

REFERENCE TITLE: revenue; 2011-2012; budget reconciliation

State of Arizona
Senate
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2011

SB 1616

Introduced by
Senators Biggs, Murphy, Pearce R, Pierce S: Allen, Antenori, Crandall,
Driggs, Gould, Klein, Melvin, Nelson, Reagan, Shooter, Smith, Yarbrough
(with permission of Committee on Rules)

AN ACT

AMENDING SECTIONS 9-602 AND 28-5808, ARIZONA REVISED STATUTES; AMENDING TITLE 30, CHAPTER 4, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 30-658; AMENDING SECTIONS 41-3955, 41-3956, 42-1116.01 AND 44-313, ARIZONA REVISED STATUTES; MAKING APPROPRIATIONS; PRESCRIBING TRANSFERS; RELATING TO REVENUE BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 9-602, Arizona Revised Statutes, is amended to read:

9-602. Fund operation

A. The Arizona convention center development fund consists of monies deposited pursuant to sections 42-5029 and 42-5030.

B. The state treasurer shall administer the fund. The state treasurer shall invest and divest monies in the fund as provided by section 35-313 as needed to facilitate distributions from the fund, and monies earned from investment shall be credited to the fund.

C. On or before August 1 of each year, the state treasurer shall distribute the amounts computed in subsection D of this section to each eligible city that has filed a certificate of completion of construction pursuant to section 9-622 for each eligible project under section 9-605.

D. The amount to be distributed pursuant to subsection C of this section shall be computed by dividing the total cost of the eligible project not funded from municipal sources as identified in the certificate of completion of construction filed pursuant to section 9-622 by three hundred million and multiplying the quotient by the following amounts:

1. In ~~the first~~ fiscal year 2009-2010, five million dollars.
2. In ~~the second~~ fiscal year 2010-2011, ten million dollars.
3. In ~~the third~~ fiscal year 2011-2012, ~~fifteen million~~ ZERO dollars.
4. In ~~the fourth~~ fiscal year 2012-2013, ~~twenty million dollars~~ \$5,595,000.

5. In ~~the fifth~~ fiscal year ~~and each of the next thirty fiscal years,~~ ~~the amount distributed in the preceding fiscal year plus five hundred thousand dollars, except that the amount distributed shall not exceed thirty million dollars in any fiscal year~~ YEARS 2013-2014, 2014-2015, 2015-2016 AND 2016-2017, \$20,449,000.

6. IN FISCAL YEAR 2017-2018, \$22,499,000.
7. IN FISCAL YEAR 2018-2019, \$22,996,250.
8. IN FISCAL YEAR 2019-2020, \$23,499,950.
9. IN FISCAL YEAR 2020-2021, \$23,997,900.
10. IN FISCAL YEAR 2021-2022, \$24,498,450.
11. IN FISCAL YEAR 2022-2023, \$24,999,400.
12. IN FISCAL YEAR 2023-2024, \$25,498,550.
13. IN FISCAL YEAR 2024-2025, \$25,998,700.
14. IN FISCAL YEAR 2025-2026, \$26,497,375.
15. IN FISCAL YEAR 2026-2027, \$26,997,100.
16. IN FISCAL YEAR 2027-2028, \$27,495,125.
17. IN FISCAL YEAR 2028-2029, \$27,998,700.
18. IN FISCAL YEAR 2029-2030, \$28,499,525.
19. IN FISCAL YEAR 2030-2031, \$28,999,575.
20. IN FISCAL YEAR 2031-2032, \$29,495,550.
21. IN FISCAL YEAR 2032-2033, \$29,999,150.

1 22. IN FISCAL YEAR 2033-2034, \$29,996,250.
 2 23. IN FISCAL YEAR 2034-2035, \$29,995,775.
 3 24. IN FISCAL YEAR 2035-2036, \$29,999,975.
 4 25. IN FISCAL YEAR 2036-2037, \$29,995,825.
 5 26. IN FISCAL YEAR 2037-2038, \$29,995,850.
 6 27. IN FISCAL YEAR 2038-2039, \$29,996,750.
 7 28. IN FISCAL YEAR 2039-2040, \$29,995,225.
 8 29. IN FISCAL YEAR 2040-2041, \$29,997,975.
 9 30. IN FISCAL YEAR 2041-2042, \$29,996,150.
 10 31. IN FISCAL YEAR 2042-2043, \$29,996,175.
 11 32. IN FISCAL YEAR 2043-2044, \$29,998,925.

