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REFERENCE TITLE: **convention center authorization; performance measures**

State of Arizona
Senate
Forty-sixth Legislature
First Regular Session
2003

SB 1365

Introduced by

Senators Martin, Bennett, Blendu, Waring, Aguirre L, Allen, Brotherton, Chevront, Mead, Miranda; Representatives Nelson, O'Halleran, Gullett, Miranda B, McCune Davis, Jayne, Burton Cahill, Landrum Taylor, Loreda; Senators Arzberger, Binder, Brown, Cannell R, Jackson, Mitchell, Rios, Tibshraeny, Verschoor, Weiers; Representatives Aguirre A, Alvarez, Arnold, Burns J, Bustamante, Carruthers, Chase, Clark, Gallardo, Graf, Hanson, Hershberger, Hubbs, Huffman, Jackson Jr, Konopnicki, Lopez L, McClure, Meza, Reagan (with permission of committee on Rules)

AN ACT

AMENDING TITLE 9, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 6; AMENDING TITLE 41, CHAPTER 4, ARTICLE 7, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-791.04; AMENDING SECTION 42-5029, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-5030; RELATING TO MUNICIPAL CONVENTION CENTER FINANCING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 9, Arizona Revised Statutes, is amended by adding
3 chapter 6, to read:

4 CHAPTER 6
5 CONVENTION CENTERS

6 ARTICLE 1. ARIZONA CONVENTION CENTER DEVELOPMENT FUND

7 9-601. Arizona convention center development fund; purpose

8 THE ARIZONA CONVENTION CENTER DEVELOPMENT FUND IS ESTABLISHED TO
9 ENCOURAGE AND ENABLE ELIGIBLE CITIES UNDER SECTION 9-604 TO DEVELOP AND
10 EXPAND MUNICIPALLY OPERATED MAJOR CONVENTION CENTER FACILITIES DESIGNED TO
11 SERVE LARGE CONVENTIONS AND TRADE SHOWS ATTENDED PRIMARILY BY RESIDENTS OF
12 OTHER STATES AND TO ENCOURAGE THE TOURISM AND VISITOR INDUSTRIES IN THIS
13 STATE.

14 9-602. Fund operation

15 A. THE ARIZONA CONVENTION CENTER DEVELOPMENT FUND CONSISTS OF MONIES
16 DEPOSITED PURSUANT TO SECTIONS 42-5029 AND 42-5030.

17 B. THE STATE TREASURER SHALL ADMINISTER THE FUND. THE STATE TREASURER
18 SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313 AS
19 NEEDED TO FACILITATE DISTRIBUTIONS FROM THE FUND, AND MONIES EARNED FROM
20 INVESTMENT SHALL BE CREDITED TO THE FUND.

21 C. ON OR BEFORE AUGUST 1 OF EACH YEAR, THE STATE TREASURER SHALL
22 DISTRIBUTE THE AMOUNTS COMPUTED IN SUBSECTION D OF THIS SECTION TO EACH
23 ELIGIBLE CITY THAT HAS FILED A CERTIFICATE OF COMPLETION OF CONSTRUCTION
24 PURSUANT TO SECTION 9-622 FOR EACH ELIGIBLE PROJECT UNDER SECTION 9-605.

25 D. THE AMOUNT TO BE DISTRIBUTED PURSUANT TO SUBSECTION C OF THIS
26 SECTION SHALL BE COMPUTED BY DIVIDING THE TOTAL COST OF THE ELIGIBLE PROJECT
27 NOT FUNDED FROM MUNICIPAL SOURCES AS IDENTIFIED IN THE CERTIFICATE OF
28 COMPLETION OF CONSTRUCTION FILED PURSUANT TO SECTION 9-622 BY THREE HUNDRED
29 MILLION AND MULTIPLYING THE QUOTIENT BY THE FOLLOWING AMOUNTS:

30 1. IN THE FIRST FISCAL YEAR, FIVE MILLION DOLLARS.

31 2. IN THE SECOND FISCAL YEAR, TEN MILLION DOLLARS.

32 3. IN THE THIRD FISCAL YEAR, FIFTEEN MILLION DOLLARS.

33 4. IN THE FOURTH FISCAL YEAR, TWENTY MILLION DOLLARS.

