

Appropriations Committee

Senator Russell Pearce, Chairman



Katy Yanez, Research Analyst
Oscar Lozano, Intern

APPROPRIATIONS COMMITTEE

LEGISLATION ENACTED

criminal justice commission; rules (S.B. 1025) – Chapter 184

Directs the Arizona Criminal Justice Commission to adopt rules for the purpose of allocating monies related to the Criminal Justice Enhancement Fund.

~~tax anticipation bonds; technical correction (NOW: health care; programs; coverage) (S.B. 1043) – Chapter 232~~

SEE HEALTHCARE & MEDICAL LIABILITY REFORM COMMITTEE.

~~technical correction; publication of notice (NOW: removal of vehicles; notice) (S.B. 1106) – Chapter 239~~

Requires a police officer to provide vehicle and contact information to both a tow truck operator and the law enforcement agency following the removal of an illegally placed vehicle. Stipulates that, when possible, the information is transmitted electronically.

~~technical correction; barber licenses; display (NOW: corrections fund; luxury tax; extension) (S.B. 1107) – Chapter 240 E~~

An emergency measure, effective May 6, 2010, extending the revenue source for the Corrections Fund through June 30, 2015.

~~technical correction; children (NOW: concealed weapons; permit) (S.B. 1108/H.B. 2347) – Chapter 59~~

Removes violations related to carrying concealed weapons without a concealed carry weapons (CCW) permit, with certain exceptions, and specifies the rights and responsibilities of CCW permit holders contacted by law enforcement. Expands the ways in which CCW permit applicants can meet firearms safety training requirements and changes requirements for organizations that provide authorized firearms training. Modifies procedures for disposal of weapons forfeited under court order.

prisoners; community corrections; monitoring; fees (S.B. 1123) – Chapter 57

SEE PUBLIC SAFETY & HUMAN SERVICES COMMITTEE.

appropriations; named claimants (S.B. 1212) – Chapter 246

Effective May 6, 2010, S.B. 1212 is the annual general relief bill for named claimants. The act appropriates \$103,372.48 to the Arizona Department of Administration to pay various claims made against the state. Of that amount, \$24,653.66 is appropriated from the state General Fund and the remaining \$78,718.82 is appropriated from other funds.

APPROPRIATIONS COMMITTEE (Cont'd.)

air permits; begin actual construction (NOW: appropriation; asian citrus psyllid eradication) (S.B. 1238) – Chapter 274

SEE NATURAL RESOURCES, INFRASTRUCTURE & PUBLIC DEBT COMMITTEE.

school finance revisions (S.B. 1284) – Chapter 306

SEE EDUCATION ACCOUNTABILITY & REFORM COMMITTEE.

dental hygienists; community oral health (NOW: dentists; contracts; dental hygienists) (S.B. 1419) – Chapter 170

Beginning January 1, 2011, prohibits contracts between a dental insurer and a licensed dentist from requiring the dentist to provide services that are based on a fee set by the insurer, unless the fee is for a service covered under a patient's dental insurance subscription contract, evidence of coverage or policy. States that dental insurers are not restricted from establishing dental benefits for services offered by plans that are administered but not insured by the dental insurer.

Directs an affiliated practice relationship agreement to include a requirement that the patient be informed that care provided by the affiliated dental hygienist does not take the place of a diagnosis or treatment plan by a dentist. Removes the stipulation that care provided by an affiliated dental hygienist cannot be billed or reimbursed as a dental examination.

joint legislative budget committee; continuation (H.B. 2031) – Chapter 10

Retroactive to July 1, 2010, continues the Joint Legislative Budget Committee until July 1, 2020.

board of athletic training; omnibus (H.B. 2142) – Chapter 34

SEE HEALTHCARE & MEDICAL LIABILITY REFORM COMMITTEE.

technical correction; revenue bond authority (NOW: immigration; border security) (H.B. 2162) – Chapter 211

Establishes and enumerates the charge of the Joint Border Security Advisory Committee.

Establishing Lawful Presence for Public Benefits – Awards court costs and attorney fees to a prevailing party in a suit regarding public benefits and proof of citizenship and specifies that state or local public benefits do not include services widely available to the general population as a whole.

Amendments to S.B. 1070 – The bill amends S.B.1070 by limiting the minimum penalty for an entity that adopts a policy restricting immigration enforcement to \$500 rather than \$1,000 and limiting the requirement for an officer to determine immigration status by specifying that the requirement applies when the officer is making a lawful stop, detention or arrest rather than during any lawful contact. The bill prohibits a law enforcement official or agency from considering race, color or national origin when determining a person's immigration status and modifies the penalty for willfully failing to register.

APPROPRIATIONS COMMITTEE (Cont'd.)

Requires, through December 31, 2010, the Attorney General to act at the discretion of the Governor in any challenge in state and federal court to Laws 2010, chapter 113 and allows the Governor, through December 31, 2010, to direct council other than the Attorney General to appear on behalf of Arizona to defend any challenge to Laws 2010, chapter 113. Conditions the enactment of the provisions relating to the enforcement of immigration laws on the passage of S.B. 1070. Please see the summary for S.B.1070, 49th Legislature, Second Regular Session for more information.

~~school boards; vacancy; advisory panel~~ (NOW: special audit; sports authority) (H.B. 2225/S.B. 1105) – Chapter 5 E

An emergency measure, effective April 2, 2010, requiring the Office of the Auditor General to conduct a special audit of the Arizona Sports and Tourism Authority (AZSTA). Outlines the scope of the special audit including contracts and final memoranda of understanding as they relate to the operation of community youth and amateur sports facilities, recreational facilities or programs, major league baseball spring training and contracts with concessionaires and other providers at the University of Phoenix Stadium. The special audit is also to encompass a review of the adequacy of AZSTA's cash flow projections and overall debt capacity.

~~research tax credit; transferable; refundable~~ (NOW: tourism; TPT distribution; reinstatement) (H.B. 2243) – Chapter 128

SEE COMMERCE & ECONOMIC DEVELOPMENT COMMITTEE.

~~government transparency; political subdivisions~~ (NOW: political subdivisions; government transparency) (H.B. 2282) – Chapter 288

Makes changes to the statutes governing the reporting of revenues and expenditures as follows: 1) requires local governments to establish and maintain an official website that is accessible to the public at no cost and that contains a comprehensive reporting of all revenues and expenditures over \$5,000 dollars of local monies, 2) requires ADOA to establish an internet portal that includes a list of all entities with jurisdiction over any address entered by a user, 3) requires all public officials to report all expenditures of public monies for public communications to ADOA, and 4) requires ADOA to maintain a searchable database detailing the expenditure of public monies for promotional purposes.

~~theft; merchandise pallets~~ (NOW: research development; production; incentive program) (H.B. 2370) – Chapter 289

Creates individual and corporate income tax credits for research and development (TY 2011-2021), production (TY 2016-2026) and delivery system costs (TY 2016-2026) associated with solar liquid fuel. Places the credits on the income tax credit review schedule.

municipal and county budgets (H.B. 2423) – Chapter 100

Requires the governing body of each county, city or town to publish a complete copy or summary of estimates of revenues and expenses. Stipulates that the summary of total estimated revenues and expenses shall be set forth by fund type and include tax levies for all districts. States

APPROPRIATIONS COMMITTEE (Cont'd.)

that a complete copy of estimates of revenues and expenses shall be posted on the official websites of the county, city or town. States that the summary of estimates and notice shall be published, together with the library addresses and websites where the complete copy of estimates may be found, once a week for at least two consecutive weeks in the official newspaper of the county, city or town. Eliminates the requirement for the governing body of each county, city or town to hold a special meeting to hear taxpayers and make tax levies.

~~execution and attachment; exemptions~~ (NOW: agency rule making; fees; commission (H.B. 2586) – Chapter 290

SEE FINANCE COMMITTEE.

STAN subaccount; city reimbursement (H.B. 2625) – Chapter 291

SEE NATURAL RESOURCES, INFRASTRUCTURE & PUBLIC DEBT COMMITTEE.

LEGISLATION VETOED

~~admissibility of expert opinion testimony~~. (NOW: recovery audits; public funds (H.B. 2240) – VETOED

An emergency measure requiring the Office of the Auditor General (OAG) to contract with one or more consultants to conduct a recovery audit of payments made by state agencies to vendors during the previous three fiscal years with the initial contract entered into by October 1, 2010. The recovery audits are limited to payments made to vendors from agencies that have total expenditures of at least \$25,000 during the fiscal year. Stipulates that the OAG shall review all overpayment claims identified by the consultant and determine which overpayment claims the consultant will pursue, and permits the OAG to authorize the consultant to conduct an audit of an additional two fiscal years if the OAG identifies a pattern of overpayments with a specific vendor.

The Governor indicates in her veto letter that H.B. 2240 results in the delegation of Executive authority to the Legislature. She states that it is the Executive's responsibility to ensure proper payments and the Arizona Department of Administration (ADOA) is currently charged with that responsibility. The Governor commends the bill's sponsor and asks the ADOA to issue a request for proposal for a recovery audit in order to alleviate concerns over state expenditures. The contract is to be in place by October 1, 2010.

APPROPRIATIONS COMMITTEE (Cont'd.)

FOURTH SPECIAL SESSION

LEGISLATION ENACTED

general appropriations; 2009-2010 (S.B. 1001/H.B. 2001) – Chapter 1 (Fourth Special Session)

On July 1, 2009 Governor Jan Brewer signed, but exercised her line item veto on two bills transmitted to her office by the Forty-Ninth Legislature, First Regular Session – S.B. 1188, the FY 2010 general appropriations act passed by the Legislature; and H.B. 2643, which made revisions to S.B. 1188. The line item veto eliminated FY 2010 appropriations made for K-12 education.