12 E. If sufficient distributions have been made to provide for all of
 13 the uses of the fund monies pursuant to section 9-603 for an eligible
 14 project, the chief financial officer of the eligible city shall certify to
 15 the state treasurer that no additional distributions are required for the
 16 project, and on receiving the certification the state treasurer shall make no
 17 further distributions to the city for that project.

18 F. After the distributions required by subsection C of this section,
 19 any monies remaining in the fund on receipt of the certification of
 20 satisfaction of annual obligations pursuant to section 9-623, or on the first
 21 Monday in August if a certificate of completion of construction has not been
 22 previously filed pursuant to section 9-622, shall be transferred to the state
 23 general fund.

24 Sec. 2. Section 28-5808, Arizona Revised Statutes, is amended to read:
 25 28-5808. Vehicle license tax distribution

26 A. Except as provided in subsection D of this section, the director
 27 shall distribute monies collected by the director pursuant to section
 28 28-5801, except monies deposited in the state general fund, on the first and
 29 fifteenth calendar day of each month as follows:

30 1. On the first calendar day, the director shall deposit, pursuant to
 31 sections 35-146 and 35-147, all of the Arizona highway user revenue fund
 32 monies received from the first through the fifteenth calendar day of the
 33 preceding month in the Arizona highway user revenue fund, except that on the
 34 first calendar day the director shall deposit, pursuant to sections 35-146
 35 and 35-147, in the parity compensation fund established by section 41-1720,
 36 1.51 per cent of the portion of vehicle license tax revenues that otherwise
 37 would be deposited in the state highway fund from the first through the
 38 fifteenth calendar day of the preceding month.

39 2. On the fifteenth calendar day, the director shall deposit, pursuant
 40 to sections 35-146 and 35-147, all of the Arizona highway user revenue fund
 41 monies received from the sixteenth through the last day of the preceding
 42 month in the Arizona highway user revenue fund, except that on the fifteenth
 43 calendar day, the director shall deposit, pursuant to sections 35-146 and
 44 35-147, in the parity compensation fund established by section 41-1720, 1.51
 45 per cent of the portion of vehicle license tax revenues that otherwise would

1 be deposited in the state highway fund from the sixteenth through the last
2 day of the preceding month. On the fifteenth calendar day, the director
3 shall distribute or deposit all other monies received during the entire
4 preceding month as follows:

5 (a) The county general fund monies to the county general fund.

6 (b) The county transportation monies to the state treasurer to be
7 apportioned among the counties for any purposes related to transportation, as
8 determined by the board of supervisors, on the basis that the population of
9 the unincorporated area of each county bears to the population of the
10 unincorporated areas of all counties in this state.

11 (c) The incorporated cities and towns monies to the incorporated
12 cities and towns of the county in proportion to the population of each.

13 3. The deposit of the monies in the parity compensation fund pursuant
14 to paragraphs 1 and 2 of this subsection shall not impact the distribution of
15 vehicle license tax revenues to the state general fund and to cities, towns
16 and counties pursuant to this section.

17 B. The director shall distribute monies collected by the director
18 pursuant to sections 28-5804, 28-5805, 28-5806 and 28-5810, except monies
19 deposited in the state general fund, on the first and fifteenth calendar day
20 of each month as follows:

21 1. On the first calendar day, the director shall deposit, pursuant to
22 sections 35-146 and 35-147, 37.61 per cent of all monies received from the
23 first through the fifteenth calendar day of the preceding month in the
24 highway user revenue fund.

25 2. On the fifteenth calendar day, the director shall deposit, pursuant
26 to sections 35-146 and 35-147, 37.61 per cent of all monies received from the
27 sixteenth through the last day of the preceding month in the highway user
28 revenue fund and distribute or deposit the following amounts as a percentage
29 of all monies received pursuant to sections 28-5804, 28-5805, 28-5806 and
30 28-5810 during the entire preceding month as follows:

31 (a) 20.45 per cent to the county general fund.