34 5. IN THE FIFTH FISCAL YEAR AND EACH OF THE NEXT THIRTY FISCAL YEARS,
35 THE AMOUNT DISTRIBUTED IN THE PRECEDING FISCAL YEAR PLUS FIVE HUNDRED
36 THOUSAND DOLLARS, EXCEPT THAT THE AMOUNT DISTRIBUTED SHALL NOT EXCEED THIRTY
37 MILLION DOLLARS IN ANY FISCAL YEAR.

38 E. IF SUFFICIENT DISTRIBUTIONS HAVE BEEN MADE TO PROVIDE FOR ALL OF
39 THE USES OF THE FUND MONIES PURSUANT TO SECTION 9-603 FOR AN ELIGIBLE
40 PROJECT, THE CHIEF FINANCIAL OFFICER OF THE ELIGIBLE CITY SHALL CERTIFY TO
41 THE STATE TREASURER THAT NO ADDITIONAL DISTRIBUTIONS ARE REQUIRED FOR THE
42 PROJECT, AND ON RECEIVING THE CERTIFICATION THE STATE TREASURER SHALL MAKE NO
43 FURTHER DISTRIBUTIONS TO THE CITY FOR THAT PROJECT.

1 F. AFTER THE DISTRIBUTIONS REQUIRED BY SUBSECTION C OF THIS SECTION,
2 ANY MONIES REMAINING IN THE FUND ON RECEIPT OF THE CERTIFICATION OF
3 SATISFACTION OF ANNUAL OBLIGATIONS PURSUANT TO SECTION 9-623, OR ON THE FIRST
4 MONDAY IN AUGUST IF A CERTIFICATE OF COMPLETION OF CONSTRUCTION HAS NOT BEEN
5 PREVIOUSLY FILED PURSUANT TO SECTION 9-622, SHALL BE TRANSFERRED TO THE STATE
6 GENERAL FUND.

7 9-603. Use of fund monies

8 A. THE MONIES IN THE ARIZONA CONVENTION CENTER DEVELOPMENT FUND SHALL
9 BE USED ONLY FOR THE PURPOSES SPECIFIED IN THIS CHAPTER.

10 B. THE STATE TREASURER SHALL DISBURSE MONIES FROM THE FUND AS PROVIDED
11 IN SECTION 9-602. ANY AMOUNTS REMAINING IN THE FUND AFTER THE DISTRIBUTIONS
12 MADE PURSUANT TO SECTION 9-602, SUBSECTION C SHALL BE HELD IN RESERVE FOR THE
13 PURPOSES OF THE DISTRIBUTIONS UNTIL THE CERTIFICATE OF SATISFACTION OF ANNUAL
14 OBLIGATIONS IS RECEIVED BY THE STATE TREASURER OR UNTIL THE FIRST MONDAY IN
15 AUGUST IF A CERTIFICATE OF COMPLETION OF CONSTRUCTION HAS NOT BEEN PREVIOUSLY
16 FILED PURSUANT TO SECTION 9-622.

17 C. A CITY THAT RECEIVES MONIES DISTRIBUTED FROM THE FUND:

18 1. SHALL SEGREGATE AND SEPARATELY ACCOUNT FOR THE MONIES AND SHALL NOT
19 COMMINGLE THE MONIES FROM THE FUND WITH MONIES FROM ANY OTHER SOURCE. THOSE
20 MONIES SHALL BE DESIGNATED AS A SPECIAL FUND OF THE ELIGIBLE CITY, SEPARATE
21 FROM THE CITY'S GENERAL FUND. ANY AMOUNT NOT IMMEDIATELY USED TO MEET
22 SCHEDULED PAYMENTS OR CURRENT EXPENSES SHALL REMAIN IN THE SPECIAL FUND,
23 SHALL NOT BE TRANSFERRED TO THE CITY'S GENERAL FUND AND SHALL BE USED ONLY
24 FOR THE PERMITTED PURPOSES IN THE FUTURE.

25 2. MAY USE MONIES FROM THE FUND ONLY FOR THE FOLLOWING PURPOSES IN
26 CONNECTION WITH AN ELIGIBLE PROJECT UNDER SECTION 9-605:

27 (a) THE DESIGN, DEVELOPMENT, CONSTRUCTION AND RELATED COSTS FOR A
28 CONVENTION CENTER AND RELATED DEVELOPMENT.

