

REFERENCE TITLE: 2013-2014; revenue; budget reconciliation

State of Arizona
Senate
Fifty-first Legislature
First Special Session
2013

SB 1001

Introduced by
Senator Pierce

AN ACT

AMENDING SECTIONS 32-1134, 35-144 AND 42-5031.01, ARIZONA REVISED STATUTES;
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 32-1134, Arizona Revised Statutes, is amended to
3 read:

4 32-1134. Powers and duties of registrar

5 A. The registrar shall:

6 1. Establish assessments and maintain the fund balance at a level
7 sufficient to pay operating costs and anticipated claims using the cash basis
8 of accounting.

9 2. Cause an examination of the fund to be made every three years by an
10 independent certified public accountant.

11 3. File with the department of insurance an annual statement of the
12 condition of the fund.

13 4. Employ accountants and attorneys from monies in the fund, but not
14 to exceed ten thousand dollars in any fiscal year, that are necessary for the
15 performance of the duties prescribed in this section.

16 5. Employ or contract with individuals and procure equipment and
17 operational support, to be paid from or purchased with monies in the fund,
18 but not to exceed ~~ten per cent of the fund~~ in any fiscal year **FOURTEEN PER**
19 **CENT OF THE TOTAL AMOUNT DEPOSITED IN THE FUND IN THE PRIOR FISCAL YEAR** as
20 may be necessary to monitor, process or oppose claims filed by injured
21 persons which may result in collection from the recovery fund.

22 B. Notwithstanding section 32-1135, the registrar may expend interest
23 monies from the fund to increase public awareness of the fund. This
24 expenditure shall not exceed fifty thousand dollars in any fiscal year.

25 Sec. 2. Section 35-144, Arizona Revised Statutes, is amended to read:

26 35-144. Budget stabilization fund; definitions

27 A. The budget stabilization fund is established consisting of monies
28 transferred from the state general fund pursuant to subsection B of this
29 section. The state treasurer shall administer the fund and invest and divest
30 monies in the fund as provided by sections 35-313 and 35-314.02, and monies
31 earned from investment shall be credited to the fund **EXCEPT AS PROVIDED IN**
32 **SUBSECTION J OF THIS SECTION**. Except as provided by this section:

33 1. Monies in the fund are exempt from the provisions of section 35-190
34 relating to the reversion of monies to the state general fund.

35 2. The monies in the fund are separate monies to be used only for the
36 purposes of the fund.

37 B. In a calendar year in which the annual growth rate exceeds the
38 trend growth rate, the excess growth when multiplied by total general fund
39 revenue of the fiscal year ending in the calendar year determines the amount
40 to be appropriated by the legislature to the budget stabilization fund in the
41 fiscal year in which the calendar year ends.

42 C. In a calendar year in which the annual growth rate is both less
43 than two per cent and less than the trend growth rate, the difference between
44 the annual growth rate and the trend growth rate when multiplied by the total
45 general fund revenue of the fiscal year ending in the calendar year

1 determines the amount to be transferred by the legislature from the budget
2 stabilization fund to the state general fund at the end of the fiscal year in
3 which the calendar year ends. The transfer calculated pursuant to this
4 subsection shall not exceed the available balance in the fund, nor shall the
5 legislature transfer an amount which exceeds the amount sufficient to balance
6 the general fund budget.

7 D. The legislature shall pass a bill which contains the emergency
8 clause if the legislature either:

9 1. Reduces the amount for appropriation to the budget stabilization
10 fund under subsection B of this section.

11 2. Increases the amount for transfer to the state general fund under
12 subsection C of this section.

13 E. The annual budget recommendations of the governor and the joint
14 legislative budget committee shall include estimates of appropriations or
15 transfers required under subsection B or C of this section.

16 F. A final determination of the amount to be appropriated to or
17 transferred from the budget stabilization fund shall be made using personal
18 income and price deflator estimates as reported in the second calendar
19 quarter for the preceding calendar year. The economic estimates commission
20 shall determine the annual growth rate, the trend growth rate and the
21 required appropriation to or transfer from the budget stabilization fund at
22 its first meeting following the second calendar quarter report of the United
23 States department of commerce, but not later than June 1. The commission
24 shall certify and report its findings to the governor, the state treasurer,
25 the president of the senate, the speaker of the house of representatives and
26 the joint legislative budget committee.