32 (b) 4.91 per cent to the state treasurer to be apportioned among the
33 counties for any purposes related to transportation, as determined by the
34 board of supervisors, on the basis that the population of the unincorporated
35 area of each county bears to the population of the unincorporated areas of
36 all counties in this state.

37 (c) 20.45 per cent to the incorporated cities and towns of the county
38 in proportion to the population of each.

39 (d) 1.64 per cent, pursuant to sections 35-146 and 35-147, in the
40 state highway fund established by section 28-6991.

41 (e) 4.09 per cent in the state highway fund established by section
42 28-6991.

43 (f) 10.85 per cent, pursuant to sections 35-146 and 35-147, in the
44 state general fund to aid school financial assistance.

C. For purposes of this section the population of a county, city or town shall be determined as provided by section 28-6532 or 42-5033.01. If an incorporated city or town has had no federal enumeration of population, the supervisors shall both:

1. Appoint a qualified person to take an accurate census of the incorporated city or town.

2. Certify the results to the county treasurer, and the incorporated city or town shall share in the distribution as provided by this section.

D. On the fifteenth calendar day of each month, the director shall transfer to the state general fund from the portion of vehicle license tax revenues that otherwise would be deposited in the state highway fund pursuant to section 28-6538, subsection A, paragraph 1, the following amounts:

1. An amount equal to ninety per cent of the fees collected pursuant to section 28-4802, subsection A in the preceding month.

2. An amount equal to sixty per cent of the fees collected pursuant to section 28-4802, subsection B in the preceding month.

E. ON THE FIFTEENTH CALENDAR DAY OF EACH MONTH, THE DIRECTOR SHALL TRANSFER TO THE STATE GENERAL FUND FROM THE PORTION OF VEHICLE LICENSE TAX REVENUES THAT OTHERWISE WOULD BE DEPOSITED IN THE STATE HIGHWAY FUND PURSUANT TO SECTION 28-6538, SUBSECTION A, PARAGRAPH 1 THE DIFFERENCE BETWEEN THE ACTUAL AMOUNT OF THE VEHICLE LICENSE TAX REVENUE COLLECTED AS A RESULT OF REGISTRATION OF VEHICLES PURSUANT TO SECTION 28-2159 IN THE PRECEDING MONTH FOR A FIVE-YEAR REGISTRATION PERIOD AND THE AMOUNT THAT WOULD HAVE BEEN COLLECTED IF THOSE SAME VEHICLES HAD BEEN REGISTERED FOR A TWO-YEAR VEHICLE REGISTRATION PERIOD.

Sec. 3. Title 30, chapter 4, article 1, Arizona Revised Statutes, is amended by adding section 30-658, to read:

30-658. Radiation regulatory fee fund; exemption

THE RADIATION REGULATORY FEE FUND IS ESTABLISHED CONSISTING OF FEES DIRECTED BY LAW TO BE DEPOSITED IN THE FUND. THE AGENCY SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

Sec. 4. Section 41-3955, Arizona Revised Statutes, is amended to read:

41-3955. Housing trust fund; purpose

A. The housing trust fund is established, and the director shall administer the fund. The fund consists of monies from ~~unclaimed property deposited in the fund pursuant to section 44-313 and~~ investment earnings.

B. On notice from the department, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

C. Fund monies shall be spent on approval of the department for developing projects and programs connected with providing housing opportunities for low and moderate income households and for housing affordability and Arizona housing finance authority programs. ~~Pursuant to~~

~~section 44-313, subsection A, a portion of fund monies shall be used exclusively for housing in rural areas.~~

D. In approving the expenditure of monies, the director shall give priority to funding projects that provide for operating, constructing or renovating facilities for housing for low income families and that provide housing and shelter to families that have children.

E. The director shall report annually to the legislature on the status of the housing trust fund. The report shall include a summary of facilities for which funding was provided during the preceding fiscal year and shall show the cost and geographic location of each facility and the number of individuals benefiting from the operation, construction or renovation of the facility. The report shall be submitted to the president of the senate and the speaker of the house of representatives no later than September 1 of each year.