29 (b) FINANCING COSTS AND ANY OTHER COSTS INCURRED IN CONNECTION WITH
30 ANY FINANCINGS UNDERTAKEN TO FACILITATE THE ACCOMPLISHMENT OF THE USES OF THE
31 MONIES IN THE FUND AS PROVIDED IN THIS SECTION.

32 (c) FUNDING FINANCIAL RESERVES CREATED IN CONNECTION WITH ANY
33 FINANCINGS UNDERTAKEN TO FACILITATE THE ACCOMPLISHMENT OF THE USES OF THE
34 MONIES IN THE FUND AS PROVIDED IN THIS SECTION.

35 (d) REIMBURSEMENT OF ANY AMOUNTS PLUS INTEREST ADVANCED BY AN ELIGIBLE
36 CITY BUT FOR WHICH THE ELIGIBLE CITY DOES NOT HAVE ULTIMATE RESPONSIBILITY TO
37 PAY ANY PORTION OF FINANCING OR RELATED COSTS INCURRED IN CONNECTION WITH ANY
38 FINANCINGS UNDERTAKEN TO FACILITATE THE ACCOMPLISHMENT OF THE OTHER USES OF
39 THE MONIES IN THE FUND AS PROVIDED IN THIS SECTION.

40 (e) ANY OTHER COSTS NECESSARY TO EFFECTUATE THE USES AND PURPOSES
41 SPECIFIED IN THIS ARTICLE.

42 D. AMOUNTS DISTRIBUTED FROM THE FUND ARE IN ADDITION TO ANY OTHER
43 AMOUNTS DISTRIBUTED TO ELIGIBLE CITIES PURSUANT TO ANY OTHER LAW.

1 THE ARIZONA CONVENTION CENTER DEVELOPMENT FUND, THE CHIEF FINANCIAL OFFICER
2 SHALL DEPOSIT INTO THE APPROPRIATE ACCOUNT A SUFFICIENT AMOUNT FROM THOSE
3 DISTRIBUTIONS TO MAKE ANY SCHEDULED PAYMENTS OR DEPOSITS FOR THE CURRENT
4 FISCAL YEAR.

5 B. THE CHIEF FINANCIAL OFFICER SHALL CERTIFY TO THE STATE TREASURER
6 THE SATISFACTION OF THE ANNUAL OBLIGATIONS ON DEPOSITING INTO THE APPROPRIATE
7 FUNDS OR ACCOUNTS SUFFICIENT MONIES TO MAKE ANY SCHEDULED PAYMENTS OR
8 DEPOSITS FOR THE CURRENT FISCAL YEAR.

9 9-624. Request for state lease purchase

10 A. THE CHIEF FINANCIAL OFFICER MAY FILE A NOTICE WITH THE DIRECTOR OF
11 THE DEPARTMENT OF ADMINISTRATION REQUESTING THIS STATE TO UNDERTAKE LEASE
12 PURCHASE FINANCING IN CONNECTION WITH AN ELIGIBLE PROJECT PURSUANT TO SECTION
13 41-791.04. THE NOTICE SHALL INCLUDE A DETAILED DESCRIPTION OF THE PART OF
14 THE ELIGIBLE PROJECT THAT THE STATE IS REQUESTED TO LEASE PURCHASE.

15 B. THE DEPARTMENT OF ADMINISTRATION SHALL PROMPTLY COMPLETE LEASE
16 PURCHASE FINANCING OF THE PART OF THE ELIGIBLE PROJECT DESIGNATED BY THE
17 ELIGIBLE CITY.

18 C. IF A NOTICE IS FILED AND THE LEASE PURCHASE FINANCING IS COMPLETED
19 PURSUANT TO THIS SECTION, NO DISTRIBUTIONS SHALL BE MADE BY THE STATE
20 TREASURER PURSUANT TO SECTION 9-602 TO THE ELIGIBLE CITY FOR THE ELIGIBLE
21 PROJECT.

