

State of Arizona  
Senate  
Forty-seventh Legislature  
Second Regular Session  
2006

# SENATE BILL 1263

## AN ACT

AMENDING SECTION 41-1505.06, ARIZONA REVISED STATUTES; AMENDING SECTION 41-1505.06, ARIZONA REVISED STATUTES, AS AMENDED BY THIS ACT; AMENDING TITLE 41, CHAPTER 10, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1505.09; PROVIDING FOR THE DELAYED REPEAL OF SECTION 41-1505.09, ARIZONA REVISED STATUTES, AS ADDED BY THIS ACT; MAKING APPROPRIATIONS; RELATING TO THE ARIZONA GLOBAL NETWORK PROJECT FUND.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 41-1505.06, Arizona Revised Statutes, is amended to  
3 read:

4 41-1505.06. Powers and duties; services; confidential  
5 information; annual report; liability

6 A. The commission has the following powers and duties:

7 1. Develop comprehensive long-range strategic economic plans for this  
8 state and submit them to the director.

9 2. Assist the department in the coordination of the independent  
10 efforts of all state and local agencies involved in economic planning and  
11 economic development.

12 3. Develop and annually update a ten-year strategic economic plan for  
13 submission to the director.

14 4. Adopt resolutions and act on such resolutions.

15 5. Either directly or indirectly, provide financial assistance to  
16 businesses locating or expanding within this state. The value of the  
17 assistance provided shall not exceed fifty per cent of the estimated total  
18 increase in tax revenues accruing to this state and its political  
19 subdivisions as a direct or indirect result of the location, retention or  
20 expansion of such business as determined by the department.

21 6. Accept gifts, grants or loans and enter into contracts or other  
22 transactions with any federal or state agency, municipality, private  
23 organization or other source.

24 7. Adopt and use a seal.

25 8. Purchase, acquire or hold by grant, gift, devise, lease or  
26 otherwise real or personal property or interests in real or personal  
27 property.

28 9. Improve, employ or use any real or personal property or interests  
29 in any real or personal property purchased, acquired or held for purposes of  
30 this article.

31 10. Sell, convey, lease, exchange, transfer or otherwise dispose of any  
32 of its property or any interest in its property, wherever situated.

33 11. Adopt rules necessary to carry out its duties.

34 B. The commission shall utilize the services of employees of the  
35 department. The times and conditions of the use of such employees shall be  
36 determined by the chairman of the commission.

37 C. The commission may utilize the services of professionals in the  
38 field of economic development under contractual arrangements as deemed  
39 appropriate. Such contracts shall be entered into in accordance with chapter  
40 23 of this title.

41 D. Any information submitted to or compiled by the commission in  
42 connection with its work that concerns the identity, background, financial  
43 status, marketing plans or trade secrets or any other proprietary information  
44 related to persons, firms, associations, partnerships, agencies, corporations  
45 or other entities is exempt from ~~the provisions of~~ title 39, chapter 1,

1 article 2 and deemed confidential and is not subject to disclosure except to  
2 the extent that the person or organization that provided the information and  
3 to whom the information relates consents to the disclosure.

4 E. On or before the conclusion of each calendar quarter the commission  
5 shall report to the governor, the president of the senate and the speaker of  
6 the house of representatives on the activities of the commission. The report  
7 shall include a detailed accounting of any expenditures made from the ~~fund~~  
8 FUNDS established pursuant to ~~section~~ SECTIONS 41-1505.09 AND 41-1505.10.

9 F. A member or any person acting on behalf of the commission through  
10 the execution of any contracts, commitments or agreements issued pursuant to  
11 the work of the commission is not personally liable under the contracts,  
12 commitments or agreements. A member or any person acting on behalf of the  
13 commission is not personally liable for damages or injury resulting from the  
14 performance of commission duties.

15 G. Any contract or agreement made in violation of this section is void  
16 and does not give rise to any action against the commission.

17 Sec. 2. Section 41-1505.06, Arizona Revised Statutes, as amended by  
18 section 1 of this act, is amended to read:

19 41-1505.06. Powers and duties; services; confidential  
20 information; annual report; liability

21 A. The commission has the following powers and duties:

22 1. Develop comprehensive long-range strategic economic plans for this  
23 state and submit them to the director.

24 2. Assist the department in the coordination of the independent  
25 efforts of all state and local agencies involved in economic planning and  
26 economic development.

27 3. Develop and annually update a ten-year strategic economic plan for  
28 submission to the director.

29 4. Adopt resolutions and act on such resolutions.

30 5. Either directly or indirectly, provide financial assistance to  
31 businesses locating or expanding within this state. The value of the  
32 assistance provided shall not exceed fifty per cent of the estimated total  
33 increase in tax revenues accruing to this state and its political  
34 subdivisions as a direct or indirect result of the location, retention or  
35 expansion of such business as determined by the department.

