



**ARIZONA STATE SENATE**  
*Fifty-Fifth Legislature, First Regular Session*

**AMENDED**  
FACT SHEET FOR S.B. 1074

local government; audits; public meeting

Purpose

Prohibits the state or a state agency, city, town, county or political subdivision from using public monies on or requiring an employee to engage in training, orientation or therapy that presents any form of blame or judgement on the basis of race, ethnicity or sex. Requires the governing body of a city, town, county or community college district to have a statutorily required audit presented to the body without the use of a consent agenda.

Background

The governing body of each incorporated city or town must cause a financial audit to be made by a certified public accountant who is certified by the Arizona State Board of Accountancy and is not an employee of the city or town. A financial audit must be made for each fiscal year for all cities and made at least once every two fiscal years for all incorporated towns and the audit must include financial transactions made during both fiscal years. The audit and the audit report must include all the accounts and funds of the city or town, including operating, special, utility, debt, trust and pension and all other money or property for which the city or town directly or indirectly responsible. The audit report must also include the professional opinion of the accountant or accountants with respect to the financial statements or a declaration of the reasons an opinion cannot be expressed ([A.R.S. § 9-481](#)).

The Auditor General (OAG) must prescribe a uniform expenditure reporting system for all political subdivisions subject to the constitutional expenditure limitation ([A.R.S. § 41-1279.07](#)). The financial statements required to be filed with the OAG must be posted in a prominent location on the official website of the county no later than seven days after the date of the filing of the financial statements with the OAG ([A.R.S. § 11-661](#)). Additionally, the OAG must determine the accounting systems, accounting methods and accounting procedures to be used by a community college district. The OAG, in conjunction with the community college districts, must prescribe a uniform system of accounting for use by all community college districts. The financial statements required to be filled with the OAG must be posted in a prominent location on the official website of the community college no later than seven business days after the date of filing of the financial statements with the OAG ([A.R.S. § 15-1473](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Prohibits the state or a state agency, city, town, county or political subdivision from using public monies on or requiring an employee to engage in training, orientation or therapy that presents any form of blame or judgement on the basis of race, ethnicity or sex.

2. Exempts sexual harassment training from the prohibition on using public monies on or requiring employees to engage in training, orientation or therapy that presents any form of blame or judgement on the basis of race, ethnicity or sex.
3. Defines *blame or judgement on the basis of race, ethnicity or sex* as the following concepts:
  - a) one race, ethnic group or sex is inherently morally or intellectually superior to another race, ethnic group or sex;
  - b) an individual, by virtue of the individual's race, ethnicity or sex, is inherently racist, sexist or oppressive, whether consciously or unconsciously;
  - c) an individual should be invidiously discriminated against or receive an adverse treatment solely or partly because of the individual's race, ethnicity or sex;
  - d) an individual's moral character is determined by the individual's race, ethnicity or sex;
  - e) an individual, by virtue of the individual's race, ethnicity or sex, bears responsibility for actions committed by other members of the same race, ethnic group or sex;
  - f) an individual should feel discomfort, guilt, anguish or any other form of psychological distress because of the individual's race, ethnicity or sex; or
  - g) meritocracy or traits such as hard work ethic are racist or sexist or were created by members of a particular race, ethnic group or sex to oppress members of another race, ethnic group or sex.
4. Requires, by December 1 of each year, the Arizona Department of Administration to submit a report that includes the state agencies in compliance with the prohibition to the Governor, President of the Senate and Speaker of the House of Representatives and requires a copy of the report to be submitted to the Secretary of State.
5. Requires the governing body of a city, town, county or community college district, at a regular meeting within 90 days of the completion of a statutorily required financial audit, to:
  - a) have the results and findings of the audit presented by the certified public accountant or auditor who conducted the audit; and
  - b) demonstrate compliance with the prohibition on using public monies on or requiring employees to engage in training, orientation or therapy that presents any form of blame or judgement on the basis of race, ethnicity or sex.
6. Prohibits the governing body of a city, town, county or community college district from using a consent agenda for the financial audit presentation.
7. Makes technical changes.
8. Becomes effective on the general effective date.

Amendments Adopted by Committee

- Removes the requirement that the results of the audit to be accepted by the governing body through a roll call vote.

Amendments Adopted by the House of Representatives

1. Prohibits the state or a state agency, city, town, county or political subdivision from using public monies on or requiring an employee to engage in training, orientation or therapy that presents any form of blame or judgement on the basis of race, ethnicity or sex and exempts sexual harassment training.
2. Defines *blame or judgement on the basis of race, ethnicity or sex*.
3. Requires, by December 1 of each year, the Arizona Department of Administration to submit a report that includes the state agencies in compliance with the prohibition to the Governor, President of the Senate and Speaker of the House of Representatives and requires a copy of the report to be submitted to the Secretary of State.
4. Requires the governing body of a city, town, county or community college district, at a regular meeting within 90 days of the completion of a statutorily required financial audit, to demonstrate compliance with the prohibition on using public monies on or requiring employees to engage in training, orientation or therapy that presents any form of blame or judgement on the basis of race, ethnicity or sex.

Senate Action

GOV	2/8/21	DPA	5-3-0
3 <sup>rd</sup> Read	2/21/21		18-12-0

House Action

GE	3/10/21	DP	7-6-0-0
3 <sup>rd</sup> Read	5/5/21		31-29-0

Prepared by Senate Research

May 5, 2021

MH/HF/gs