22 9-625. Tax exemption

23 AN ELIGIBLE CITY IS REGARDED AS PERFORMING A GOVERNMENTAL FUNCTION IN
24 CARRYING OUT THE PURPOSES OF THIS CHAPTER AND THE ELIGIBLE PROJECT IS
25 CONSIDERED TO BE MUNICIPAL PROPERTY FOR THE PURPOSES OF ARTICLE IX, SECTION
26 2, CONSTITUTION OF ARIZONA.

27 9-626. Construction progress reports; auditor general
28 performance measures

29 A. THE ELIGIBLE CITY SHALL REPORT PROGRESS ON THE DEVELOPMENT OF ANY
30 ELIGIBLE PROJECT TO THE JOINT COMMITTEE ON CAPITAL REVIEW TWICE ANNUALLY
31 DURING CONSTRUCTION OF THE ELIGIBLE PROJECT.

32 B. AFTER CONSULTING WITH THE ELIGIBLE CITY, THE AUDITOR GENERAL SHALL
33 DEVELOP A PERFORMANCE MONITORING PROCESS FOR EACH ELIGIBLE PROJECT. THE
34 PERFORMANCE MONITORING PROCESS SHALL INCLUDE ESTABLISHING PERFORMANCE
35 MEASURES AND METHODS FOR MEASURING THE ACTUAL PERFORMANCE OF THE ELIGIBLE
36 PROJECT OVER TIME. IN ESTABLISHING THE PERFORMANCE MEASURES, THE AUDITOR
37 GENERAL SHALL CONSIDER:

38 1. TOTAL ATTENDANCE AT THE ELIGIBLE PROJECT, INCLUDING THE NUMBER AND
39 SIZE OF REGIONAL AND NATIONAL CONVENTIONS AND TRADE SHOWS HELD AT THE
40 ELIGIBLE PROJECT.

41 2. LOCAL ECONOMIC EFFECTS OF REGIONAL AND NATIONAL CONVENTIONS AND
42 TRADE SHOWS.

43 3. STATEWIDE ECONOMIC EFFECTS OF REGIONAL AND NATIONAL CONVENTIONS AND
44 TRADE SHOWS.

1 THAT WOULD OTHERWISE HAVE BEEN DISTRIBUTABLE TO THE ELIGIBLE CITY PURSUANT TO
2 SECTION 9-624 IF THE NOTICE PURSUANT TO SECTION 9-624 HAD NOT BEEN FILED.

3 D. AN ELIGIBLE PROJECTS LEASE PURCHASE FUND IS ESTABLISHED CONSISTING
4 OF MONIES APPROPRIATED BY THE LEGISLATURE FOR LEASE PURCHASE AGREEMENT
5 PAYMENTS PURSUANT TO THIS SECTION. THE DIRECTOR SHALL ADMINISTER THE FUND
6 AND DISTRIBUTE MONIES IN THE FUND TO MAKE PAYMENTS PURSUANT TO LEASE PURCHASE
7 AGREEMENTS ENTERED INTO BY THE DIRECTOR PURSUANT TO THIS SECTION AND TO PAY
8 COSTS CONSIDERED TO BE NECESSARY BY THE DIRECTOR AND THE ELIGIBLE CITY IN
9 CONNECTION WITH LEASE PURCHASE TRANSACTIONS ENTERED INTO PURSUANT TO THIS
10 SECTION. PAYMENTS PURSUANT TO A LEASE PURCHASE AGREEMENT SHALL BE MADE ONLY
11 FROM THE ELIGIBLE PROJECTS LEASE PURCHASE FUND. THE STATE TREASURER SHALL
12 INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND
13 MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. MONIES IN THE
14 FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF
15 APPROPRIATIONS.

16 E. AT THE REQUEST OF AN ELIGIBLE CITY, THE DIRECTOR SHALL COMPLETE
17 LEASE PURCHASE FINANCING FOR ALL OR ANY PART OF THE ELIGIBLE PROJECT, EXCEPT
18 THAT IF THE ANNUAL LEASE PAYMENT OF THIS STATE EXCEEDS THE AMOUNTS THAT WOULD
19 OTHERWISE HAVE BEEN DISTRIBUTABLE TO THE ELIGIBLE CITY FOR THE ELIGIBLE
20 PROJECT, ALL SUCH EXCESS AMOUNTS SHALL BE PAID FROM MONIES PROVIDED BY THE
21 ELIGIBLE CITY.

