

REFERENCE TITLE: AHCCCS; DES; new hires directory

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SB 1133

Introduced by
Senator Leff

AN ACT

AMENDING SECTION 23-722.01, ARIZONA REVISED STATUTES; RELATING TO EMPLOYMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 23-722.01, Arizona Revised Statutes, is amended to
3 read:

4 23-722.01. Employer reporting; exceptions; retention of
5 records; unauthorized disclosure; civil penalty;
6 new hire directory; definitions

7 A. Subject to the requirements of subsection E, the department of
8 economic security shall implement a program to require all employers doing
9 business in this state to report the following to the department of economic
10 security:

11 1. The hiring of any employee who resides or works in this state.

12 2. The rehiring or returning to work of any employee who was laid off,
13 furloughed, separated, granted a leave without pay or terminated from
14 employment.

15 B. The department of economic security shall eliminate all unnecessary
16 reporting in the information requested to reduce the burden of employers.

17 C. Employers shall report by submitting a W-4 form or an equivalent
18 form at the option of the employer. The information may be submitted
19 magnetically, electronically or by first class mail, telefacsimile or any
20 other means that are authorized by the department of economic security.

21 D. Employers shall submit the reports within twenty days after the
22 employee is hired or rehired or returns to work. Employers who submit
23 reports magnetically or electronically shall submit the reports in two
24 monthly transmissions not more than sixteen days apart. The report shall
25 contain all of the following:

26 1. The employee's name, address and social security number.

27 2. The employer's name, address and federal tax identification number.

28 E. An employer who has employees who are employed in two or more
29 states and who transmits new hire reports magnetically or electronically may
30 comply with the new hire reporting requirements by designating one state in
31 which the employer has employees to transmit the report. An employer who has
32 employees in two or more states shall notify the United States secretary of
33 health and human services of the state to which the employer shall send
34 reports.

35 F. **EXCEPT AS PROVIDED IN SUBSECTION L**, the department of economic
36 security or its agent may use the information collected pursuant to this
37 section only for the following purposes:

38 1. The administration and enforcement of child support pursuant to
39 title IV-D of the social security act. Except as provided by federal law,
40 the information collected shall only be used to locate a person to establish
41 paternity and to establish, modify and enforce support obligations. The
42 information may be disclosed to an agent under contract with the department
43 of economic security to carry out this purpose. The information may also be
44 disclosed to agencies of this state, political subdivisions of this state,
45 federal agencies involved with support and other states and their political

1 subdivisions seeking to locate persons to enforce support pursuant to title
2 IV-D of the social security act.

3 2. The identification and prevention of benefit fraud in assistance
4 programs under title 46, chapter 2, articles 2 and 5.

5 3. The administration of employment security services pursuant to this
6 chapter and workers' compensation programs pursuant to chapter 6 of this
7 title.

8 G. The information collected pursuant to this section shall not be
9 disclosed pursuant to title 39, chapter 1. An employee or agent of this
10 state who discloses any information collected pursuant to this section
11 without authorization is subject to a civil penalty of one thousand dollars
12 for each offense. The department of economic security may impose and collect
13 the penalty and shall deposit any collections in the state general fund. Any
14 unauthorized release of information is cause for the administrative
15 discipline of the employee or agent.

16 H. The department shall operate a state directory of new hires
17 comprised of information received from employers. The department shall enter
18 information received from employers into the state directory of new hires
19 within five business days after receipt. The information shall be forwarded
20 to the national directory of new hires within three business days after entry
21 into the state directory of new hires. For THE purposes of this section, a
22 business day is a day when ~~the~~ state ~~is~~ OFFICES ARE open for regular
23 business.

24 I. The department of economic security shall conduct, directly or by
25 contract, an automated comparison of social security numbers reported by
26 employers pursuant to this section and the social security numbers on record
27 in the state case registry of child support orders.

28 J. If a comparison conducted pursuant to subsection I reveals a match
29 of the social security number of an obligor required to pay support in a
30 title IV-D case, the department, within two business days, shall issue an
31 income withholding order to the employer of the person obligated to pay
32 support directing the employer to withhold the ordered amount from the income
33 of the employee.

34 K. This section does not allow the department to impose penalties on
35 employers for failing to comply with this section's reporting requirements.

36 L. THE DEPARTMENT OF ECONOMIC SECURITY AND THE ARIZONA HEALTH CARE
37 COST CONTAINMENT SYSTEM ADMINISTRATION MAY USE THE INFORMATION COLLECTED
38 PURSUANT TO THIS SECTION TO VERIFY ELIGIBILITY UNDER TITLE XIX OF THE SOCIAL
39 SECURITY ACT.

40 ~~L.~~ M. For THE purposes of this section:

41 1. "Employee" means a person who is employed within the meaning of
42 chapter 24 of the internal revenue code of 1986. Employee does not include
43 an employee of a federal or state agency performing intelligence or
44 counterintelligence functions if the head of the agency has determined that

1 reporting with respect to the employee could endanger the safety of the
2 employee or compromise an ongoing investigation or intelligence mission.
3 2. "Employer" has the same meaning prescribed in section 3401(d) of
4 the internal revenue code of 1986 and includes any governmental entity and
5 any labor organization.