Then, on July 6, 2009, the Governor signed into law H.B. 2001 – Laws 2009, Third Special Session. This legislation made FY 2010 appropriations to the Arizona Department of Education and the State Board of Education for K-12 education.

Effective November 23, 2009, S.B. 1001 repeals the Third Special Session appropriation and makes a new FY 2010 appropriation for K-12 education. The bill also transfers monies from the Department of Economic Security (DES) to the state General Fund (GF). At the time of enactment the Joint Legislative Budget Committee estimated the FY 2010 state budget shortfall at approximately \$2 billion. S.B. 1001 achieves an overall budget savings of \$452 million.

K-12 Education – Makes FY 2010 appropriations for K-12 education in the following amounts, and stipulates that the amounts are reduced by monies already spent in FY 2010:

Operating Lump Sum Appropriation	\$2,096,800
Basic State Aid*	\$2,909,403,900
Additional State Aid	\$423,642,700
Other State Aid to Districts	\$983,900
TOTAL	\$3,336,127,300
*Includes \$46,475,500 from the Permanent State School Fund	

DES – Reduces FY 2010 appropriations made to DES in the following amounts from the corresponding fund sources:

State GF	\$113,200,000
Child Support Enforcement Fund	\$796,900
Public Assistance Collections Fund	\$92,200
Special Administration Fund	\$347,000
Spinal and Head Injuries Trust Fund	\$556,900
TOTAL	\$114,993,000

Appropriates \$9,634,700 from the Federal Temporary Assistance for Needy Families Block Grant to DES in FY 2010.

Reduces by \$42 million a FY 2010 state GF appropriation to DES for the purposes of paying bills for services provided in June 2010, and states that previous legislation appropriates the \$42 million to DES in FY 2011.

APPROPRIATIONS COMMITTEE (Cont'd.)

K-12; budget reconciliation (S.B. 1002/H.B. 2002) – Chapter 2 (Fourth Special Session)

S.B. 1002 makes necessary statutory and session law changes relating to K-12 education in order to implement a revised FY 2010 state budget.

Instructs the Arizona Department of Education (ADE) to reduce in FY 2010 the amount of Basic State Aid (BSA) to school districts, that would otherwise be apportioned for soft capital, by \$144 million and charges the ADE to reduce district budget limits accordingly. The bill also instructs the ADE to reduce the soft capital allocation for school districts not eligible to receive BSA by the amount they would be reduced if they were eligible and charges the ADE to reduce district budget limits accordingly. S.B. 1002 further specifies that, to the extent possible, the soft capital reductions be taken against administrative costs rather than classroom instruction.

Exempts school districts with fewer than 600 K-8 pupils from 50 percent of the K-8 soft capital reductions and districts with fewer than 600 high school pupils from 50 percent of the high school soft capital reductions that they would otherwise receive in FY 2010.

general revenues; 2009-2010 (S.B. 1003/H.B. 2003) – Chapter 3 E (Fourth Special Session)

An emergency measure, effective November 23, 2009, with retroactive provisions as noted, making necessary statutory and session law changes relating to general revenues to reconcile the FY 2010 budget.

Department of Agriculture – Allows the Director to increase or decrease fees for services provided in FY 2010 and states legislative intent that the fees generate up to \$561,000 of increased revenues. Requires, before June 30, 2010, the department to collect any difference between the fee already collected in FY 2010 and any new fee from the person or entity that paid the original fee.

Arizona Corporation Commission (ACC) – Retroactive to July 1, 2009, redirects a portion of the fees collected for the annual report of domestic and foreign corporations from the state General Fund (GF) to the Public Access Fund for the ACC's operating expenses. Authorizes the ACC to adjust annual registration fees for securities dealers and salespersons and deposit a portion of those fees into the Securities Regulatory and Enforcement Fund (SREF). Stipulates that annual revenues collected in excess of the amount legislatively appropriated to the SREF be deposited into the state GF. Authorizes the ACC to establish by rule the annual registration fees for securities dealers and salesmen and states legislative intent that the additional revenue generated by the fees equals \$800,000. Grants, as session law, that beginning with the effective date of this act through December 31, 2009, the ACC has continuing authority to collect the fees for: 1) annual registration for securities dealers (\$300), 2) annual registration for securities salesmen (\$40) and 3) transfer of a salesman's registration from one dealer to another (\$40).

State Lottery Commission – Transfers the following amounts of State Lottery revenues to the GF, prior to any distribution of those revenues to the following funds: 1) County Assistance Fund (\$765,000), 2) Local Transportation Assistance Fund (\$2.3 million), and 3) Local Transportation Assistance Fund II (\$990,000). Repeals the State Land Department's Community Protection Initiative Fund and the Department of Environmental Quality's Water Supply Fund Special Line Item from the list of recipients of Lottery Fund monies.

APPROPRIATIONS COMMITTEE (Cont'd.)

Department of Revenue (DOR) – Accelerates by one or two years, depending on property type, the length of time for all property presumed to be abandoned and unclaimed, except that traveler's checks are accelerated by 12 years and money orders by four years (see the summary for H.B. 2111, Forty-Ninth Legislature, Second Regular Session for more information). Establishes the DOR Administrative Fund consisting of monies from unclaimed property. Transfers a portion of unclaimed property proceeds to the DOR Administrative Fund for payment of unclaimed property contract auditor fees if 12.5 percent of the total dollar value of recovered property exceeds \$1.8 million. Retroactive to July 1, 2009, continues the requirement that any Business Reengineering/Integrated Tax System (BRITS) contract extensions or modifications that increase the contractor's share of gain-sharing proceeds be subject to Joint Legislative Budget Committee (JLBC) review. Stipulates that DOR may utilize up to \$2 million of state GF revenue deposits to pay for BRITS operational support costs, subject to JLBC review.

Rio Nuevo Multipurpose Facilities District (District) – Specifies that the state's GF contribution to the District is discontinued on July 1, 2025 or until the completion of the currently scheduled debt service, whichever is earlier. Provides that no state funds may be used for operating expenses of the facility, or for costs that qualify for funding from the Arizona Convention Center Development Fund. Limits, retroactive to July 1, 2009, the monies paid to the District for the following: 1) debt service for bonds issued by the District before January 1, 2009, 2) contractual obligations incurred by the District before June 1, 2009, 3) other fiduciary, legal and administrative expenses of the District, and 4) design and construction of the hotel and convention center located on the District's site. Requires a performance audit of the District every three years beginning in 2010. Makes various administrative and transparency-related changes.

Taxes and Fees – Authorizes, retroactive to December 1, 2009, the Office of Pest Management to increase fees up to \$875,000 in FY 2010 and appropriates revenue generated through increased fees to the agency.

Requires that any Vehicle License Tax revenues collected as a result of the optional five-year vehicle registration period that exceeds the amount that would have been collected had the vehicles been registered for two years be deposited into the GF instead of the State Highway Fund.

Prohibits the amount of web portal fees used for maintaining and operating the web portal from exceeding \$3,000,000 in FY 2010, and requires all revenues from the State Web Portal to be deposited into the State Web Portal Fund.

Allows the Director of the Department of Transportation to set the amount of the fee for a duplicate driver's license.

Repeals the fee raising authority, appropriations and rulemaking exemptions authorized by Laws 2008, Chapter 291, for the following entities: Department of Public Safety, Department of Economic Security, Department of Health Services, State Land Department, and the Radiation Regulatory Agency.

Restores, retroactive to July 1, 2009, the fee raising authority authorized by Laws 2008, Chapter 291, section 12 for the following state agencies and states legislative intent that fees generated monies in the corresponding amounts in FY 2010:

- Department of Health Services - \$600,000.

APPROPRIATIONS COMMITTEE (Cont'd.)

- State Land Department (SLD) - \$600,000.
- Radiation Regulatory Agency - \$500,000.

Continues to suspend the requirement that the Department of Insurance revise fees so that revenues from fees collected by the department are between 95 percent and 110 percent of the department's state GF appropriation for FY 2010.

Miscellaneous – Provides that the Risk Management Revolving Fund may be used in FY 2010 for a one-time appropriation to the Commerce and Economic Development Commission to pay unpaid obligations relating to the Arizona Twenty-First Century Competitive Fund.

Appropriates \$18,474,923 from the Risk Management Revolving Fund in FY 2010 to the Twenty-First Century Fund, and the same amount from the Twenty-First Century Fund to the Commerce and Economic Development Commission in the Department of Commerce for unpaid prior year obligations.

Redirects unclaimed property proceeds by annually depositing the first \$10.5 million of collected proceeds into the Housing Trust Fund, effective retroactively to July 1, 2009. Redirects unclaimed property proceeds by annually depositing the second \$24.5 million of collected proceeds into the Department of Revenue Administrative Fund, effective retroactively to July 1, 2009.

Requires Maricopa County to transfer \$19,014,600 into the GF. Requires Pima County to transfer \$2,985,400 into the GF.

Allows 14 percent of the Residential Contractor's Recovery Fund's prior fiscal year revenues to be used for operational and administrative purposes in FY 2010 instead of 10 percent of the fund balance.

Redistributes pari-mutuel revenues and proceeds to the GF rather than to the following Racing funds: 1) Arizona County Fairs Racing Betterment Fund, 2) County Fairs Livestock and Agriculture Promotion Fund, 3) Arizona Breeders' Award Fund, 4) Arizona Stallion Award Fund, 5) County Fair Racing Fund, 6) Agricultural Consulting and Training Fund, 7) Racing Administration Fund, and 8) Arizona Exposition and State Fair Fund.

antideficiency statutes; property; amendments (S.B. 1004/H.B. 2004) – Chapter 4 E (Fourth Special Session)

An emergency measure, effective retroactive to September 30, 2009 that repeals A.R.S. § 33-814, as amended by Laws 2009, Chapter 68 and Laws 2009, Third Special Session, Chapter 7, Section 17, relating to the antideficiency statutes. Re-enacts A.R.S. § 33-814, relating to the antideficiency statutes, as it existed prior to the amendments made in 2009.