22 Sec. 3. Section 42-5029, Arizona Revised Statutes, is amended to read:
23 42-5029. Remission and distribution of monies

24 A. The department shall deposit, pursuant to sections 35-146 and
25 35-147, all revenues collected under this article and articles 4, 5, 8 and 9
26 of this chapter pursuant to section 42-1116, separately accounting for:

27 1. Payments of estimated tax under section 42-5014, subsection D.

28 2. Revenues collected pursuant to section 42-5070.

29 3. Revenues collected under this article and article 5 of this chapter
30 from and after June 30, 2000 from sources located on Indian reservations in
31 this state.

32 4. Revenues collected pursuant to section 42-5010, subsection G and
33 section 42-5155, subsection D.

34 B. The department shall credit payments of estimated tax to an
35 estimated tax clearing account and each month shall transfer all monies in
36 the estimated tax clearing account to a fund designated as the transaction
37 privilege and severance tax clearing account. The department shall credit
38 all other payments to the transaction privilege and severance tax clearing
39 account, separately accounting for the monies designated as distribution base
40 under sections 42-5010, 42-5164, 42-5205, 42-5353 and 42-5409. Each month
41 the department shall report to the state treasurer the amount of monies
42 collected pursuant to this article and articles 4, 5, 8 and 9 of this
43 chapter.

44 C. On notification by the department, the state treasurer shall
45 distribute the monies deposited in the transaction privilege and severance

1 tax clearing account in the manner prescribed by this section and by sections
2 42-5164, 42-5205, 42-5353 and 42-5409, after deducting warrants drawn against
3 the account pursuant to sections 42-1118 and 42-1254.

4 D. Of the monies designated as distribution base the department shall:

5 1. Pay twenty-five per cent to the various incorporated municipalities
6 in this state in proportion to their population as shown by the last United
7 States decennial or special census, or revisions to the decennial or special
8 census certified by the United States bureau of the census, to be used by the
9 municipalities for any municipal purpose.

10 2. Pay 38.08 per cent to the counties in this state by averaging the
11 following proportions:

12 (a) The proportion that the population of each county bears to the
13 total state population, as shown by the most recent United States decennial
14 or special census, or revisions to the decennial or special census certified
15 by the United States bureau of the census.

16 (b) The proportion that the distribution base monies collected during
17 the calendar month in each county under this article, section 42-5164,
18 subsection B, section 42-5205, subsection B and sections 42-5353 and 42-5409
19 bear to the total distribution base monies collected under this article,
20 section 42-5164, subsection B, section 42-5205, subsection B and sections
21 42-5353 and 42-5409 throughout the state for the calendar month.

22 3. Pay an additional 2.43 per cent to the counties in this state as
23 follows:

24 (a) Average the following proportions:

25 (i) The proportion that the assessed valuation used to determine
26 secondary property taxes of each county, after deducting that part of the
27 assessed valuation that is exempt from taxation at the beginning of the month
28 for which the amount is to be paid, bears to the total assessed valuations
29 used to determine secondary property taxes of all the counties after
30 deducting that portion of the assessed valuations that is exempt from
31 taxation at the beginning of the month for which the amount is to be paid.
32 Property of a city or town that is not within or contiguous to the municipal
33 corporate boundaries and from which water is or may be withdrawn or diverted
34 and transported for use on other property is considered to be taxable
35 property in the county for purposes of determining assessed valuation in the
36 county under this item.

37 (ii) The proportion that the distribution base monies collected during
38 the calendar month in each county under this article, section 42-5164,
39 subsection B, section 42-5205, subsection B and sections 42-5353 and 42-5409
40 bear to the total distribution base monies collected under this article,
41 section 42-5164, subsection B, section 42-5205, subsection B and sections
42 42-5353 and 42-5409 throughout the state for the calendar month.

