

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature – First Regular Session

COMMITTEE ON APPROPRIATIONS

Report of Regular Meeting
Wednesday, February 25, 2015
House Hearing Room 1 -- 2:00 p.m.

Convened 4:35 p.m.

Recessed

Reconvened

Adjourned 8:00 p.m.

Members Present

Mr. Allen J
Mr. Bowers
Mr. Cardenas
Mr. Clark
Mr. Gray
Ms. Mach
Mr. Meyer
Mr. Petersen
Mr. Rivero
Mr. Sherwood
Mr. Stevens
Mrs. Ugenti
Mr. Leach, Vice-Chairman
Mr. Olson, Chairman

Members Absent

Request to Speak

Report – Attachment 1

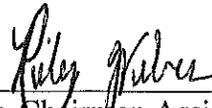
Presentations

<u>Name</u>	<u>Organization</u>	<u>Attachments (Handouts)</u>
Debt and Lease-Purchase Financing	Joint Legislative Budget Committee	2

Committee Action

<u>Bill</u>	<u>Action</u>	<u>Vote</u>	<u>Attachments</u> <u>(Summaries,</u> <u>Amendments, Roll Call)</u>
HB2167	DP	14-0-0-0	3, 4
HB2170	DPA	12-0-0-2	5, 6, 7
HB2176	DPA S/E	9-5-0-0	8, 9, 10,
HB2262	DPA	13-0-0-1	11, 12, 13 ,14
HB2364	DPA	13-0-0-1	15, 16, 17
HB2390	NOT OUT OF PRIMARY COMMITTEE		
HB2446	NOT FIRST READ OR ASSIGNED		
HB2447	DPA S/E	14-0-0-0	18, 19, 20

HB2540	DPA S/E	10-4-0-0	21, 22, 23
HB2559	DPA S/E	7-5-1-1	24, 25, 26
HB2623	NOT FIRST READ OR ASSIGNED		
HCR2016	DP	8-4-0-2	27, 28
HCR2027	FAILED	6-8-0-0	29, 30, 31



Riley Weber, Chairman Assistant

February 25, 2015

(Original attachments on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)

Information Registered on the Request to Speak System

House Appropriations (2/25/2015)

HB2447, technical correction; bond election

Testified in support:

Tom Farley, Arizona Association Of Realtors; Courtney Gilstrap LeVinus, Arizona Multihousing Association

Support:

Gene Dufoe, representing self; Ann Heins, representing self; Nicole LaSlavic, AZ ASSOCIATION OF REALTORS; Ralph Heins, representing self; Betty Brown, representing self

Neutral:

Tom Belshe, League Of Arizona Cities And Towns

All Comments:

Tom Farley, Arizona Association Of Realtors: The AZ Assoc. of Realtors supports the Olson Strike-Everything amendment.; Nicole LaSlavic, AZ ASSOCIATION OF REALTORS: In support of the strike everything amendment.

HB2176, legislative appropriations; state; federal; monies

Testified as opposed:

Jason Baran, SR. Govt Relations Rep, SALT RIVER PROJECT (SRP)

Oppose:

Sandy Bahr, Sierra Club - Grand Canyon Chapter; Leonard Clark Clark, representing self

All Comments:

Sandy Bahr, Sierra Club - Grand Canyon Chapter: We are opposed to the strike-everything amendment which seeks to gain control of federal public lands. This is unconstitutional and unwise. The state already has 9.2 million acres of state trust land that it has difficulty managing.; Jason Baran, SALT RIVER PROJECT (SRP): SRP opposes the S/E as proposed, but is working with the sponsor on amendment language to address our concerns.