F. Monies in the housing trust fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

G. An amount not to exceed ten per cent of the housing trust fund monies may be appropriated annually by the legislature to the department for administrative costs in providing services relating to the housing trust fund.

H. For any construction project financed by the department pursuant to this section, the department shall notify a city, town, county or tribal government that a project is planned for its jurisdiction and, before proceeding, shall seek comment from the governing body of the city, town, county or tribal government or an official authorized by the governing body of the city, town, county or tribal government. The department shall not interfere with or attempt to override the local jurisdiction's planning, zoning or land use regulations.

Sec. 5. Section 41-3956, Arizona Revised Statutes, is amended to read: 41-3956. Housing development fund; purpose

A. The housing development fund is established for the purpose of implementing a housing demonstration program in areas in this state that contain state prison facilities. The fund consists of monies provided from the housing trust fund ~~pursuant to section 44-313, subsection A, paragraph 1.~~ The department shall administer the fund.

B. The department shall allocate fund monies as loans or grants for the construction or renovation of facilities for housing pursuant to this section or for advancing down payments, closing costs or mortgage amount reductions.

C. A project is eligible to receive funding if the project is within a twenty mile radius of an existing or future prison site. The communities of Buckeye, Douglas, Florence, Safford, Winslow and Yuma and other communities that are selected as sites for future prison facilities are eligible to receive monies pursuant to this section.

1 D. The department shall give preference to projects with local
2 government support and commitments, including local general funds, fee
3 waivers, government sponsored infrastructure improvements and land donations,
4 and to projects that provide housing and shelter to families and individuals
5 who are employed by state prison facilities.

6 E. Monies in the fund shall be used to provide long-term housing
7 opportunities for low and moderate income households and for housing
8 affordability for areas authorized under subsection C of this section.

9 F. Five hundred thousand dollars of the monies in the fund shall be
10 used for housing in eligible areas. Other monies in the fund shall be used
11 for any purpose provided by this section.

12 G. The director may issue loans from the fund to assist eligible
13 communities in funding housing. The director may issue loans pursuant to the
14 following terms and conditions:

15 1. The loans shall be made only for projects that meet the
16 requirements of this section and that demonstrate financial viability.

17 2. The director may assess an administrative fee on each loan to cover
18 the annual cost to this state of administering the loan program.

19 3. Each loan shall be evidenced by a contract or contracts between a
20 political subdivision, a for profit or nonprofit housing developer and the
21 director acting on behalf of the state or any combination of a political
22 subdivision, a housing developer and the director. The contract shall
23 provide for at least annual payments of principal and may provide for payment
24 of administrative fees for the term of the loan.

25 4. Each contract shall provide that the attorney general may commence
26 any action that is necessary to enforce the contract and to achieve the
27 repayment of loans that are made pursuant to this section.

28 H. Loan payments and administrative fees received pursuant to
29 subsection G of this section shall be deposited, pursuant to sections 35-146
30 and 35-147, in the housing development fund.

31 I. Monies in the fund may also be spent for grants or other purposes
32 that meet the requirements that are imposed on the use of the monies.

33 J. The director shall report annually to the legislature on the status
34 of the fund. The report shall include a summary of facilities for which
35 funding was provided during the preceding fiscal year and shall show the cost
36 and geographic location of each facility and the number of individuals who
37 benefited from the construction or renovation of the facility. The report
38 shall be submitted to the president of the senate and the speaker of the
39 house of representatives no later than September 1 of each year.

40 K. Monies in the fund are continuously appropriated. On notice from
41 the department, the state treasurer shall invest and divest monies in the
42 fund as provided by section 35-313, and monies earned from investment shall
43 be credited to the fund. Monies in the fund are exempt from the provisions
44 of section 35-190 relating to lapsing of appropriations.

L. For any construction project financed by the department pursuant to this section, the department shall notify a city, town, county or tribal government that a project is planned for its jurisdiction and, before proceeding, shall seek comment from the governing body of the city, town, county or tribal government or an official authorized by the governing body of the city, town, county or tribal government. The department shall not interfere with or attempt to override the local jurisdiction's planning, zoning or land use regulations.