43 (b) If the proportion computed under subdivision (a) of this paragraph
44 for any county is greater than the proportion computed under paragraph 2 of
45 this subsection, the department shall compute the difference between the

1 amount distributed to that county under paragraph 2 of this subsection and
 2 the amount that would have been distributed under paragraph 2 of this
 3 subsection using the proportion computed under subdivision (a) of this
 4 paragraph and shall pay that difference to the county from the amount
 5 available for distribution under this paragraph. Any monies remaining after
 6 all payments under this subdivision shall be distributed among the counties
 7 according to the proportions computed under paragraph 2 of this subsection.
 8 4. After any distributions required by sections 42-5030, 42-5030.01,
 9 42-5031, 42-5032, ~~AND 42-5032.01 and 42-5032.02~~, and after making any
 10 transfer to the water quality assurance revolving fund as required by section
 11 49-282, subsection B, credit the remainder of the monies designated as
 12 distribution base to the state general fund. From this amount:
 13 (a) The legislature shall annually appropriate to:
 14 (i) The department of revenue sufficient monies to administer and
 15 enforce this article and articles 5, 8 and 9 of this chapter.
 16 (ii) The department of economic security monies to be used for the
 17 purposes stated in title 46, chapter 1.
 18 (iii) The Arizona arts endowment fund established by section 41-986,
 19 the full amount by which revenues derived from the amusement classification
 20 pursuant to section 42-5073 for the current fiscal year exceed the revenues
 21 that were derived from that classification in fiscal year 1993-1994, except
 22 that this amount shall not exceed two million dollars through fiscal year
 23 2008-2009.
 24 (iv) The firearms safety and ranges fund established by section
 25 17-273, fifty thousand dollars derived from the taxes collected from the
 26 retail classification pursuant to section 42-5061 for the current fiscal
 27 year.
 28 (b) The state treasurer shall transfer to the tourism fund an amount
 29 equal to the sum of the following:
 30 (i) Three and one-half per cent of the gross revenues derived from the
 31 transient lodging classification pursuant to section 42-5070 during the
 32 preceding fiscal year.
 33 (ii) Three per cent of the gross revenues derived from the amusement
 34 classification pursuant to section 42-5073 during the preceding fiscal year.
 35 (iii) Two per cent of the gross revenues derived from the restaurant
 36 classification pursuant to section 42-5074 during the preceding fiscal year.
 37 E. If approved by the qualified electors voting at a statewide general
 38 election, all monies collected pursuant to section 42-5010, subsection G and
 39 section 42-5155, subsection D shall be distributed each fiscal year pursuant
 40 to this subsection. The monies distributed pursuant to this subsection are
 41 in addition to any other appropriation, transfer or other allocation of
 42 public or private monies from any other source and shall not supplant,
 43 replace or cause a reduction in other school district, charter school,
 44 university or community college funding sources. The monies shall be
 45 distributed as follows:

1 1. If there are outstanding state school facilities revenue bonds
2 pursuant to title 15, chapter 16, article 7, each month one-twelfth of the
3 amount that is necessary to pay the fiscal year's debt service on outstanding
4 state school improvement revenue bonds for the current fiscal year shall be
5 transferred each month to the school improvement revenue bond debt service
6 fund established by section 15-2084. The total amount of bonds for which
7 these monies may be allocated for the payment of debt service shall not
8 exceed a principal amount of eight hundred million dollars exclusive of
9 refunding bonds and other refinancing obligations.

10 2. After any transfer of monies pursuant to paragraph 1 of this
11 subsection, twelve per cent of the remaining monies collected during the
12 preceding month shall be transferred to the technology and research
13 initiative fund established by section 15-1648 to be distributed among the
14 universities for the purpose of investment in technology and research-based
15 initiatives.

16 3. After the transfer of monies pursuant to paragraph 1 of this
17 subsection, three per cent of the remaining monies collected during the
18 preceding month shall be transferred to the workforce development account
19 established in each community college district pursuant to section 15-1472
20 for the purpose of investment in workforce development programs.

21 4. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
22 subsection, one-twelfth of the amount a community college that is owned,
23 operated or chartered by a qualifying Indian tribe on its own Indian
24 reservation would receive pursuant to section 15-1472, subsection D,
25 paragraph 2 if it were a community college district under the jurisdiction of
26 the state board of directors for community colleges shall be distributed each
27 month to the treasurer or other designated depository of a qualifying Indian
28 tribe. Monies distributed pursuant to this paragraph are for the exclusive
29 purpose of providing support to one or more community colleges owned,
30 operated or chartered by a qualifying Indian tribe and shall be used in a
31 manner consistent with section 15-1472, subsection B. For purposes of this
32 paragraph, "qualifying Indian tribe" has the same meaning as defined in
33 section 42-5031.01, subsection D.