36 6. Accept gifts, grants or loans and enter into contracts or other  
37 transactions with any federal or state agency, municipality, private  
38 organization or other source.

39 7. Adopt and use a seal.

40 8. Purchase, acquire or hold by grant, gift, devise, lease or  
41 otherwise real or personal property or interests in real or personal  
42 property.



1 SOURCE. THE FUND CONSISTS OF MONIES APPROPRIATED BY THE LEGISLATURE. MONIES  
2 IN THE FUND SHALL BE USED AS PRESCRIBED BY THIS SECTION.

3 B. MONIES IN THE FUND SHALL BE USED TO CONTRACT WITH FOREIGN FIRMS IN  
4 SELECTED MARKETS TO DEVELOP AND MANAGE TARGETED INTERNATIONAL MARKETING  
5 PROGRAMS TO INCREASE FOREIGN DIRECT INVESTMENTS IN THIS STATE. CONTRACTED  
6 FOREIGN FIRMS SHALL REPORT DIRECTLY TO THE ARIZONA GLOBAL NETWORK PROJECT.  
7 MONIES IN THE FUND SHALL BE USED EXCLUSIVELY FOR MARKETING PURPOSES IN AREAS  
8 OUTSIDE OF THE UNITED STATES WHERE THERE IS A HIGH LIKELIHOOD OF FOREIGN  
9 DIRECT INVESTMENTS IN THIS STATE. THE COMMISSION SHALL SPEND NOT MORE THAN  
10 FIVE PER CENT OF THE MONIES IN THE FUND FOR ADMINISTRATIVE PURPOSES.

11 C. THE COMMISSION SHALL REQUEST BIDS FROM ORGANIZATIONS THAT ARE BASED  
12 IN THIS STATE TO DEVELOP, STAFF AND MANAGE AN ARIZONA GLOBAL NETWORK PROJECT  
13 CONSISTING OF MEMBERS FROM COMMUNITIES THROUGHOUT THIS STATE FROM THE PUBLIC,  
14 PRIVATE AND NONPROFIT SECTORS WITH AN INTEREST IN ATTRACTING FOREIGN DIRECT  
15 INVESTMENTS. THE NETWORK PROJECT SHALL SELECT AND PROVIDE DIRECTION TO  
16 FOREIGN FIRMS TO ACHIEVE THE PURPOSES OF THIS SECTION. THE NETWORK PROJECT  
17 SHALL INCLUDE PARTICIPATION FROM URBAN AND RURAL COMMUNITIES. AN  
18 ORGANIZATION THAT BIDS PURSUANT TO THIS SUBSECTION SHALL:

- 19 1. REPRESENT COMMUNITIES THROUGHOUT THIS STATE.
- 20 2. HAVE A PREPARED INTERNATIONAL STRATEGIC PLAN.
- 21 3. DEMONSTRATE A HIGH LEVEL OF KNOWLEDGE AND SUCCESS IN THE ECONOMIC  
22 DEVELOPMENT INDUSTRY.
- 23 4. HAVE A NETWORK OF BUSINESS AND GOVERNMENT CONTACTS IN PLACE IN KEY  
24 FINANCIAL MARKETS OUTSIDE OF THE UNITED STATES THAT WOULD HAVE A COMPELLING  
25 AND SPECIFIC ECONOMIC JUSTIFICATION FOR INVESTING IN THIS STATE.
- 26 5. HAVE THE ABILITY TO SELECT FOREIGN FIRMS TO MARKET THIS STATE.
- 27 6. HAVE A PLAN THAT WOULD PROVIDE THE COMMISSION WITH REGULAR PROJECT  
28 UPDATES, AT LEAST TWICE A YEAR, OVER A FIVE YEAR PERIOD. PROJECT UPDATES  
29 SHALL INCLUDE PERFORMANCE DATA OF THE SELECTED FOREIGN FIRMS INCLUDING THE:  
30 (a) PUBLIC REVENUE GENERATED.  
31 (b) AMOUNT OF CAPITAL INVESTMENT.  
32 (c) NUMBER OF NEW JOBS CREATED IN THIS STATE.  
33 (d) NUMBER OF NEW FIRMS CREATED IN THIS STATE.  
34 (e) PAYROLL GENERATED.  
35 (f) SQUARE FEET ABSORBED.  
36 (g) NUMBER OF MEETINGS WITH SITE SELECTION CONSULTANTS.  
37 (h) AVERAGE SALARY OF JOBS CREATED.  
38 (i) NUMBER OF MEETINGS WITH BROKERS OR DEVELOPERS.  
39 (j) NUMBER OF COMPANY VISITS TO THIS STATE.  
40 (k) NUMBER OF SALES VISITS.  
41 (l) NUMBER OF PROSPECTS GENERATED.  
42 (m) NUMBER OF TRADE SHOWS ATTENDED.  
43 (n) NUMBER OF INBOUND MEDIA TOURS.