APPROPRIATIONS COMMITTEE (Cont'd.)

FIFTH SPECIAL SESSION

LEGISLATION ENACTED

2009-2010; general appropriation reductions; transfers. (S.B. 1001/ H.B. 2001) – Chapter 1 (Fifth Special Session)

On November 23, 2009 the Governor signed into law a series of bills that adjusted the FY 2010 state budget (Laws 2009, Fourth Special Session). At that time the JLBC estimated the FY 2010 overall budget shortfall was approximately \$2 billion. The legislation signed into law as a result of the Fourth Special Session reduced the FY 2010 deficit by \$452 million, leaving a FY 2010 deficit of approximately \$1.6 billion.

Effective December 23, 2010, S.B. 1001 makes reductions to FY 2010 appropriations and transfers monies from various funds to the state General Fund (GF) for a state GF savings of \$194 million.

Appropriation Reductions – Reduces the FY 2010 appropriations made from the state GF to the following budget units by the corresponding amounts listed below:

Agency	Additional FY 2010 Reduction
Department of Administration (ADOA)	(\$1,213,200)
Office of Administrative Hearings	(\$75,800)
Department of Agriculture	(\$696,100)
Arizona Healthcare Cost Containment System (AHCCCS)	(\$7,662,100)
Arizona Commission on the Arts	(\$72,600)
Attorney General (AG)	(\$1,449,300)
State Capital Postconviction Defender Office	(\$52,500)
Arizona Department of Commerce (ADOC)	(\$291,000)
Arizona Corporation Commission (ACC)	(\$47,800)
Department of Economic Security (DES)	(\$25,944,500)
Arizona Department of Education (ADE)	(\$4,618,700)
Department of Emergency Military Affairs	(\$543,000)
Arizona Department of Environmental Quality (ADEQ)	(\$468,600)
Governor's Office of Equal Opportunity	(\$15,900)
Board of Executive Clemency	(\$71,400)
Department of Financial Institutions (DFI)	(\$241,100)
Department of Fire Building and Life Safety	(\$177,200)
Arizona Geological Survey	(\$65,000)
Government Information Technology Agency (GITA)	(\$61,400)
Office of the Governor	(\$561,400)
Governor's Office of Strategic Planning and Budgeting	(\$161,600)
Department of Health Services	(\$13,972,200)
Arizona Commission of Indian Affairs	(\$9,500)
Department of Insurance (DOI)	(\$456,200)
Judiciary (JUD)	(\$1,000,000)
Arizona Department of Juvenile Corrections (ADJC)	(\$5,135,000)

APPROPRIATIONS COMMITTEE (Cont'd.)

State Land Department	(536,900)
Law Enforcement Merit System Council	(5,800)
Legislature	
Auditor General	(1,341,600)
House of Representatives	(907,400)
Joint Legislative Budget Committee	(206,600)
Senate	(595,100)
Board of Medical Student Loans	(65,000)
State Mine Inspector	(89,100)
Department of Mines and Mineral Resources	(30,200)
Arizona Navigable Stream Adjudication Commission	(11,100)
Commission of Postsecondary Education	(327,700)
Department of Public Safety (DPS) excluding special line items	(378,200)
Arizona Department of Racing	(460,400)
Radiation Regulatory Agency	(65,300)
State Department of Real Estate	(245,000)
Department of Revenue (DOR)	(3,049,600)
School Facilities Board (SFB)	(332,100)
State Board of Tax Appeals	(21,000)
Arizona Department of Transportation (ADOT)	(4,700)
Arizona Department of Water Resources (ADWR)	(1,368,600)
Department of Weights and Measures	(98,700)

Reverts, on December 23, 2009, \$8,000,000 of the \$108,683,300 appropriated in FY 2010 to SFB for debt service, and allows SFB to use an equivalent amount from the lease-purchase proceeds for full-day kindergarten capital costs authorized in the FY 2009 budget reconciliation bill for education (Laws 2008, chapter 287, section 54).

Reverts, on December 23, 2009, \$11,000,000 of the \$16,064,100 appropriated in FY 2010 to the Arizona Department of Corrections (ADC) for lease-purchase payments associated with 4,000 new state prison beds, and states legislative intent that ADC use an equivalent amount from the excess lease-purchase proceeds authorized in the FY 2008 budget reconciliation bill for criminal justice (Laws 2007, chapter 261, section 9).

Fund Reductions and Transfers – Reduces expenditures and transfers the following amounts from the indicated sources by July 1, 2010:

Fund	Additional FY 2010 FRAT
ADOA	
Administration - AFIS II Collections	(185,800)
Air Quality Fund	(51,000)
Automation Operations Fund	(1,556,400)
Capital Outlay Stabilization Fund	(815,800)
Construction Insurance Fund	(192,200)
Co-Op State Purchasing Agreement Fund	(157,900)
Corrections Fund	(45,800)
Emergency Telecommunications Revolving Fund	(2,167,500)

APPROPRIATIONS COMMITTEE (Cont'd.)

Motor Vehicle Pool Revolving Fund	(\$853,800)
Personnel Division Fund	(\$972,200)
Special Services Revolving Fund	(\$149,600)
State Surplus Materials Revolving Fund	(\$159,600)
Telecommunications Fund	(\$145,600)
Department of Agriculture	
Citrus, Fruit and Vegetable Revolving Fund	(\$72,000)
Designated Fund	(\$46,000)
AHCCCS	
Intergovernmental Services Fund	(\$653,500)
Third Party Collections Fund	(\$608,200)
Arizona Commission on the Arts	
Arts Trust Fund	(\$115,400)
AG	
Anti-Racketeering Revolving Fund	(\$222,900)
Criminal Justice Enhancement Fund (CJEF) Distributions	(\$334,500)
Collection Enforcement Revolving Fund	(\$268,700)
Consumer Fraud Revolving Fund	(\$284,900)
Legal Services Cost Allocation Fund	(\$458,200)
Automobile Theft Authority (ATA)	
ATA Fund	(\$341,100)
ADOC	
CEDC Fund	(\$305,600)
IGA and ISA Fund	(\$50,700)
Military Installation Fund	(\$235,000)
ACC	
Investment Management Regulatory Enforcement Fund	(\$57,700)
Public Access Fund	(\$508,900)
Securities Regulatory and Enforcement Fund	(\$357,400)
Utility Regulation Revolving Fund	(\$1,090,500)
ADC	
Alcohol Abuse Treatment Fund	(\$44,900)
Arizona Correctional Industry Revolving Fund	(\$2,445,200)
Indirect Cost Recovery Fund	(\$85,900)
Prison Construction and Operations Fund	(\$932,400)
Special Services Fund	(\$274,500)
State DOC Revolving Fund	(\$270,000)
State Education Fund for Correctional Education	(\$41,100)
Transition Program Drug Treatment Fund	(\$45,000)
Arizona Criminal Justice Commission (ACJC)	
CJEF	(\$55,500)
DUI Abatement Fund	(\$112,500)
Drug and Gang Enforcement Fund	(\$430,300)
State Aid to County Attorneys Fund	(\$78,900)
State Aid to Indigent Defense	(\$74,900)
Victim's Compensation and Assistance Fund	(\$307,500)
Commission for the Deaf and Hard of Hearing	
Telecommunications Fund for the Deaf	(\$330,700)

APPROPRIATIONS COMMITTEE (Cont'd.)

DES	
Child Abuse Prevention Fund	(\$118,300)
Domestic Violence Shelter Fund	(\$180,000)
Special Administration Fund	(\$92,100)
Spinal and Head Injuries Trust Fund	(\$137,400)
ADE	
Indirect Cost Recovery Fund	(\$356,800)
Internal Services Fund	(\$320,800)
Production Revolving Fund	(\$95,100)
Teacher Certification Fund	(\$185,200)
ADEQ	
Air Permits Administration Fund	(\$429,400)
Air Quality Fund	(\$389,100)
Emission Inspection Fund	(\$311,300)
Hazardous Waste Management Fund	(\$59,600)
Indirect Cost Recovery Fund	(\$841,800)
Monitoring Assistance Fund	(\$55,600)
Solid Waste Fee Fund	(\$86,800)
Specific Site Judgment Fund	(\$80,000)
Underground Storage Tank Revolving Fund	(\$2,227,800)
Water Quality Fee Fund	(\$422,400)
Arizona Exposition and State Fair Board	
Arizona Exposition and State Fair Fund	(\$894,500)
DFI	
Revolving Fund	(\$78,500)
Arizona Game and Fish Department	
Heritage Fund	(\$863,900)
Arizona Geological Survey	
Geological Survey Fund	(\$48,200)
GITA	
Information Technology Fund	(\$259,800)
Department of Housing	
Housing Program Fund	(\$230,000)
Housing Trust Fund	(\$1,458,900)
IGA and ISA Fund	(\$251,400)
DOI	
Insurance Examiners' Revolving Fund	(\$330,900)
ADJC	
CJEF	(\$45,100)
State Education Fund for Committed Youth	(\$185,000)
Department of Liquor Licenses and Control	
Liquor License and Special Collections Fund	(\$60,000)
Liquor Licenses Fund	(\$214,700)
Arizona State Lottery Commission	
State Lottery Fund	(\$528,400)
Parents Commission on Drug Education and Prevention	
Drug Treatment and Education Fund	(\$208,900)
Arizona State Parks Board	

APPROPRIATIONS COMMITTEE (Cont'd.)