Sec. 6. Section 42-1116.01, Arizona Revised Statutes, is amended to read:

42-1116.01. Department of revenue administrative fund

A. The department of revenue administrative fund is established consisting of monies from unclaimed property deposited in the fund pursuant to section 44-313.

~~B. The director shall administer the fund. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.~~

C. Subject to legislative appropriation, the director shall use monies in the fund solely for the administrative costs of the department.

Sec. 7. Section 44-313, Arizona Revised Statutes, is amended to read:

44-313. Deposit of monies

A. Except as otherwise provided in this section or section 44-314, the department shall deposit, pursuant to sections 35-146 and 35-147, in the state general fund all monies received pursuant to this chapter, including the proceeds from the sale of abandoned property pursuant to section 44-312, except that:—

~~1. The first ten million five hundred thousand dollars of the monies shall be deposited each fiscal year in the housing trust fund established by section 41-3955.~~

~~2.~~ the ~~second~~ **FIRST** twenty-four million five hundred thousand dollars of the monies shall be deposited each fiscal year in the department of revenue administrative fund established by section 42-1116.01.

B. The department shall deposit monies from unclaimed shares and dividends of any corporation incorporated under the laws of this state in the permanent state school fund pursuant to article XI, section 8, Constitution of Arizona.

C. The department shall deposit monies from unclaimed victim restitution payments in the victim compensation and assistance fund established by section 41-2407 for the purpose of establishing, maintaining and supporting programs that compensate and assist victims of crime.

D. The department shall retain in a separate trust fund at least one hundred thousand dollars from which the department shall pay claims.

E. Before making the deposit, the department shall record the name and last known address of each person who appears from the holders' reports to be entitled to the property and the name and last known address of each insured

1 person or annuitant and beneficiary. The department shall also record the
 2 policy or contract number of each policy or contract of an insurance company
 3 that is listed in the report, the name of the company and the amount due.
 4 The department shall make the record available for public inspection during
 5 reasonable business hours.

6 Sec. 8. Fees for providing services; increases; intent;
 7 exemption from rule making

8 A. Notwithstanding any other law, the director of each of the
 9 following agencies may increase fees in fiscal year 2011-2012 for services
 10 provided in fiscal year 2011-2012:

- 11 1. Office of pest management.
- 12 2. Radiation regulatory agency.

13 B. It is the intent of the legislature that the additional revenue
 14 generated by the fee increases shall not exceed the amounts listed below:

- 15 1. Office of pest management \$525,000.
- 16 2. Radiation regulatory agency \$500,000.

17 C. Monies received from any fees pursuant to subsection A, paragraph 1
 18 of this section shall be deposited in the pest management fund established by
 19 section 32-2305, Arizona Revised Statutes.

20 D. Monies received from any fees pursuant to subsection A, paragraph 2
 21 of this section shall be deposited in the radiation regulatory fee fund
 22 established by section 38-658, Arizona Revised Statutes, as added by this
 23 act.

24 E. The agencies described in subsection A of this section are exempt
 25 from the rule making requirements of title 41, chapter 6, Arizona Revised
 26 Statutes, for the purpose of establishing fees pursuant to this section until
 27 July 1, 2012.

28 Sec. 9. County transfers; fiscal year 2011-2012; county
 29 expenditure limitations

30 A. Notwithstanding any other law, in fiscal year 2011-2012, each
 31 county with a population of two million or more persons shall transfer
 32 \$28,600,000 and each county with a population of more than eight hundred
 33 thousand persons but less than two million persons shall transfer \$6,000,000
 34 to the state treasurer for deposit in the state general fund.

35 B. Notwithstanding any other law, a county may meet any statutory
 36 funding requirements of this section from any source of county revenue
 37 designated by the county, including funds of any countywide special taxing
 38 district in which the board of supervisors serves as the board of directors.

39 C. Contributions made pursuant to this section are excluded from the
 40 county expenditure limitations.

41 Sec. 10. Budget stabilization fund; exception

42 Notwithstanding section 35-144, Arizona Revised Statutes, for fiscal
 43 year 2011-2012, the legislature is not required to appropriate monies to or
 44 transfer monies from the budget stabilization fund.