1           7. DEMONSTRATE THE ABILITY TO MATCH AND COMMIT TO MATCHING AT LEAST  
2 FIFTY PER CENT OF THE MONIES THAT ARE APPROPRIATED FROM THE FUND IN ANY GIVEN  
3 FISCAL YEAR FOR A PROJECT THAT IS DESIGNED TO ATTRACT FOREIGN DIRECT  
4 INVESTMENTS IN THIS STATE. ANY PROPOSAL SHALL INCLUDE AN ITEMIZED BUDGET  
5 DESCRIBING THE MATCHING AMOUNTS THAT WILL BE PROVIDED.

6           D. ORGANIZATIONS THAT ARE SELECTED BY THE COMMISSION SHALL:

7           1. SELECT FOREIGN FIRMS TO MARKET THIS STATE AS A TARGET FOR CAPITAL  
8 INVESTMENT AND PRESENT THE SELECTIONS TO THE COMMISSION BY AUGUST 31 OF EACH  
9 YEAR.

10          2. CONVENE THE ARIZONA GLOBAL NETWORK PROJECT QUARTERLY TO ASSESS  
11 PROGRESS AND DIRECTION OF FOREIGN FIRMS IN ATTRACTING FOREIGN DIRECT  
12 INVESTMENTS. THE ARIZONA GLOBAL NETWORK PROJECT SHALL NOT USE MONIES IN THE  
13 FUND FOR REIMBURSEMENT OF EXPENSES.

14          E. FOREIGN FIRMS THAT ARE SELECTED BY THE ARIZONA GLOBAL NETWORK  
15 PROJECT SHALL:

16          1. HAVE A PRESENCE IN MARKETS OUTSIDE OF THE UNITED STATES WHERE THERE  
17 IS A HIGH LIKELIHOOD OF FOREIGN DIRECT INVESTMENT IN THIS STATE.

18          2. HAVE EXPERIENCE IN MARKETING REGIONS TO ATTRACT FOREIGN DIRECT  
19 INVESTMENTS.

20          3. HAVE EXPERIENCE IN ATTRACTING TARGETED INDUSTRIES FOR SUBJECT  
21 COUNTRIES.

22          4. PREPARE A DIRECT MARKETING ACTION PLAN FOR FOREIGN DIRECT  
23 INVESTMENTS IN THIS STATE.

24          5. WORK CLOSELY WITH THE ARIZONA GLOBAL NETWORK PROJECT TO ESTABLISH  
25 EVENTS IN THE SUBJECT COUNTRIES AND IN THIS STATE TO MARKET THIS STATE AS A  
26 TARGET FOR FOREIGN DIRECT INVESTMENTS.

27          F. ON NOTICE FROM THE COMMISSION, THE STATE TREASURER MAY RELEASE  
28 MONIES FROM THE FUND TO FOREIGN FIRMS THAT ARE SELECTED BY THE ARIZONA GLOBAL  
29 NETWORK PROJECT TO MARKET THIS STATE AS A LOCATION FOR FOREIGN DIRECT  
30 INVESTMENTS.

31          Sec. 4. Delayed repeal

32          Section 41-1505.09, Arizona Revised Statutes, as added by this act, is  
33 repealed from and after June 30, 2011.

34          Sec. 5. Appropriations; purpose; exemption; reversion

35          A. The following sums of monies are appropriated from the state  
36 general fund in the following fiscal years to the Arizona global network  
37 project fund established by section 41-1505.09, Arizona Revised Statutes, as  
38 added by this act, and are appropriated from that fund to the commerce and  
39 economic development commission for the purposes prescribed in this act:

40          1. In fiscal year 2006-2007, \$800,000.

41          2. In fiscal year 2007-2008, \$750,000.

42          3. In fiscal year 2008-2009, \$700,000.

43          4. In fiscal year 2009-2010, \$650,000.

44          5. In fiscal year 2010-2011, \$600,000.

1           B. The appropriations made in subsection A of this section are exempt  
2 from the provisions of section 35-190, Arizona Revised Statutes, relating to  
3 lapsing of appropriations, except that any unexpended or unencumbered monies  
4 remaining in the fund after fiscal year 2010-2011 revert to the state general  
5 fund.

6           Sec. 6. Delayed effective date

7           Section 41-1505.06, Arizona Revised Statutes, as amended by section 2  
8 of this act, is effective from and after June 30, 2011.