Heritage Fund	(\$1,784,700)
Publications and Souvenirs Fund	(\$37,500)
State Lake Improvement Fund	(\$528,500)
State Parks Enhancement Fund	(\$671,300)
DPS	
Anti-Racketeering Fund	(\$441,800)
Auto Fingerprint Identification Fund	(\$245,000)
Crime Laboratory Assessment Fund	(\$414,800)
Crime Laboratory Operations Fund	(\$780,000)
CJEF	(\$232,100)
DNA Identification System Fund	(\$326,100)
DPS Administration Fund	(\$141,100)
DPS Licensing Fund	(\$85,300)
Fingerprint Clearance Card Fund	(\$219,200)
Board of Fingerprinting	(\$42,000)
Highway Patrol Fund	(\$1,504,500)
Indirect Cost Recovery Fund	(\$106,500)
Parity Compensation Fund	(\$245,100)
Peace Officer's Training Fund	(\$598,300)
Public Safety Equipment Fund	(\$54,900)
Records Processing Fund	(\$368,300)
DOR	
DOR Administrative Fund	(\$1,837,500)
SOS	
Record Services Fund	(\$50,900)
ADOT	
Arizona Highways Magazine Fund	(\$425,700)
Motor Vehicle Liability Insurance Enforcement Fund	(\$164,800)
SETIF	(\$163,000)
State Aviation Fund	(\$141,800)
Transportation Department Equipment Fund	(\$2,030,700)
Vehicle Inspection and Title Enforcement Fund	(\$117,700)
ADWR	
Arizona Water Banking Fund	(\$301,700)
Arizona Water Protection Fund	(\$41,700)
Augmentation and Conservation Assistance	(\$94,100)
Indirect Cost Recovery Fund	(\$102,000)
Department of Weights and Measures	
Air Quality Fund	(\$79,000)

Excess Balance Transfers (EBT) - Makes the following EBTs from the indicated sources and deposits the monies into the state GF by July 1, 2010:

Fund	Additional FY 2010 EBT
ADOA	
Capital Outlay Stabilization Fund	(\$463,900)
Construction Insurance Fund	(\$110,300)

APPROPRIATIONS COMMITTEE (Cont'd.)

Co-Op State Purchasing Agreement Fund	(\$175,800)
Emergency Telecommunications Revolving Fund	(\$6,488,200)
Department of Agriculture	
Commercial Feed Fund	(\$104,700)
Fertilizer Materials Fund	(\$101,600)
Indirect Cost Recovery Fund	(\$66,600)
Livestock Custody Fund	(\$60,200)
Pesticide Fund	(\$75,300)
Seed Law Fund	(\$57,700)
AHCCCS	
Intergovernmental Services Fund	(\$499,300)
Third Party Collections Fund	(\$139,100)
AG	
Anti-Racketeering Revolving Fund	(\$1,369,800)
Antitrust Revolving Fund	(\$155,100)
Consumer Fraud Revolving Fund	(\$3,496,500)
Victim's Rights Fund	(\$155,600)
ADOC	
CEDC Fund	(\$186,900)
Commerce Development Bond Fund	(\$104,900)
Commerce Workshop Fund	(\$110,500)
ACC	
Investment Management Regulatory Enforcement Fund	(\$319,900)
Public Access Fund	(\$43,800)
Securities Regulatory and Enforcement Fund	(\$239,200)
Utility Regulation Revolving Fund	(\$191,000)
ADC	
Alcohol Abuse Treatment Fund	
Arizona Correctional Industry Revolving Fund	(\$1,612,700)
State Education Fund for Correctional Education	(\$94,500)
Transition Office Fund	(\$135,700)
Transition Program Drug Treatment Fund	(\$493,900)
ACJC	
Resource Center Fund	(\$136,000)
DUI Abatement Fund	(\$121,500)
Drug and Gang Enforcement Fund	(\$856,300)
State Aid to County Attorneys Fund	(\$40,700)
Victim's Compensation and Assistance Fund	(\$678,400)
Commission for the Deaf and Hard of Hearing	
Telecommunications Fund for the Deaf	(\$229,700)
DES	
Child Abuse Prevention Fund	(\$105,600)
ADE	
Displaced Pupils Choice Grant	(\$1,159,900)
Indirect Cost Recovery Fund	(\$193,000)
Teacher Certification Fund	(\$559,200)
ADEQ	
Air Permits Administration Fund	(\$776,800)

APPROPRIATIONS COMMITTEE (Cont'd.)

Hazardous Waste Management Fund	(\$268,200)
Indirect Cost Recovery Fund	(\$351,700)
Institutional and Engineering Control Fund	(\$147,700)
Monitoring Assistance Fund	(\$326,500)
Small Water Systems Fund	(\$119,100)
Specific Site Judgment Fund	(\$86,200)
Underground Storage Tank Revolving Fund	(\$1,074,400)
Volunteer Remediation	(\$364,300)
DFI	
Arizona Escrow Recovery Fund	(\$363,200)
Receivership Revolving Fund	(\$143,200)
Department of Fire, Building, and Life Safety	
Building and Fire Safety	(\$92,700)
DHS	
Emergency Medical Services Operating Fund	(\$193,000)
Substance Abuse Services Fund	(\$155,000)
Department of Housing	
Housing Program Fund	(\$1,587,000)
Housing Trust Fund	(\$1,012,200)
IGA and ISA Fund	(\$341,800)
DOI	
Insurance Examiners' Revolving Fund	(\$142,700)
JUD - Supreme Court	
CJEF	(\$1,000,000)
Alternative Dispute Resolution Fund	(\$600,000)
Arizona Lengthy Trial Fund	(\$200,000)
Photo Enforcement Fund	(\$700,000)
JUD - Superior Court	
CJEF	(\$1,000,000)
State Land Department	
Fire Suppression Fund	(\$104,100)
Department of Liquor Licenses and Control	
Liquor License and Special Collections Fund	(\$328,700)
Department of Mines and Minerals	
Mines and Minerals Resources	(\$34,400)
Parents Commission on Drug Education and Prevention	
Drug Treatment and Education Fund	(\$1,648,200)
Arizona State Parks Board	
Heritage Fund	(\$2,124,700)
Partnerships Fund	(\$156,900)
Publications and Souvenirs Fund	(\$94,000)
State Lake Improvement Fund	(\$1,387,300)
State Parks Fund	(\$213,900)
State Parks Enhancement Fund	(\$1,630,800)
Commission for Postsecondary Education	
Private Postsecondary Student Financial Assistance Fund	(\$322,900)
DPS	
Anti-Racketeering Fund	(\$2,567,400)

APPROPRIATIONS COMMITTEE (Cont'd.)

CJEF	(\$167,200)
Crime Laboratory Operations Fund	(\$2,000,000)
Public Safety Equipment Fund	(\$919,400)
Highway Patrol Fund	(\$1,368,500)
State Real Estate Department	
Recovery Fund	(\$125,100)
Residential Utility Consumer Office	
RUCO	(\$65,800)
DOR	
Estate and Unclaimed Property Fund	(\$408,300)
Liability Set-Off Fund	(\$122,300)
SOS	
Data Processing Acquisition Fund	(\$56,500)
Notary Bond Fund	(\$50,800)
Records Services Fund	(\$82,300)
Office of Tourism	
Tourism Fund	(\$1,896,600)
ADOT	
Arizona Highways Magazine Fund	(\$635,400)
Motor Vehicle Liability Insurance Enforcement Fund	(\$125,700)
State Aviation Fund	(\$2,163,100)
ADWR	
Arizona Water Banking Fund	(\$383,000)
Flood Warning System Fund	(\$54,500)

Requires, by July 1, 2010, ADOT to transfer \$664,900 from the Safety Enforcement and Transportation Infrastructure Fund to the State Highway Fund, and transfers the same amount to the state GF.

SIXTH SPECIAL SESSION

LEGISLATION ENACTED

statewide special election (S.B. 1001) - Chapter 1 – W/O (Sixth Special Session)

Authorizes a special election on May 18, 2010 to submit to the voters constitutional amendments to provide for a temporary tax. Outlines requirements for the Secretary of State (SOS), Legislative Council and the Joint Legislative Budget Committee as they pertain to the printing of informational pamphlets, public meeting requirements and publication requirements. Stipulates that political subdivisions choosing to coordinate local elections with the special election can only utilize the ballot and format where the question related to the temporary increase of a statewide tax appears before the other matters of the political subdivision. Mandates the board of supervisors, within ten days after the special election, to deliver the canvass to the SOS and requires the SOS to complete the canvass by the second Monday after the special election.

Outlines procedures for political action committees including the requirements to register and file reports of contributions and expenditures. Mandates the SOS to reimburse counties for certain costs

APPROPRIATIONS COMMITTEE (Cont'd.)

associated with the special election. Makes a FY 2010 appropriation in the amount of \$8,346,900 authorized by Laws 2009, Chapter 11 non-lapsing.

revenue bonds; lease-purchase finance (S.B. 1003) – Chapter 4 (Sixth Special Session)

Conditional on the enactment of S.B. 1004, Forty-Ninth Legislature, Sixth Special Session, S.B. 1003 requires the Arizona Department of Administration (ADOA) to issue State Lottery Revenue Bonds (Bonds) and enter into lease-purchase agreements of state-owned facilities.

Bonds – Requires the Director of ADOA (Director) to issue Bonds in an amount sufficient to deposit \$450 million in the state General Fund (GF) by December 31, 2010. Authorizes the use of the Bonds to provide for bond-related expenses and to fully or partially fund any reserves and sinking accounts. States the Director shall authorize the Bonds through an appropriate document and outlines what the document shall include.