HB2262, school district transportation; JTED students

Neutral:

Becky Hill, SCOTTSDALE UNIFIED SCHOOL DISTRICT

All Comments:

Becky Hill, SCOTTSDALE UNIFIED SCHOOL DISTRICT: Neutral with amendment

HB2364, universities; funding revisions

Testified in support:

Kody Kelleher, AZ BOARD OF REGENTS

Support:

Charles "Steve" Miller, AZ STATE UNIVERSITY; Garrick Taylor, Arizona Chamber Of Commerce And Industry; Katy Yanez, NORTHERN ARIZONA UNIVERSITY; Michael Haener, Partner, Arizona State University; Mike Huckins, GREATER PHOENIX CHAMBER OF COMMERCE; Andrew Escoto, UNIVERSITY OF ARIZONA; Michael Sistik, UNIVERSITY OF ARIZONA; Zachary Brooks, representing self; kevin salcido, representing self; Abigail Polito Hawkins, AZ STATE UNIVERSITY

Oppose:

Leonard Clark Clark, representing self

All Comments:

Charles "Steve" Miller, AZ STATE UNIVERSITY: Supports the bill and the amendment; Katy Yanez, NORTHERN ARIZONA UNIVERSITY: NAU supports the bill and the Olson amendment.; Michael Haener, Arizona State University: Support the bill and Olson amendment.; Zachary Brooks, Self: Allowing universities to keep their tuition dollars would help universities carry out their important mission to education Arizona citizens. Zachary Brooks Graduate Professional Student Body President University of Arizona; kevin salcido, Self: Vice President Human Resources; Abigail Polito Hawkins, AZ STATE UNIVERSITY: Support the bill, and the Olson amendment.

HCR2016, personal property tax; exemption

Support:

Garrick Taylor, Arizona Chamber Of Commerce And Industry; Lynne Weaver, representing self

HCR2027, ballot measures; federal law; super majority

Oppose:

Leonard Clark Clark, representing self

All Comments:

Leonard Clark Clark, Self: hcr2027

HB2167, appropriation; client services trust fund

Support:

Christine Saeva, representing self; Mark Jacoby, representing self; Ann Monahan, representing self; David Carey, Arizona Disability Advocacy Coalition, Self; Richard Hargrove, representing self; Katie O'Dell, representing self; Donna Kruck, Arizona Bridge To Independent Living; Gina Judy, chief administrative officer, representing self; Donna Whitley, representing self; Brandy Petrone, AZ Association Of Providers For People With Disabilities

Neutral:

Kathy Ber, DES Director of Legislative Services, Arizona Department Of Economic Security

All Comments:

Mark Jacoby, Self: For so few budgetary dollars, so many people can be helped with the assistance of the client services trust fund that I sincerely hope you can support it. Thank you; Ann Monahan, Self: This bill will not only aid people with disabilities, but will also save the state by allowing individuals to purchase the tools they need to remain living in their homes.; Richard Hargrove, Self: Dear Committee Members, I am writing to ask for your support in passing HB2167 in Appropriations. It is one of the most important bills to people with Intellectual and Developmental Disabilities. This bill sets aside \$100,000 to fund the Client Ser; Donna Kruck, Arizona Bridge To Independent Living: This fund has always been intended to support needs of Arizonans with developmental disabilities when no other resource is available. For instance for dental work, burial and that kind of thing. . We strongly support restoring Trust funds.; Gina Judy, Self: I am here today with an individual with developmental disabilities that would like me to share her views and position. She does not have an email so in unable to log in. Her name is Alvadene Ortiz.

HB2170, lifespan respite care program; appropriation

Testified in support:

bonnie danowski, representing self; Kolton Orcutt, representing self

Support:

grace portley, representing self; Suzanne Edholm, representing self; Dorene Mykol, representing self; Jennifer Downey, representing self; Lacey Knowles, representing self; Jantell Cansler, representing self; Timothy Schmaltz, Coordinator- PAFCO, representing self; Stephen Jennings, representing self; Kenneth Jacuzzi, representing self; virginia brant, representing self; David Carey, Arizona Disability Advocacy Coalition, Self; Lois von Halle, representing self; Thomas James Donovan, VALLEY INTERFAITH PROJECT; Eileen Cooper, representing self; Heidi Ross, representing self; Isabel Garcia, representing self; Thomas James Donovan, VALLEY INTERFAITH PROJECT; Melanie Beikman, representing self; Carmen Gomez, representing self; jim and Sandi chamness, representing self; Holly Cottor, representing self; Pamela Otero, representing self; Nancy Jamison, representing self; Mary Lynn Kasunic, President & CEO, Area Agency On Aging; Donna Kruck, Arizona Bridge To Independent Living; scott Hawthornthwaite, representing self; Erika Edholm, The National MS Society Arizona Chapter; Leonard Clark Clark, representing self; Sam Richard, PROTECTING ARIZONA'S FAMILY COALITION; Dana Kennedy, representing self; Barbara D. Rosenberg, representing self

