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ARIZONA ATTORNEY GENERAL

June 3, 1959
Opinion No. 59-102

REQUESTED BY: Hon. E. L. Tidwell
House of Representatives

OPINION BY: WADE CHURCH, The Attorney General

QUESTION: Was the proposed Senate Bill No. 94,
introduced January 28, 1959,
constitutional?

CONCLUSION: Yes.

Senate Bill No. 94 related to the Industrial Commission receiving legislative authority for the investment of a portion of the State Compensation Fund for the purchase of real property and construction of buildings to provide offices for the Industrial Commission.

Article 18, § 8, of the Arizona Constitution, establishes public policy in its mandate to the Legislature requiring a Workmen's Compensation Law. While this section places certain restrictions upon the Legislature, none pertain to the State Compensation Fund or the manner in which it may be invested. The procedure necessary to enforce the constitutional mandate is left entirely to the Legislature.

A.R.S. § 23-981 establishes the State Compensation fund. The fund is composed of all premiums and penalties assessed against employers. The monies of this fund are held by the Industrial Commission in trust for the use and benefit of contributing employers and their employees.

A.R.S. § 23-985 provides for the investment of the fund in legislative approved securities. This authorization by the Legislature was necessary before any monies of the fund could be invested. At anytime the Legislature sees fit the manner or method of investing the fund may be enlarged or restricted, provided the character of the investments does not operate to destroy the nature of the trust for which the fund is held.

It is our opinion that Senate Bill No. 94, as originally proposed, did not violate the Constitution of Arizona, and would have been, if passed, lawful legislation.

FLOYD F. NIETERT
Assistant Attorney General



WADE CHURCH
The Attorney General

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