Requires that the Bonds reach maturity within 20 years after the date of issuance and stipulates that the Bonds shall be sold at public or private sale at the price and terms prescribed by the Director at, above or below par. The Bonds are exempt from state taxation and are not considered general, special or other obligations of this state and do not constitute state debt.

State Lottery Revenue Bond Proceeds Fund (Proceeds Fund) – Establishes the Proceeds Fund, administered by ADOA, and deposits any net proceeds over \$450 million into the Proceeds Fund. The monies in the Proceeds Fund are prohibited from being used for anything other than bond-related expenses and are exempt from lapsing.

State Lottery Revenue Bond Debt Service Fund (Debt Service Fund) – Establishes the Debt Service Fund under the direction of ADOA and requires that Bonds are paid solely from monies in the Debt Service Fund. Transfers State Lottery Fund monies currently deposited into the state GF into the Debt Service Fund until the state meets all requirements of the current period. The bill requires that after payment of the Lottery's operating expenses, amounts normally distributed to Lottery beneficiaries are transferred to the Debt Service Fund until the state meets all requirements of the current period.

Securing Principal and Interest – S.B. 1003 allows the Director to segregate the Debt Service Fund and provides that issued Bonds may be secured by a lien on all or part of the monies in the Debt Service Fund. The bill further provides that the Bonds are secured by a first lien on the monies paid into the Debt Service Fund and pledges all or part of the monies in the Debt Service Fund and Proceeds Fund to secure and pay the principal, interest and any premiums on the Bonds as they come due.

Lease-purchase of State-owned Facilities – Requires ADOA, no later than September 30, 2010, to enter into lease-purchase agreements through the sale and simultaneous lease-purchase of state buildings. The agreement is required to be for a fixed term of no more than 20 years with the initial payment occurring in FY 2011. Outlines that the agreement shall result in net available proceeds of not more than \$300 million to be deposited into the state GF by September 30, 2010. The bill specifies that the state shall maintain operations at any facility and ADC at any prison facility that is sold. Provides that the obligation of this state to make any payment under the agreement is a current expense of the ADOA only payable from appropriated monies and is not a general obligation indebtedness of this state or ADOA. It is further stipulated that if the Legislature

APPROPRIATIONS COMMITTEE (Cont'd.)

fails to make an appropriation or ADOA fails to allocate monies for any payment, the agreement terminates at the end of the current term and the state and ADOA are relieved of any subsequent obligation.

state lottery; authorization (S.B. 1004) – Chapter 2 (Sixth Special Session)

The State Lottery (Lottery) was established as a result of an initiative petition and the approval of the voters in the November 1980 general election. In November 2002, the Legislature asked voters to decide if the Lottery should be extended for an additional ten years. Citizens voted in favor of keeping the Lottery operating through January 1, 2013.

S.B. 1004 authorizes the Lottery, effective July 1, 2012 and conditional on the enactment of S.B. 1003, Forty-ninth Legislature, Sixth Special Session, through June 30, 2035. The Lottery will operate under terms and conditions similar to the current Lottery. The bill provides for the initial terms of the members of the Arizona State Lottery Commission (Commission) and exempts the Commission from the procurement code and rulemaking requirements for six months after the effective date of this legislation. The Commission is also exempt from the 10-year sunset limitation, with the Commission terminating on July 1, 2035.

Requires that if there are any bonds or bond-related obligations payable from the State Lottery Revenue Bond Debt Service Fund (Debt Service Fund), the Debt Service Fund is secured by a first lien on the monies in the State Lottery Fund (SLF) after the payment of operating costs. Stipulates that after the requirements for the current period are satisfied, monies in the SLF are distributed to the Lottery beneficiaries and requires that debt service for State Lottery Revenue Bonds are paid first from monies that are otherwise deposited in the state General Fund. Repeals legislation pertaining to State Lottery Revenue Bonds on January 1, 2036 (See S.B. 1003, Forty-Ninth Legislature, Sixth Special Session for more information).

standard deduction; nonresidents; prorate (S.B. 1005) – Chapter 3 (Sixth Special Session)

Subject to the requirements for enactment (Proposition 108), which requires the affirmative vote of at least two-thirds of the members of each house of the Legislature, and retroactive to tax year 2010, requires a nonresident taxpayer to prorate the standard deduction based on Arizona gross income as a percent of federal adjusted gross income.

temporary sales tax; repeal (S.C.R. 1001) – (Sixth Special Session)

Subject to voter approval, constitutionally imposes a one-cent temporary state Transaction Privilege Tax and use tax for three years, beginning on June 1, 2010 and expiring on May 31, 2013. Limits the use of the revenues collected for the support of primary and secondary education, health and human services and public safety.

Note: At the May 18, 2010 special election voters approved Proposition 100, enacting the temporary three-year tax.

APPROPRIATIONS COMMITTEE (Cont'd.)

SEVENTH SPECIAL SESSION

LEGISLATION ENACTED

general appropriations; 2009-2010; 2010-2011 – (H.B. 2001/S.B. 1001) – Chapter 1 (Seventh Special Session)

Effective March 18, 2010, H.B. 2001 makes state General Fund (GF) and other fund appropriations for FY 2011 for the operation of state government, and provides for further FY 2011 budget adjustments should Proposition 100 fail at the May 18, 2010 special election. See the summary for S.C.R. 1001, Forty-Ninth Legislature, Sixth Special Session for more information on the ballot measure. The bill also makes various budget revisions, transfers and supplemental appropriations to reconcile the FY 2010 state budget.

FY 2010 Budget Adjustments – H.B. 2001 makes the following major adjustments to the FY 2010 state budget for an overall state GF savings of \$652 million:

- Additional Revenue - \$48 million.
- Fund Sweeps - \$37.2 million.
- K-12 and University Payment Deferrals - \$450 million.
- Reductions to State Agencies - \$124.5 million.

FY 2011 Appropriations – At the time of enactment the Joint Legislative Budget Committee estimated a FY 2011 budget deficit approaching \$2.66 billion relative to the expected baseline spending. H.B. 2001 makes the following adjustments to the baseline to reconcile the FY 2011 deficit:

- Additional Revenues - \$1 billion, including an estimated \$918 million if Proposition 100 is approved by the voters at a May 18, 2010 special election.
- Fund Sweeps - \$487.6 million, including:
 - First Things First ballot measure - \$325 million (see H.C.R 2001, Seventh Special Session).
 - Growing Smarter ballot measure - \$123.5 million (see H.C.R 2002, Seventh Special Session).
- School Facilities Board Debt Refinance - \$60 million.
- Reductions to State Agencies - \$1.1 billion.

FY 2011 Contingency Budget – Should Proposition 100 fail at the May 18, 2010, special election, H.B. 2001 provides for an additional \$862 million in agency reductions. The major components of this contingency include the following reductions:

- K-12 Education - \$428.5 million.
- Universities - \$107 million.
- Arizona Healthcare Cost Containment System - \$114 million.
- Arizona Department of Corrections - \$63.2 million (includes a shift of incarcerations under one year to the counties beginning October 1, 2010).
- Department of Economic Security - \$50.5 million.

APPROPRIATIONS COMMITTEE (Cont'd.)

- Department of Health Services - \$40 million.

For complete information on the FY 2011 budget as enacted refer to the *JLBC FY 2011 Appropriations Report* at: <http://www.azleg.gov/jlbc.htm>.

capital outlay appropriations; 2010-2011 (H.B. 2002/S.B. 1002) – Chapter 2 (Seventh Special Session)

Effective March 18, 2010, makes appropriations and session law changes relating to capital outlay for the FY 2011 state budget.

Building Renewal – Appropriates the following amounts in FY 2011 to the following agencies from the specified funds for major maintenance, repair and renewal of state buildings:

Agency	Fund Source	Amount
Arizona Department of Administration (ADOA)	State General Fund	\$ 4,000,000
	Capital Outlay Stabilization Fund	\$ 1,000,000
Arizona Department of Transportation (ADOT)	State Highway Fund	\$ 1,000,000
	State Aviation Fund	\$ 50,000
Arizona Lottery Commission	Arizona State Lottery Fund	\$ 75,600
Arizona Game and Fish Department (G&F)	Game and Fish Fund	\$ 506,800

Allows ADOA to allocate \$275,000 of its appropriated amounts to personal services and employee-related expenditures for no more than five FTE positions each fiscal year until the building renewal projects are completed. All unexpended FY 2011 building renewal monies revert back to the state General Fund on June 30, 2012.

Major Capital Projects – Appropriates the following amounts in FY 2011 to the following agencies from the specified funds for major capital projects:

Agency	Purpose	Fund	Amount
G&F	Migratory Conservation	Waterfowl Conservation Fund	\$ 100,000
G&F	Radio Tower	Watercraft Licensing Fund	\$ 250,000
G&F	Shooting Range Access Improvements	Game and Fish Fund	\$ 200,000
G&F	Statewide Preventative Maintenance	Game and Fish Fund	\$ 30,000
G&F	Ben Avery Improvements	Game and Fish Capital Improvement Fund	\$ 800,000
G&F	Regional (Yuma) Office Paving Project	Game and Fish Fund	\$ 60,000
G&F	Silver Creek Hatchery Remodel/Expansion	Game and Fish Capital Improvement Fund	\$ 1,000,000
ADOT	Statewide Highway Construction	State Highway Fund	\$ 180,594,000
ADOT	Airport Planning and Development	State Aviation Fund	\$ 22,477,700

APPROPRIATIONS COMMITTEE (Cont'd.)