34 5. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
35 subsection, one-twelfth of the following amounts shall be transferred each
36 month to the department of education for the increased cost of basic state
37 aid under section 15-971 due to added school days and associated teacher
38 salary increases enacted in 2000:

- 39 (a) In fiscal year 2001-2002, \$15,305,900.
- 40 (b) In fiscal year 2002-2003, \$31,530,100.
- 41 (c) In fiscal year 2003-2004, \$48,727,700.
- 42 (d) In fiscal year 2004-2005, \$66,957,200.
- 43 (e) In fiscal year 2005-2006 and each fiscal year thereafter,
44 \$86,280,500.

1 6. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
2 subsection, seven million eight hundred thousand dollars is appropriated each
3 fiscal year, to be paid in monthly installments, to the department of
4 education to be used for school safety as provided in section 15-154 and two
5 hundred thousand dollars is appropriated each fiscal year, to be paid in
6 monthly installments to the department of education to be used for the
7 character education matching grant program as provided in section 15-154.01.

8 7. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
9 subsection, no more than seven million dollars may be appropriated by the
10 legislature each fiscal year to the department of education to be used for
11 accountability purposes as described in section 15-241 and title 15, chapter
12 9, article 8.

13 8. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
14 subsection, one million five hundred thousand dollars is appropriated each
15 fiscal year, to be paid in monthly installments, to the failing schools
16 tutoring fund established by section 15-241.

17 9. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
18 subsection, twenty-five million dollars shall be transferred each fiscal year
19 to the state general fund to reimburse the general fund for the cost of the
20 income tax credit allowed by section 43-1072.01.

21 10. After the payment of monies pursuant to paragraphs 1 through 9 of
22 this subsection, the remaining monies collected during the preceding month
23 shall be transferred to the classroom site fund established by section
24 15-977. The monies shall be allocated as follows in the manner prescribed by
25 section 15-977:

26 (a) Forty per cent shall be allocated for teacher compensation based
27 on performance.

28 (b) Twenty per cent shall be allocated for increases in teacher base
29 compensation and employee related expenses.

30 (c) Forty per cent shall be allocated for maintenance and operation
31 purposes.

32 F. The department shall credit the remainder of the monies in the
33 transaction privilege and severance tax clearing account to the state general
34 fund, subject to any distribution required by section 42-5030.01.

35 G. Notwithstanding subsection D of this section, if a court of
36 competent jurisdiction finally determines that tax monies distributed under
37 this section were illegally collected under this article or articles 5, 8 and
38 9 of this chapter and orders the monies to be refunded to the taxpayer, the
39 department shall compute the amount of such monies that was distributed to
40 each city, town and county under this section. The department shall notify
41 the state treasurer of that amount plus the proportionate share of additional
42 allocated costs required to be paid to the taxpayer. Each city's, town's and
43 county's proportionate share of the costs shall be based on the amount of the
44 original tax payment each municipality and county received. Each month the
45 state treasurer shall reduce the amount otherwise distributable to the city,

1 town and county under this section by one thirty-sixth of the total amount to
2 be recovered from the city, town or county until the total amount has been
3 recovered, but the monthly reduction for any city, town or county shall not
4 exceed ten per cent of the full monthly distribution to that entity. The
5 reduction shall begin for the first calendar month after the final
6 disposition of the case and shall continue until the total amount, including
7 interest and costs, has been recovered.

8 H. On receiving a certificate of default from the greater Arizona
9 development authority pursuant to section 41-1554.06 or 41-1554.07 and to the
10 extent not otherwise expressly prohibited by law, the state treasurer shall
11 withhold from the next succeeding distribution of monies pursuant to this
12 section due to the defaulting political subdivision the amount specified in
13 the certificate of default and immediately deposit the amount withheld in the
14 greater Arizona development authority revolving fund. The state treasurer
15 shall continue to withhold and deposit the monies until the greater Arizona
16 development authority certifies to the state treasurer that the default has
17 been cured. In no event may the state treasurer withhold any amount that the
18 defaulting political subdivision certifies to the state treasurer and the
19 authority as being necessary to make any required deposits then due for the
20 payment of principal and interest on bonds of the political subdivision that
21 were issued before the date of the loan repayment agreement or bonds and that
22 have been secured by a pledge of distributions made pursuant to this section.

