

State of Arizona  
Senate  
Fiftieth Legislature  
First Regular Session  
2011

# SENATE BILL 1616

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)

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

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

4 9-602. Fund operation

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

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

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

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

- 20 1. In ~~the first~~ fiscal year 2009-2010, five million dollars.
- 21 2. In ~~the second~~ fiscal year 2010-2011, ten million dollars.
- 22 3. In ~~the third~~ fiscal year 2011-2012, ~~fifteen million~~ ZERO dollars.
- 23 4. In ~~the fourth~~ fiscal year 2012-2013, ~~twenty million dollars~~  
24 \$5,595,000.
- 25 5. In ~~the fifth~~ fiscal year ~~and each of the next thirty fiscal years,~~  
26 ~~the amount distributed in the preceding fiscal year plus five hundred~~  
27 ~~thousand dollars, except that the amount distributed shall not exceed thirty~~  
28 ~~million dollars in any fiscal year~~ YEARS 2013-2014, 2014-2015, 2015-2016 AND  
29 2016-2017, \$20,449,000.
- 30 6. IN FISCAL YEAR 2017-2018, \$22,499,000.
- 31 7. IN FISCAL YEAR 2018-2019, \$22,996,250.
- 32 8. IN FISCAL YEAR 2019-2020, \$23,499,950.
- 33 9. IN FISCAL YEAR 2020-2021, \$23,997,900.
- 34 10. IN FISCAL YEAR 2021-2022, \$24,498,450.
- 35 11. IN FISCAL YEAR 2022-2023, \$24,999,400.
- 36 12. IN FISCAL YEAR 2023-2024, \$25,498,550.
- 37 13. IN FISCAL YEAR 2024-2025, \$25,998,700.
- 38 14. IN FISCAL YEAR 2025-2026, \$26,497,375.
- 39 15. IN FISCAL YEAR 2026-2027, \$26,997,100.
- 40 16. IN FISCAL YEAR 2027-2028, \$27,495,125.
- 41 17. IN FISCAL YEAR 2028-2029, \$27,998,700.
- 42 18. IN FISCAL YEAR 2029-2030, \$28,499,525.
- 43 19. IN FISCAL YEAR 2030-2031, \$28,999,575.
- 44 20. IN FISCAL YEAR 2031-2032, \$29,495,550.
- 45 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.

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

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

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

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

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

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

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

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

28 30-658. Radiation regulatory fee fund; exemption

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

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

35 41-3955. Housing trust fund; purpose

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

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

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

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

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

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

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

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

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

29 Sec. 5. Section 41-3956, Arizona Revised Statutes, is amended to read:  
30 41-3956. Housing development fund; purpose

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

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

40 C. A project is eligible to receive funding if the project is within a  
41 twenty mile radius of an existing or future prison site. The communities of  
42 Buckeye, Douglas, Florence, Safford, Winslow and Yuma and other communities  
43 that are selected as sites for future prison facilities are eligible to  
44 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.

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

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

11 42-1116.01. Department of revenue administrative fund

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

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

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

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

21 44-313. Deposit of monies

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

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

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

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

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

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

43 E. Before making the deposit, the department shall record the name and  
44 last known address of each person who appears from the holders' reports to be  
45 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.