Department of Administration – Requires ADOA to report on the status of project-specific FTE positions for capital projects in its annual capital budget request and allows ADOA to allocate FTE positions authorized for specific projects to other projects if specified conditions are met. ADOA is also required to report any FTE position reallocations to the Joint Committee on Capital Review by December 31, 2010.

budget procedures; budget reconciliation; 2010-2011 (H.B. 2003/S.B. 2003) – Chapter 3 (Seventh Special Session)

H.B. 2003 makes necessary statutory and session law changes relating to budget procedures in order to reconcile the FY 2010 and FY 2011 state budgets.

State Employee Pay Reduction, Furlough – The bill repeals statute relating to a 2.75 percent performance pay available to state agencies, effective May 29, 2010, and requires one furlough day in FY 2010 and six furlough days in FY 2011 and FY 2012. These requirements apply to all state government units except employees of elected officials other than the Governor.

For the offices of non-gubernatorial elected officials, H.B. 2003 requires that each budget unit receive a 2.75 percent personnel expense reduction, along with an additional 2.3 percent personnel expense reduction. The 2.3 percent reduction is equivalent to the six-day furlough required for all other budget units. The non-gubernatorial elected officials may use furloughs, salary reductions and vacancy savings to achieve these savings.

University employees are exempt from the bill's provisions in order to comply with the maintenance of effort outlined in the federal American Recovery and Reinvestment Act of 2009. The university exemption is removed upon expiration of the federal maintenance of effort requirements – the end of FY 2011.

The bill also makes provisions for the implementation of the furlough program including allowing for the closure of offices and exempting certain state employees from furloughs, as approved by Arizona Department of Administration (ADOA), for positions that require continuous operation due to their critical nature. Also, with ADOA approval, a budget unit may reduce employee pay in lieu of requiring furloughs, provided that the agency achieves the required amount of savings.

Miscellaneous – Repeals the voluntary separation program for permanent status employees in positions scheduled for elimination due to a reduction in force. Allows an agency director to require covered employees to work reduced hours in order to comply with any reduction in appropriations for FY 2011.

States that for the purposes of calculating the state GF balance at the close of FY 2011, any monies that are appropriated from the state GF that are exempt from lapsing, and remain unexpended and unencumbered are included in the closing balance.

APPROPRIATIONS COMMITTEE (Cont'd.)

regulation; budget reconciliation; 2010-2011 (H.B. 2004/S.B. 1004) – Chapter 4 (Seventh Special Session)

Limits the amount of monies from the Captive Insurance Regulatory and Supervision Fund available for use to administer the Department of Insurance to \$100,000 in each fiscal year. Prohibits the Director of Insurance from increasing fees or assessments in FY 2011. Limits the amount of monies from the Residential Contractors' Recovery Fund available for the procurement of equipment and operational support to 14 percent of the total amount deposited in FY 2010. Requires, conditional on the failure of Proposition 100 at the May 18, 2010, special election, the Department of Fire, Building and Life Safety to perform only those duties that the Director of the Department determines are possible within available appropriations. (See the summary for S.C.R. 1001, Forty-Ninth Legislature, Sixth Special Session for more information on Proposition 100).

general government; budget reconciliation; 2010-2011 (H.B. 2005/S.B. 1005) – Chapter 5 (Seventh Special Session)

Establishes the State Treasurer's Operating Fund (Fund) and appropriates \$2,492,400 from the Fund to the State Treasurer (Treasurer) in FY 2011 and reduces the FY 2011 state General Fund (GF) appropriation to the Treasurer by a corresponding amount.

Repeals the FY 2011 deposit in the Twenty-First Century Competitive Initiative Fund and reduces, in FY 2011, the annual appropriation from the state GF to the Military Installation Fund by \$2,800,000. The bill also limits the aggregate amount of all liabilities incurred during a declaration of emergency to \$2,900,000 in FY 2011.

Allows the Department of Commerce to use monies appropriated from the state GF and other funds to administer programs that attract and retain jobs in Arizona and prohibits the Secretary of State from registering professional employer organizations until July 1, 2011.

criminal justice; budget reconciliation; 2010-2011 (H.B. 2006/S.B. 1006) – Chapter 6 (Seventh Special Session)

Makes necessary statutory and session law changes relating to the criminal justice system to reconcile the FY 2010 and FY 2011 state budget.

Arizona Department of Corrections (ADC) / County Jail – Conditions, effective October 1, 2010, the following on the failure of Proposition 100 at the May 18, 2010, special election: a) requires persons sentenced to one year or less to be incarcerated in a county jail rather than a state prison and, as session law, transfers inmates with less than a year remaining on their sentence to a county jail; b) modifies certain criminal code provisions regarding incarceration in a county jail rather than a state prison; and c) specifies certain concurrent sentencing requirements.

Continues, as session law, expenditure reporting requirements when ADC submits its FY 2012 budget request. Repeals the requirement that ADC enter into a concessions agreement with private vendors to operate one or more state prisons. Permits monies deposited in the Transition Office Fund to be used for any costs to operate the transition programs.

Arizona Department of Juvenile Corrections (ADJC) – Beginning July 1, 2011, and retroactive to July 1, 2010, eliminates ADJC and repeals, effective January 1, 2012, and retroactive

APPROPRIATIONS COMMITTEE (Cont'd.)

to July 1, 2010, statutory reference to ADJC. Establishes the Commission on Juvenile Corrections Reform and specifies membership, duties and requirements and repeals the Commission on October 1, 2011.

Department of Public Safety (DPS) – Reduces Public Safety Equipment Fund distribution monies. Redirects Criminal Justice Enhancement Fund monies deposited into the state General Fund (GF) to the Crime Laboratory Operations Fund. Continues, as session law, the following: a) reduces appropriations to the DNA Identification System Fund; b) suspends the statutory caps governing the level of Highway User Revenue Fund monies and state Highway Fund monies available to fund DPS Highway Patrol costs; and c) exempts, retroactive to July 1, 2010, state photo enforcement citations from inclusion in judicial productivity credit calculations. Repeals the Sex Offender Monitoring Fund and transfers any remaining monies to the state GF on certain dates subject to the outcome of Proposition 100 on May 18, 2010. Permits DPS to charge the Peace Officer Standards and Training Board for administrative support services costs.

Attorney General (AG) – Allows the AG to use monies in the Collection Enforcement Revolving Fund and the Consumer Protection-Consumer Fraud Revolving Fund for operating expenses, including costs associated with the Tobacco Master Settlement Agreement arbitration.

Courts – Suspends, as session law, the following: a) various court reporting requirements; b) calculating, appropriating and reporting requirements related to probation revocation and crime reduction performance funding; and c) provisions related to county non-supplanting requirements for certain court funds, and specifies reporting requirements for identifying any decrease in county funding related to these suspended provisions.

As session law and retroactive to July 1, 2010, funds the state share for compensation and employee-related expenditures for justices of the peace at specified amounts dependent on the result of Proposition 100 on May 18, 2010. Requires, as session law, counties with a population of 2 million or less to pay one-half of the annual salaries for Superior Court judges, as well as \$735,000 of the state's share, subject to the failure of passage of Proposition 100 at the May 18, 2010, special election. Requires counties with a population greater than 2 million to pay 100 percent of a Superior Court judge's annual salary. (See the summary for S.C.R. 1001, Forty-Ninth Legislature, Sixth Special Session for more information on Proposition 100).

Board of Executive Clemency – Permits the Chairman to act as the executive director and modifies quorum provisions regarding failed actions. Continues, as session law, the requirement that Board members serve on a part-time basis and work no more than 30 hours per week without paid leave or state employee benefits.

Arizona Criminal Justice Commission – Diverts, retroactive to July 1, 2010, monies from the Drug and Gang Prevention Resource Center Fund to fund the Arizona Youth Survey.

Capital Postconviction Public Defender – Establishes the Capital Postconviction Public Defender Office Fund (Fund). Removes the \$30,000 per case cap from counties for incurred costs by the Office and requires reimbursements to be deposited into the Fund.

APPROPRIATIONS COMMITTEE (Cont'd.)

environment; budget reconciliation; 2010-2011 (H.B. 2007/S.B. 1007) – Chapter 7 (Seventh Special Session)

Makes the necessary session law changes relating to the environment to reconcile the FY 2010 and FY 2011 state budget.

Arizona Department of Agriculture (ADA) – Retroactive to July 1, 2010, allows the ADA Director to modify fees in FY 2011 and exempts ADA from rulemaking requirements for one year to establish those fees. Contains a legislative intent clause that limits the amount generated by increased fees to \$561,000.

Arizona Department of Environmental Quality (ADEQ) – Allows the ADEQ Director to increase fees for services in FY 2011 and exempts ADEQ from rulemaking requirements for one year to establish those fees. Contains a legislative intent clause that limits additional revenues generated by increased fees to \$5,779,100. The bill also caps the state General Fund appropriation to the Water Quality Assurance Revolving Fund at \$7,000,000 and authorizes ADEQ to transfer \$6,531,000 from the State Assurance Fund for administrative costs associated with specified programs.

Arizona State Parks Board (Board) – Authorizes the use of State Parks Enhancement Fund monies for park operations, as appropriated by the Legislature in the General Appropriations Act, or for capital needs, as determined by the Board and approved by the Joint Committee on Capital Review. Allows the Board to use monies over \$500,000 in the Law Enforcement and Boating Safety Fund (LEBSF) in FY 2011 for park operations, but specifies that \$500,000 in LEBSF monies must be granted to recipients in La Paz and Mohave counties for fund purposes. Authorizes the Board to expend \$692,100 from the Off-Highway Vehicle Recreation Fund for operating expenses.

Arizona Department of Water Resources (ADWR) – Allows the ADWR Director to increase service fees in FY 2011 and exempts ADWR from rulemaking requirements for one year to establish those fees. Contains a legislative intent clause that limits additional revenues generated by increased fees to \$5,662,900. Suspends funding of the Arizona Water Protection Fund in FY 2011.