27 G. The appropriation calculated pursuant to subsection B of this
28 section may be included in the general appropriation bill for that fiscal
29 year. Any additional appropriation calculated pursuant to subsection F of
30 this section shall be made by separate act.

31 H. At the end of a fiscal year, the budget stabilization fund balance
32 shall not exceed 5.634 per cent for fiscal year 1997-1998, 6.333 per cent for
33 fiscal year 1998-1999 and seven per cent for fiscal year 1999-2000 and each
34 subsequent fiscal year of general fund revenue for each fiscal year. Any
35 surplus monies above the allowable percentages shall be transferred by the
36 state treasurer to the state general fund.

37 I. The state treasurer may temporarily divest monies in the budget
38 stabilization fund to avoid a negative cash balance in operating monies. The
39 amount divested shall not exceed the amount required to meet immediate cash
40 needs. The state treasurer may divest monies in the budget stabilization
41 fund only when the general fund has a negative cash balance.

42 J. INTEREST INCOME EARNED FROM INVESTMENT OF BUDGET STABILIZATION FUND
43 MONIES SHALL BE DISTRIBUTED EQUALLY TO THE ARIZONA STATE PARKS BOARD
44 ESTABLISHED BY SECTION 41-511 AND THE ARIZONA COMMISSION ON THE ARTS
45 ESTABLISHED BY SECTION 41-981 TO BE USED BY THOSE AGENCIES TO PERFORM THEIR

1 RESPECTIVE DUTIES. THIS DISTRIBUTION IS EXEMPT FROM THE PROVISIONS OF
2 SECTION 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS.

3 ~~J.~~ K. In this section:

4 1. "Adjusted personal income" means personal income minus transfer
5 payments, as reported by the United States department of commerce, bureau of
6 economic analysis, or its successor agency.

7 2. "Annual growth rate" means the percentage change in real adjusted
8 personal income in the calendar year ending during a fiscal year as compared
9 to real adjusted personal income for the preceding calendar year. The annual
10 growth rate shall be rounded to the nearest one-hundredth of one per cent.

11 3. "GDP price deflator" means the gross domestic product price
12 deflator reported by the United States department of commerce, bureau of
13 economic analysis, or its successor agency.

14 4. "Personal income" means the total personal income of all persons in
15 this state reported by the United States department of commerce, bureau of
16 economic analysis, or its successor agency.

17 5. "Real adjusted personal income" means an amount which is determined
18 by dividing adjusted personal income by the GDP price deflator and
19 multiplying the result by one hundred.

20 6. "Transfer payments" means that portion of personal income which
21 represents a government expenditure for which no service is rendered or
22 product is delivered, as determined by the United States department of
23 commerce, bureau of economic analysis, or its successor agency.

24 7. "Trend growth rate" means the average annual growth rate for the
25 most recent seven calendar years, rounded to the nearest one-hundredth of one
26 per cent.

27 Sec. 3. Section 42-5031.01, Arizona Revised Statutes, is amended to
28 read:

29 42-5031.01. Distribution of revenues for Indian tribal
30 postsecondary educational institutions:
31 definition

32 A. Subject to subsection C of this section, each month the state
33 treasurer shall transmit to the treasurer or other designated depository of
34 each qualifying Indian tribe the amount of transaction privilege tax revenues
35 received pursuant to this article in the preceding month from all sources
36 located on the Indian reservation established for the qualifying Indian tribe
37 as determined pursuant to section 42-5029, subsection A, paragraph 3.

38 B. The monies distributed pursuant to this section are for the
39 exclusive purpose of supporting the maintenance, renewal and capital expenses
40 of one or more community ~~colleges~~ COLLEGE CAMPUSES in this state that are
41 owned, operated or chartered by each qualifying Indian tribe on its own
42 Indian reservation. Before receiving any monies under this section, a
43 qualifying Indian tribe shall enter into an initial compact with this state
44 on or before September 1, 2012, signed by the governor, to account for the
45 use of monies distributed pursuant to this section. The compact shall:

1 1. Be for a term of at least ten years. After a hearing and review of
2 the compact by the joint legislative budget committee held during the last
3 year of the compact's term, a compact may be renewed for an additional term
4 of up to ten years.

