such assistants as are necessary to plan and provide for the orderly assumption of those functions transferred to the department under this act and shall establish the operation of an administrative services division not later than January 1, 1973. Such funds as are necessary to effect this provision shall be made available on a cost sharing basis by the agencies involved.

D. Upon an executive order of the governor certifying ~~that~~ a plan for assumption of the authority, funds, functions and programs of an agency affected by the provisions of this act, there shall be transferred the authority, functions, programs, records, furnishings and property, equipment, all unexpended and unencumbered funds and personnel to the department of economic security, according to such plan.

Sec. 98. Appropriation; purpose

For the fiscal year beginning July 1, 1972 the sum of one hundred thousand dollars is appropriated to the office of the governor to be made available to the director of the department of economic security for the purpose of carrying out those provisions not funded by the provisions of section 97 of this act.

Approved by the Governor - May 18, 1972

Filed in the Office of the Secretary of State - May 18, 1972