23 Sec. 4. Title 42, chapter 5, article 1, Arizona Revised Statutes, is
24 amended by adding section 42-5030, to read:

25 42-5030. Transfers to the Arizona convention center development
26 fund; distributions

27 A. AT THE SAME TIME AS THE FIRST DISTRIBUTIONS EACH FISCAL YEAR
28 PURSUANT TO SECTION 42-5029, THE DEPARTMENT SHALL CREDIT TO THE ARIZONA
29 CONVENTION CENTER DEVELOPMENT FUND ESTABLISHED BY TITLE 9, CHAPTER 6, ARTICLE
30 1 THE AMOUNTS DETERMINED PURSUANT TO THIS SECTION.

31 B. THE DEPARTMENT SHALL CREDIT TWENTY MILLION DOLLARS IN EACH FISCAL
32 YEAR UNTIL A CERTIFICATION OF COMPLETION OF CONSTRUCTION IS FILED WITH THE
33 STATE TREASURER PURSUANT TO SECTION 9-622. IN EACH FISCAL YEAR THEREAFTER,
34 THE DEPARTMENT SHALL CREDIT THE AMOUNTS COMPUTED PURSUANT TO SUBSECTION C OF
35 THIS SECTION TO THE ARIZONA CONVENTION CENTER DEVELOPMENT FUND FOR EACH
36 ELIGIBLE PROJECT AS DESCRIBED IN SECTION 9-605.

37 C. THE AMOUNT DISTRIBUTED PURSUANT TO SUBSECTION B OF THIS SECTION
38 SHALL BE COMPUTED BY DIVIDING THE TOTAL COST OF THE ELIGIBLE PROJECT NOT
39 FUNDED FROM MUNICIPAL SOURCES AS IDENTIFIED IN THE CERTIFICATE OF COMPLETION
40 OF CONSTRUCTION FILED PURSUANT TO SECTION 9-622 BY THREE HUNDRED MILLION AND
41 MULTIPLYING THE QUOTIENT BY THE FOLLOWING AMOUNTS:

- 42 1. IN THE FIRST FISCAL YEAR, TWENTY-FIVE MILLION DOLLARS.
- 43 2. IN THE SECOND FISCAL YEAR, THIRTY MILLION DOLLARS.
- 44 3. IN THE THIRD FISCAL YEAR, THIRTY-FIVE MILLION DOLLARS.
- 45 4. IN THE FOURTH FISCAL YEAR, FORTY MILLION DOLLARS.

1 5. IN THE FIFTH FISCAL YEAR AND EACH OF THE NEXT THIRTY FISCAL YEARS,
2 THE AMOUNT DISTRIBUTED IN THE PRECEDING FISCAL YEAR PLUS ONE MILLION DOLLARS,
3 EXCEPT THAT THE AMOUNT DISTRIBUTED SHALL NOT EXCEED SIXTY MILLION DOLLARS IN
4 ANY FISCAL YEAR.

5 D. IF THE CHIEF FINANCIAL OFFICER OF THE ELIGIBLE CITY CERTIFIES TO
6 THE STATE TREASURER PURSUANT TO SECTION 9-602 THAT NO ADDITIONAL
7 DISTRIBUTIONS ARE REQUIRED FROM THE ARIZONA CONVENTION CENTER DEVELOPMENT
8 FUND FOR AN ELIGIBLE PROJECT, THE DEPARTMENT SHALL MAKE NO FURTHER TRANSFERS
9 TO THE FUND FOR THAT PROJECT.

10 Sec. 5. Severability

11 If a provision of this act or its application to any person or
12 circumstance is held invalid, the invalidity does not affect other provisions
13 or applications of the act that can be given effect without the invalid
14 provision or application, and to this end the provisions of this act are
15 severable.

16 Sec. 6. Retroactivity

17 This act applies retroactively to fiscal years beginning from and after
18 June 30, 2003.