Fifty-seventh Legislature
First Regular Session

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2323

(Reference to printed bill)

Strike everything after the enacting clause and insert:

"Section 1. Laws 2023, chapter 133, section 113, as amended by Laws 2024, chapter 209, section 11, is amended to read:

Sec. 113. Automation projects fund; appropriations; quarterly reports; exemption; fiscal year 2023-2024

A. The sum of $20,647,800 is appropriated from the human resources information system subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of administration to replace the human resources information system.

B. The following amounts are appropriated from the health and human services information system subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of administration for the following statewide health and human services information technology projects:

1. $6,700,000 for a new information technology platform to authenticate individuals applying for health and human service programs to prevent fraud, waste and abuse. This project is subject to review by the joint legislative budget committee.

2. $2,814,600 for the development of several modules associated with the medicaid enterprise system mainframe replacement. This project is deemed to have been favorably reviewed by the joint legislative budget committee.

3. $1,685,400 for medicaid enterprise system fraud and waste abuse prevention enhancements. This project is deemed to have been favorably reviewed by the joint legislative budget committee.

4. $2,000,000 for the medicaid enterprise system systems integrator, which establishes a platform infrastructure in the cloud to serve as the foundation for the modular replacement of the prior prepaid medicaid management information system, and servicenow projects. This amount was favorably reviewed by the joint legislative budget committee in october 2023.

C. The sum of $1,800,000 is transferred from the health and human services information system subaccount in the automation projects fund established pursuant to section 41-714, Arizona revised statutes, in fiscal year 2023-2024 for deposit in the state general fund.

D. The sum of $2,000,000 is appropriated from the department of administration subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of administration for the K-12 school financial transparency reporting portal.

E. The sum of $7,000,000 is appropriated from the corporation commission subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the corporation commission to replace the corporation commission's online records and filing system. As part of the department of administration's request for expenditure review pursuant to section 41-714, Arizona Revised Statutes, the department shall also submit a report for review of the agency's plan to support the business one-stop project through its completion, including plans for how the new system will integrate with the business one-stop solution.

F. The sum of $494,500 is appropriated from the department of public safety subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of public safety to replace the concealed weapons tracking system.

G. The sum of $19,369,400 is appropriated from the department of revenue subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of revenue to implement the integrated tax system modernization project. The monies appropriated in this subsection shall be spent for an integrated tax system modernization project that meets the following minimum specifications:

1. Captures data fields from electronically filed individual and corporate income tax returns and makes the data available for querying and reporting purposes. The system shall provide the department of revenue staff, the joint legislative budget committee staff and governor's office of strategic planning and budgeting staff direct access to the querying and reporting functions. The querying and reporting functions shall include procedures to protect taxpayer confidentiality under applicable state and federal law.

2. For electronic corporate income tax returns, captures information regarding the principal business activity of the corporation. This requirement may be satisfied through North American industry classification system data listed on federal tax forms. The tax system shall allow for querying and reporting based on principal business activity.

3. Includes an integrated individual income tax model within the project and provides the department of revenue staff, the joint legislative budget committee staff and governor's office of strategic planning and budgeting staff direct access to the individual income tax model. At a minimum, the model shall allow the department of revenue staff, the joint legislative budget committee staff and governor's office of strategic planning and budgeting staff to adjust tax law parameters against an

anonymized representative sample of income tax returns to estimate the fiscal impact of proposed tax legislation. The model shall only include data from state and federal tax returns that are captured by the tax system. The individual income tax model shall include procedures to protect taxpayer confidentiality under applicable state and federal law.

4. Makes individual and corporate income tax data available for querying, modeling and reporting within twenty-four months following the end of a tax year.

Before awarding any procurement contract for the tax system, the department of revenue shall submit a report addressing the project specifications contained in this subsection for review by the joint legislative budget committee.

H. As part of the department of administration's request for expenditure review pursuant to section 41-714, Arizona Revised Statutes shall, the department shall also submit a report for review of the agency's plan to support the business one-stop project through its completion, including plans for how the new system will integrate with the business one-stop solution.

I. The following amounts are appropriated from the judiciary-supreme court subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the Arizona supreme court for the following automation and information projects:

1. $3,270,000 to replace the probation case management system.

2. $2,500,000 for a statewide community supervision electronic monitoring system.

Quarterly Reports

J. Within thirty days after the last day of each calendar quarter, the department of administration shall submit to the joint legislative budget committee a quarterly report on implementing projects approved by the information technology authorization committee established by section 18-121, Arizona Revised Statutes, including the projects' expenditures to date, deliverables, timeline for completion and current status.

Nonlapsing

K. The ~~amount~~ AMOUNTS appropriated pursuant to SUBSECTIONS A, B, C, D, F, G AND I OF this section from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 ~~is~~ ARE exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2025. THE AMOUNT APPROPRIATED PURSUANT TO SUBSECTION E OF THIS SECTION FROM THE AUTOMATION PROJECTS FUND ESTABLISHED BY SECTION 41-714, ARIZONA REVISED STATUTES, IN FISCAL YEAR 2023-2024 IS EXEMPT FROM THE PROVISIONS OF SECTION 35-190, ARIZONA REVISED STATUTES, RELATING TO LAPSING OF APPROPRIATIONS, UNTIL JUNE 30, 2026.

L. Notwithstanding Laws 2021, chapter 408, section 117, the following amounts appropriated from the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2021-2022 to the department of administration by Laws 2021, chapter 408, section 117 are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2024:

1. $7,758,900 from the department of administration subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, to develop a business one-stop web portal.

2. $9,000,000 appropriated from the department of economic security subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, to update the childcare management system at the department of economic security.

3. $550,000 appropriated from the department of public safety subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, to the department of administration to update the concealed weapons tracking system at the department of public safety."

Amend title to conform

And, as so amended, it do pass

DAVID LIVINGSTON
CHAIRMAN

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