Miscellaneous – Requires ADA, ADEQ and ADWR to develop a specific fee plan by April 1, 2010, for the Legislature's consideration. Allows \$80,000 from the Arizona Department of Administration's Risk Management Revolving Fund to be used by the Arizona Navigable Stream Adjudication Commission to pay legal fees.

K-12 education; budget reconciliation; 2010-2011 (H.B. 2008/S.B. 1008) – Chapter 8 (Seventh Special Session)

Basic State Aid – Continues the FY 2010 base level amount of \$3,267.72 and increases the transportation support level per route mile formula amount by 1.2% for FY 2011. Eliminates the Group B weight for Kindergarten students. Increases charter school additional assistance amounts for FY 2011 from \$1,588.44 to \$1,607.50 for students in grade K-8; and from \$1,851.30 to \$1,873.52 for students in grades 9-12. Directs ADE to proportionally reduce the FY 2011 additional assistance amounts apportioned to charter schools by an amount specified in the General Appropriations Act. Specifies that school districts may expend soft capitol allocation (SCA) monies for any capital or operating expense in FY 2011.

APPROPRIATIONS COMMITTEE (Cont'd.)

Directs the Arizona Department of Education (ADE) to reduce school districts' SCA and budget limits by \$165,120,700 for FY 2011. School districts must take these reductions against administrative costs, where possible. The following take effect if voters fail to approve Proposition 100 at the May 18, 2010 special election: 1) suspension of the entire FY 2011 SCA for school districts, 2) suspension of the entire FY 2011 school district Capital Outlay Revenue Limit formula funding and 3) a proportional reduction of FY 2011 school district Base Support Level funding budget limits by \$102,723,300. (See the summary for S.C.R. 1001, Forty-Ninth Legislature, Sixth Special Session for more information on Proposition 100).

Joint Technological Education District (JTED) – Funds state aid for JTEDs in FY 2011 at 91 percent of the amount that otherwise would be provided by law but states the equalization formula funding will be no less than the FY 2010 level, except for reductions due technical adjustments. Defines *equalization formula funding* as the sum of the JTED's District Support Level (DSL), CORL and SCA.

Career Ladder – Specifies the maximum increase in the base level amount participating school districts may budget for Career Ladder as five percent and prohibits new teachers from participating in FY 2011.

School Facilities Board (SFB) – Suspends the building renewal formula for FY 2011. Modifies the SFB's authority to enter into lease-to-own agreements (LTO) of up to \$100,000,000 by including authority for Build America Bonds, extending authority until June 30, 2011; and requiring proceeds be used for new construction projects, giving priority in awarding funds to districts whose actual or projected FY 2011 average daily membership exceeds capacity. The SFB may not authorize or award funding for the design or construction or school site acquisition of any new school facility in FY 2011 above the specified bonding authority. School districts must submit capital plans and the SFB may review and award new school facilities in FY 2011, subject to future appropriations. Requires the SFB to refinance existing LTO agreements to reduce FY 2011 debt-service payments by a total of \$60 million. The refinancing cannot result in decreased payments for any other fiscal year.

Early Graduation Scholarship Program (EGSP) – Limits the EGSP to students admitted before July 1, 2009 and continues funding for existing students, subject to sufficient available monies. In FY 2011, a school district or charter school may not adjust their student count and per-pupil funding for pupils who graduate high school early and the ADE may not transfer any monies to the Commission for Post Secondary Education for the EGSP.

Miscellaneous – Suspends annual performance audit requirements for the AIMS Intervention and Dropout Prevention programs for FY 2011. Effective July 1, 2011, the calculation of Additional State Aid (Homeowner's Rebate) is limited to the Qualifying Tax Rate only, rather than the primary property tax rate. Prohibits school districts from adjusting their Revenue Control Limit for actual utility costs and exempts districts from the related reporting requirements in FY 2011. School districts and charter schools may charge tuition for full day kindergarten in FY 2011 if full day kindergarten is eliminated due to funding reductions continued from FY 2010.

APPROPRIATIONS COMMITTEE (Cont'd.)

higher education; budget reconciliation; 2010-2011 (H.B. 2009/S.B. 1009) – Chapter 9 (Seventh Special Session)

Makes statutory and session law changes relating to higher education in order to reconcile the FY 2011 state budget.

Community Colleges – In FY 2011, suspends capital outlay funding and the operating state aid and equalization aid formulas. Specifies that the FY 2011 appropriations for operating state aid and equalization aid are provided in the General Appropriation Act. Suspends the 20 percent cap on the districts' ability to use capital outlay monies for operating expenses. And, if voters fail to approve Proposition 100 at the May 18, 2010 special election, funding for qualifying tribal community colleges, providing \$1.75 million or 10 percent of Transaction Privilege Tax revenues collected from sources located on Indian reservations, whichever is less, is repealed. (See the summary for S.C.R. 1001, Forty-Ninth Legislature, Sixth Special Session for more information on Proposition 100).

Universities – Suspends the statutory requirement of a 2:1 ratio of state funding to student fees be deposited into the Arizona Financial Aid Trust for FY 2011.

Board of Medical Student Loans – Effective July 1, 2011, suspends the statutory requirement for a minimum of 50 percent of loan monies be apportioned for students attending private medical schools.

Miscellaneous – Directs Legislative Council to prepare conforming legislation for consideration during the next legislative session, related to the conditional repeal of tribal community college funding.

health; budget reconciliation; 2010-2011 (H.B. 2010/S.B. 1010) – Chapter 10 (Seventh Special Session)

Makes statutory and session law changes relating to health in order to reconcile the FY 2011 state budget.

Arizona Health Care Cost Containment System (AHCCCS)

KidsCare – Repeals the state Children's Health Insurance Program (KidsCare). Reverts monies remaining in the Children's Health Insurance Program Fund to the General Fund (GF) one year after the general effective date.

Covered Services – Limits and excludes certain health and medical services from AHCCCS coverage. Exempts the AHCCCS Administration from rulemaking requirements for two years to make changes to covered services and eligibility determination procedures to implement a program within available appropriations.

Provider Rates and Capitation Payments – Prohibits the AHCCCS Administration from increasing institutional or noninstitutional provider rates in contract year (CY) 2011 above the rates in effect on September 30, 2010. Authorizes the AHCCCS Administration to reduce provider rates

APPROPRIATIONS COMMITTEE (Cont'd.)

by five percent in CY 2011, and allows a further reduction of an additional 10 percent if Proposition 100 is not approved by the voters at the May 18, 2010, special election. (See the summary for S.C.R. 1001, Forty-Ninth Legislature, Sixth Special Session for more information on Proposition 100).

Suspends AHCCCS capitation payments to acute care health plans in the amount of \$344,201,700 for up to two months in FY 2011. Stipulates that delinquent capitation payments are subject to an interest rate of 0.05 percent.

Disproportionate Share Hospital (DSH) Payments – Continues to require the Maricopa County Special Health Care District (District) and the Arizona State Hospital (ASH) to provide a certified public expense (CPE) form for qualifying DSH expenditures. Requires the AHCCCS Administration to distribute \$4,292,300 to the District and deposit the remaining federal funds into the state GF. Prescribes procedures that apply if the CPE amount is less than estimated. Specifies that the DSH payments include \$28,474,900 for ASH and \$9,284,800 for private qualifying DSH hospitals.

County Contributions – Modifies, in session law, the distribution and payment of county contributions in compliance with the American Recovery and Reinvestment Act (ARRA), in FY 2010 and FY 2011, as follows:

- Decreases the amount of unexpended Arizona Long Term Care System (ALTCS) monies distributed to counties, from 62.2 percent to 60 percent in FY 2010 and 59.3 percent in FY 2011. Correspondingly increases the distribution to the state from 37.8 percent 40 percent in FY 2010 and to 40.7 percent in FY 2011.
- Sets the distribution of Medicare clawback payments at 45.5 percent to counties and 54.5 percent to the state in FY 2009 and FY 2010. Modifies the distribution in FY 2011 to 45.3 percent to counties and 54.7 percent to the state.
- Establishes total county contributions for ALTCS in FY 2011 at \$224,983,700. States that the amount represents a decrease to comply with ARRA, and the contribution would have otherwise totaled \$267,912,100.
- Requires the AHCCCS Administration to transfer to counties any portion of acute care savings realized as a result of enhanced federal matching rates under ARRA in FY 2010 and FY 2011. Specifies that savings must be distributed to counties in proportion to the original amount of county acute care and hospital and medical care contributions.
- Authorizes the AHCCCS Administration to spend federal monies made available by local or tribal spending, subject to approval by the Centers for Medicare/Medicaid Services and if the expenditures do not reduce enhanced federal matching rates.
- Requires the AHCCCS Administration to refund to counties any portion of monies paid by the counties for Proposition 204 administration. Continues to exclude Proposition 204 administrative costs from county expenditure limitations.
- Establishes total county contributions for acute care in FY 2011 at \$48,792,200. Decreases Maricopa County's FY 2011 acute care contribution to \$20,761,900. Continues the FY 2011 acute care contributions and related requirements for all other counties at FY 2010 levels.
- Continues county contributions in FY 2011 for the provision of hospitalization and medical care at FY 2010 levels, for a total contribution amount of \$2,646,200. Continues to exempt Maricopa County from these payments and continues to exclude these payments from county expenditure limitations.

APPROPRIATIONS COMMITTEE (Cont'd.)

