

REFERENCE TITLE: payroll deductions; charitable contributions; prohibition

State of Arizona  
Senate  
Fifty-second Legislature  
Second Regular Session  
2016

## **SB 1485**

Introduced by  
Senators Biggs, Allen S, Kavanagh, Smith, Yarbrough, Yee; Representatives  
Farnsworth E, Petersen; Senators Griffin, Shooter

AN ACT

AMENDING SECTION 38-612, ARIZONA REVISED STATUTES; RELATING TO ADMINISTRATION  
OF PAYROLL SALARY DEDUCTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 38-612, Arizona Revised Statutes, is amended to  
3 read:

4 38-612. Administration of payroll salary deductions:  
5 prohibition; definition

6 A. There shall be no payroll salary deductions from the compensation  
7 of state officers or employees except as specifically authorized by federal  
8 law or regulation or by a statute of this state. No administrative agency of  
9 this state may authorize any other deduction.

10 B. In addition to those payroll salary deductions required by federal  
11 law or regulation or by statute, state officers or employees may authorize  
12 deductions to be made from their salaries or wages for the payment of:

13 1. Premiums on any health benefits, disability plans or group life  
14 plans provided for by statute and any existing insurance programs already  
15 provided by payroll deduction.

16 2. Shares or obligations to any state or federally chartered credit  
17 union established primarily for the purpose of serving state officers and  
18 employees and their families.

19 3. Dues in a recognized association comprised principally of employees  
20 and former employees of agencies of this state, subject to the following  
21 criteria:

22 (a) When ~~comprised~~ COMPOSED of at least one thousand state employees  
23 other than employees of the state universities, the department of public  
24 safety and academic personnel of the Arizona state schools for the deaf and  
25 the blind.

26 (b) When ~~comprised~~ COMPOSED of at least twenty-five ~~per-cent~~ PERCENT  
27 of the academic personnel or of the nonacademic employees of any state  
28 university.

29 (c) When ~~comprised~~ COMPOSED of at least twenty-five ~~per-cent~~ PERCENT  
30 of the academic personnel of the Arizona state schools for the deaf and the  
31 blind.

32 (d) When ~~comprised~~ COMPOSED of at least five hundred state employees  
33 who are certified as peace officers by the Arizona peace officer standards  
34 and training board established by section 41-1821.

35 4. Deferred compensation or tax sheltered annuity salary reductions  
36 when made under approved plans.

37 5. Federal savings bond plans.

38 6. Recurrent fees, charges or other payments payable to a state agency  
39 under a collection plan approved by the director of the department of  
40 administration.

41 7. EXCEPT AS PROVIDED IN SUBSECTION F OF THIS SECTION, contributions  
42 made to a charitable organization:

43 (a) Organized and operated exclusively for charitable purposes and  
44 selected by the presidents of the state universities. Employees of the state  
45 universities shall be advised by form of the charitable organizations to

1 which they may contribute through payroll salary deductions. The advisory  
2 provided under this subdivision shall be substantially similar to the  
3 following and prominently printed:

4 "You may contribute to any charitable organization registered under  
5 internal revenue code section 501(c)(3), tax exempt status.

6  
7 Charitable organization name"

8 This subdivision applies only to academic personnel and nonacademic  
9 employees of the state universities.

10 (b) Organized and operated exclusively for charitable purposes,  
11 provided a fund drive by such an organization shall be applicable to all  
12 state agencies except the state universities covered under subdivision (a) of  
13 this paragraph and no state officer or employee of state agencies subject to  
14 this subdivision may authorize more than one deduction for charitable  
15 purposes to be in effect at the same time. This subdivision applies to all  
16 state agencies except the universities covered under subdivision (a) of this  
17 paragraph.

18 8. Contributions made for the purpose of contributing to a fund  
19 raising campaign for a university or a club for faculty or staff, or both,  
20 which is recognized by the university president and authorized by the Arizona  
21 board of regents. This paragraph applies only to academic personnel and  
22 nonacademic employees of the state universities.

23 9. Charges payable for transportation expenses pursuant to section  
24 41-710.01.

25 10. Payments ordered by courts of competent jurisdiction within this  
26 state.

27 11. Automobile or homeowner's insurance premiums.

28 12. Premiums for the following state sponsored group benefits that are  
29 established primarily for the purpose of serving state officers and employees  
30 and their families:

- 31 (a) Long-term care insurance.
- 32 (b) Critical care insurance.
- 33 (c) Prepaid legal services.
- 34 (d) Identity theft protection services.

35 13. A computer system as defined in section 13-2301 for personal use.

36 C. In order for the department of administration to establish and  
37 maintain a dues deduction pursuant to subsection B, paragraph 3 of this  
38 section, the department of administration may establish and maintain the  
39 deduction without the appropriation of any additional monies or technological  
40 improvements. The department of administration shall track all personnel  
41 hours dedicated to dues deduction. The department of administration may  
42 charge a fee to a recognized association that qualifies under subsection B,  
43 paragraph 3 of this section for establishing the automatic dues deduction and  
44 anytime changes are needed in the automatic dues deduction system as a result  
45 of an increase or decrease in association dues. If the membership criteria

1 of a recognized association falls below the criteria set forth in subsection  
2 B, paragraph 3 of this section, the recognized association shall be on  
3 probation for one year. If the membership of a recognized association falls  
4 below the criteria set forth in subsection B, paragraph 3 of this section for  
5 more than one year, or if the members of the association engage in a work  
6 slowdown or work stoppage, the dues deduction authorized by this section  
7 shall immediately be discontinued.

8 D. For those state officers and employees under payroll systems which  
9 are under the direction of the director of the department of administration,  
10 the director shall provide for the administration of payroll deductions for  
11 the purposes set forth in this section. For all other state officers and  
12 employees and for persons receiving allowances or benefits under other state  
13 payroll and retirement systems, the appropriate state officer shall provide  
14 for such administration of payroll deductions. Such administration shall  
15 operate without cost or contribution from the state other than the incidental  
16 expense of making the deductions and remittances to the payees. If any payee  
17 requests additional services, the director of the department of  
18 administration or any other appropriate state officer may require payment for  
19 the additional cost of providing such services.

20 E. As a means of readily identifying the employee from whom payroll  
21 deductions are to be made, the state officer administering payroll deductions  
22 may request an employee to enter such employee's social security  
23 identification number on the payroll deduction authorization. Such number  
24 shall not be used for any other purpose.

25 F. THERE SHALL BE NO PAYROLL SALARY DEDUCTIONS FROM THE COMPENSATION  
26 OF STATE OFFICERS OR EMPLOYEES FOR CONTRIBUTIONS MADE TO A CHARITABLE  
27 ORGANIZATION THAT PERFORMS A NONFEDERALLY QUALIFIED ABORTION OR MAINTAINS OR  
28 OPERATES A FACILITY WHERE A NONFEDERALLY QUALIFIED ABORTION IS PERFORMED FOR  
29 THE PROVISION OF FAMILY PLANNING SERVICES. FOR THE PURPOSES OF THIS  
30 SUBSECTION, "NONFEDERALLY QUALIFIED ABORTION" HAS THE SAME MEANING PRESCRIBED  
31 IN SECTION 35-196.05.

32 ~~F.~~ G. The state, the director of the department of administration or  
33 any other appropriate state officer shall be relieved of any liability to  
34 employees authorizing deductions or organizations receiving deductions that  
35 may result from authorizations pursuant to this section.