5 2. Require the monies to be used primarily for capital needs including
6 maintenance and renewal of existing facilities at designated community
7 college campuses on the qualifying Indian tribe's own reservation in this
8 state.

9 3. Provide for audits by the auditor general of the use of the
10 monies. The auditor general shall submit copies of each audit to the joint
11 legislative budget committee.

12 4. If necessary, provide for reimbursement to the department of
13 revenue of costs associated with implementing this section, not to exceed one
14 hundred fifty thousand dollars, from revenues that would otherwise be paid to
15 the qualifying Indian tribe pursuant to this section.

16 C. Notwithstanding subsection A of this section, the state treasurer
17 shall not transmit in any fiscal year more than **THE SUM OF THE FOLLOWING**
18 **AMOUNTS:**

19 1. **WITH RESPECT TO A SINGLE COMMUNITY COLLEGE,** one million seven
20 hundred fifty thousand dollars or more than ~~one-tenth~~ **TEN PER CENT** of
21 transaction privilege tax revenues received pursuant to this article from all
22 sources located on the reservation, whichever is less.

23 2. **WITH RESPECT TO AN ADDITIONAL TECHNICAL COLLEGE LOCATED ON THE SAME**
24 **INDIAN RESERVATION, EIGHT HUNDRED SEVENTY-FIVE THOUSAND DOLLARS OR MORE THAN**
25 **FIVE PER CENT OF TRANSACTION PRIVILEGE TAX REVENUES RECEIVED PURSUANT TO THIS**
26 **ARTICLE FROM ALL SOURCES LOCATED ON THE RESERVATION, WHICHEVER IS LESS.**

27 D. For the purposes of this section, "qualifying Indian tribe" means
28 an Indian tribe that owns, operates and charters any community college or
29 postsecondary educational institution located on its own reservation in this
30 state.

31 Sec. 4. Racing and boxing fees; increases; rule making
32 exemption

33 A. The Arizona department of racing is exempt from the rule making
34 requirements of title 41, chapter 6, Arizona Revised Statutes, for the
35 purpose of increasing fees pursuant to sections 5-104 and 5-230, Arizona
36 Revised Statutes, until July 1, 2014.

37 B. It is the intent of the legislature that the revenue generated by
38 the fees collected pursuant to sections 5-104 and 5-230, Arizona Revised
39 Statutes, not exceed \$2,062,000 in fiscal year 2013-2014.

40 Sec. 5. Fees for providing services; increases; intent;
41 exemption from rule making

42 A. Notwithstanding any other law, the director of each of the
43 following agencies may increase fees in fiscal year 2013-2014 for services
44 provided in fiscal year 2013-2014:

- 45 1. Office of pest management.

1 B. On or before October 1, 2013, all counties with a population of
2 less than 200,000 persons according to the 2010 United States decennial
3 census shall report to the director of the joint legislative budget committee
4 whether the county used a revenue source to meet a county fiscal obligation
5 pursuant to subsection A of this section and, if so, the specific source and
6 amount of revenues that the county intends to use in fiscal year 2013-2014.

7 Sec. 9. Automobile theft authority; fees; adjustment; fiscal
8 year 2013-2014; rule making exemption

9 A. Notwithstanding section 41-3451, subsection J, Arizona Revised
10 Statutes, the automobile theft authority shall adjust the semiannual fee paid
11 by insurers issuing motor vehicle liability insurance policies in this state
12 so that the amount collected in fiscal year 2013-2014 does not exceed one
13 hundred ten per cent of the automobile theft authority's appropriated budget.

14 B. The automobile theft authority is exempt from the rule making
15 requirements of title 41, chapter 6, Arizona Revised Statutes, for the
16 purpose of adjusting fees pursuant to subsection A of this section until June
17 30, 2014.