Exempts, in FY 2011, the AHCCCS Administration, its contractors and subcontractors from the requirement to provide remuneration for ambulance services at rates set by the Department of Health Services (DHS). Allows the AHCCCS Administration, in CY 2011, to continue a risk contingency rate setting reduction of 50 percent for all managed care organizations and continue a funding reduction of 5.88 percent for all managed care organizations' administrative funding levels.

Department of Health Services (DHS) – Requires counties, in FY 2011, to reimburse DHS for 25 percent of the costs of commitment to the ASH of individuals determined by the court to be sexually violent persons (SVP). Continues to require, in session law, cities or counties to pay 100 percent of the costs of restoration to competency (RTC) treatment of patients at the ASH in FY 2011. Instructs DHS to deposit SVP reimbursements and RTC payments in the ASH Fund. Permits counties to pay for SVP reimbursements and their portion of RTC costs from any source of available county revenue. Excludes SVP reimbursements and RTC payments from county expenditure limitations in FY 2011.

Arizona Department of Administration (ADOA) – Prohibits, beginning October 1, 2010, ADOA from implementing a differentiated health insurance premium based on the integrated or nonintegrated status of a state employee health insurance provider in FY 2011.

Note: This act was subsequently amended. Please refer to the summary for S.B. 1043, Forty-Ninth Legislature, Second Regular Session for additional information (Laws 2010, Chapter 232).

welfare; budget reconciliation; 2010-2011 (H.B. 2011/S.B. 1011) – Chapter 11 (Seventh Special Session)

Makes statutory and session law changes relating to welfare in order to reconcile the FY 2011 state budget.

Temporary Assistance for Needy Families (TANF) Cash Assistance – Limits child only cases to those in which the child is in the legal custody of the Department of Economic Security (DES). Requires all members of a needy family to meet financial eligibility requirements. If the needy family includes a nonparent relative head of household who is only requesting cash assistance for the child, the total gross countable income of the needy family cannot exceed 130 percent of the federal poverty guidelines. If the income meets that requirement, DES must only include the child's income in determining the benefit amount. In a child only case, only the income of the child is considered for both eligibility and the amount of the benefit.

Decreases the time limit for receiving cash assistance from five years to three years, but exempts child only cases. Outlines time periods that must not be considered, including any time the recipient resides on an Indian reservation when the unemployment rate exceeds 50 percent and the time the adult recipient received assistance as a child, as long as he or she was not the head of household or married to the head of household.

Continues, as session law, the requirement for DES to drug test cash assistance recipients who DES has reasonable cause to believe engaged in the illegal use of controlled substances. Specifies that a positive test renders the recipient ineligible for benefits for one year.

APPROPRIATIONS COMMITTEE (Cont'd.)

Miscellaneous – Eliminates the current \$2.25 monthly fee for the Child Support Clearinghouse and instead allows the Director of DES to establish the fee by rule. Increases the percentage of a developmentally disabled client's income DES may collect to pay a portion of care and support, from 70 percent to 88 percent. Adds intent clauses that limit the amounts of those additional revenues. Continues, as session law, the ability of DES to reduce income eligibility levels for child care assistance.

revenues; budget reconciliation; 2010-2011 (H.B. 2012/S.B. 1012) – Chapter 12 (Seventh Special Session)

Makes necessary statutory and session law changes relating to general revenues to reconcile the FY 2010 and FY 2011 state budget.

Arizona State Lottery – Transfers, retroactive to February 1, 2010, any State Lottery monies allocated to the following funds for FY 2010 to the General Fund (GF): 1) County Assistance Fund (CAF), 2) Local Transportation Assistance Fund (LTAF), 3) Local Transportation Assistance Fund II (LTAF II) and 4) State Parks Board Heritage Fund (SPBHF). Permanently repeals the LTAF, LTAF II, CAF and SPBHF and reverts any remaining monies in the SPBHF to the GF on June 30, 2011.

Beginning in FY 2011, increases the minimum amount of lottery fund revenues deposited into the GF prior to the distribution of monies into the Arizona Game and Fish Commission Heritage Fund from \$31 million to \$80.7 million. And, increases the minimum amount of lottery fund revenues that are deposited into the GF from \$46.5 million to \$96.1 million prior to any distribution.

Arizona Department of Transportation (ADOT) – Allows the director of ADOT to set the fee for a vehicle that is abandoned on private property, public land, state trust land located in a municipality or on or within the right-of-way of a street or highway. Redirects 90 percent of the abandoned vehicle fee to the State Highway Fund (SHF).

Allows the director of ADOT to set the fee for a vehicle that is abandoned on land belonging to a national forest, state park, the bureau of land management or state trust land located outside a municipality or outside the right-of-way of a street or highway located outside of the boundaries of an incorporated municipality. Redirects 60 percent of the abandoned vehicle fee to the SHF.

Contains an intent clause, retroactive to July 1, 2010, limiting the additional revenue generated by the abandoned vehicle fees to \$12.1 million. Exempts ADOT, retroactive to July 1, 2010, from the rulemaking requirements for 18 months for the purposes of establishing fees.

Continues the requirement that any Vehicle License Tax (VLT) revenues collected as a result of the optional five-year vehicle registration period which exceeds the amount that would have been collected if the vehicles had been registered for two years be deposited into the GF instead of the State Highway Fund (SHF).

Transfers 90 percent of the abandoned vehicle fees collected from vehicles located on non-federal land to the GF from the portion of VLT revenues that would otherwise be deposited into the SHF.

Department of Revenue (DOR) – Allows DOR to enter into contracts to collect delinquent state taxes if the amount owed is greater than \$500.

APPROPRIATIONS COMMITTEE (Cont'd.)

Increases the statute of limitations on tax liability from six to ten years. Removes the requirement that any related liens for tax obligations are extinguished once the tax obligation is extinguished due to the statute of limitations.

Requires, beginning March 1, 2011, a taxpayer who is required to make payments by electronic fund transfer and fails to do so, to pay a penalty of five percent of the amount of tax due on the return.

Lowers the threshold for estimated transaction privilege tax (TPT) payments from \$1 million in TPT liability to \$100,000 in 2010 through 2012.

Allows DOR to enter into agreements with financial institutions to develop and operate a data match system to assist the department in the collection of delinquent taxes, penalties and interest. Contains requirements on the operation of the data match program.

Requires, for withholding tax returns due to be filed beginning June 1, 2011, a payroll service company to be registered with DOR. Requires all payroll service companies to file and pay electronically on behalf of their clients and assesses a \$25 penalty fee, per quarter and client, for failure to do so.

Allows the director of DOR to set and levy a one-time TPT license renewal fee for all persons who have a valid TPT license issued before July 1, 2009. Allows the director of DOR to set the fee for any new TPT licenses issued between the effective date of this act and June 30, 2011. Exempts DOR from the rulemaking requirements for 18 months after the effective date of this act for the purposes of establishing the TPT license fees. Contains an intent clause, retroactive to July 1, 2010, limiting the additional revenue to \$5.3 million for the TPT license and renewal fees.

Miscellaneous – Continues the FY 2010 fee raising authority for each of the following agencies in FY 2011 and limits by legislative intent the additional revenues to the following amounts:

- Department of Health Services (DHS) - \$600,000.
- Office of Pest Management (OPM) - \$525,000.
- Radiation Regulatory Agency (RRA) - \$500,000.
- State Land Department (SLD) - \$600,000.

Prohibits the SLD from increasing a fee for a recreational permit. Exempts DHS, OPM, RRA and SLD from rulemaking requirements until July 1, 2011 for the purpose of establishing fees.

Transfers 60 percent of the abandoned vehicle fees collected from vehicles located on federal and state land to the GF from the portion of VLT revenues that would otherwise be deposited into the SHF.

Eliminates the tourism funding formula. (See the summary for H.B. 2243, Forty-Ninth Legislature, Second Regular Session for reinstatement of the tourism formula).

Allows, retroactive to April 1, 2010, 50 percent of the revenues transferred into the Tourism Fund from the Arizona Tourism and Sports Authority to be used for operational and administrative purposes.

APPROPRIATIONS COMMITTEE (Cont'd.)

Transfers \$2,173,300 from the Housing Trust Fund to the DOR Administrative Fund and appropriates the same amount from the DOR Administrative Fund to DOR in FY 2011 if Proposition 100 is not approved by the voters at the May 18, 2010 special election. (See the summary for S.C.R. 1001, Forty-Ninth Legislature, Sixth Special Session for more information on Proposition 100).

Requires Maricopa County to transfer \$28.6 million into the GF. Requires Pima County to transfer \$6 million into the GF.

Requires Phoenix's share of state shared TPT to replace LTAF as a backstop for lower-than-expected revenues from the Phoenix Convention Center.

Allows a county to meet any county fiscal obligation from any source of county revenue designated by the county, including funds of any countywide special taxing jurisdiction in which the board of supervisors serves as the board of directors.

SEVENTH SPECIAL SESSION

RESOLUTIONS

early childhood development; health; repeal (H.C.R. 2001/S.C.R. 1001) – (Seventh Special Session)

Subject to voter approval, terminates the Arizona Early Childhood Development and Health Board (First Things First) and reverts the balance of unexpended and unencumbered monies in the First Things First Fund, approximately \$325 million, to the state General Fund (GF) on December 1, 2010. The First Things First program and related statutory language are repealed on June 1, 2011. The Department of Revenue must deposit tobacco tax monies in the state GF, which must be separately accounted for and appropriated for health and human services for children. Requires the Secretary of State to submit the proposition to the voters at the next general election.

land conservation fund; reversion (H.C.R. 2002/S.C.R. 1002) – (Seventh Special Session)

Subject to voter approval, transfers the balance of monies in the Land Conservation Fund, approximately \$123 million, to the state General Fund.

APPROPRIATIONS COMMITTEE (Cont'd.)