Neutral:

Kathy Ber, DES Director of Legislative Services, Arizona Department Of Economic Security

All Comments:

Suzanne Edholm, Self: Because of my age I do not currently qualify for respite care services through offered programs. The Lifespan Respite Care Program will assist families like mine access the services they need to maintain strong, intact and independent.; Dorene Mykol, Self: As a caregiver for my husband who has MS, I have realized how important any respite care is for the sake of all affected by any debilitating disease.; Lacey Knowles, Self: As a social worker and daughter of a mother impacted by chronic illness, the Lifespan Respite Care program provides quality of life for my father as a caregiver, and thousands of others that fulfill this role for their loved

ones.; Jantell Cansler, Self: Support HB2170 to keep Arizona families strong and taking care of their own! So little will do so much. Passing this bill will provide access to community based caregiver support services that help all Arizonans.; bonnie danowski, Self: Please support this bill to keep our family caregivers healthy and able to remain independent. It is such a small amount of money that will do so much for 855,000 caregiving families in the state. thank you; Stephen Jennings, Self: Lifespan Respite offers important help to Arizona's 855,000 caregivers. 24-7-365 caregivers can care for loved ones longer if they have an occasional break (respite) and a information and referral source to find help. Please support Lifespan Respite.; Kenneth Jacuzzi, Self: HB2170 is a critical step forward in supporting the health and integrity of our most vulnerable Arizona families while keeping them in their homes and saving the state money in the process. It is called, "Walking your talk." Kenneth Jacuzzi PV, AZ; virginia brant, Self: This is ran by volunteers. no age is left without service. it aids all those in need of respite even for an hour. This is a blessing; Lois von Halle, Self: 25 yrs I was a family caregiver to my husband. I needed to go back to work to support our family. The Area Agency on Aging financially enabled my husband to have day care while I went to work. Soon I was able to contribute back to the community.; Thomas James Donovan, VALLEY INTERFAITH PROJECT: Respite would help my disabled, elderly friends and neighbors; Eileen Cooper, Self: I am a family caregiver for over 10 years. After calling the Caregiver Resource Line, they offered me support with options for my family. This was a great resource that should continue. Our family is an example of taking care of their own-Vote Yes; Heidi Ross, Self: As a sandwich generation caregiver having to give up my job this week while recovering from pneumonia, I have felt overwhelmed with trouble concentrating. As a social worker, I have seen this, as a caregiver, I live it! Please support HB2170!; Isabel Garcia, Self: Vote YES for HB2170! It will provide much needed respite for those who don't qualify through other channels. It will benefit the health of families AND Arizona's economy!; Thomas James Donovan, VALLEY INTERFAITH PROJECT: VIP began support for Respite Care in 2007 sponsored then by Senator Carolyn Allen of Scottsdale; jim and Sandi chamness, Self: I support funding of this bill since I have been a caregiver. Personal family experience with 24/7 caregiving of elderly parents.; Holly Cottor, Self: As a family caregiver of a child with Spinal Muscular Atrophy, I rely on respite and services of the Lifespan Respite Care Program. Respite is a lifeline of hope for caregivers. Please vote yes on HB2170 with full appropriations and continued svcs.; Pamela Otero, Self: I support HB2170 because I am a family member caregiver.; Donna Kruck, Arizona Bridge To Independent Living: We strongly support funding for respite care. Most caregivers do so on a voluntary basis for family members and it can be an exhuming and essential way to keep disabled and ill Arizonans in their own homes and off the public dole.; Erika Edholm, The National MS Society Arizona Chapter: The National MS Society AZ Chapter supports HB 2170; the Lifespan Respite Care Program. This program would provide respite care services for those living with MS who do not currently qualify under existing programs due to age and disability.; Sam Richard, PROTECTING ARIZONA'S FAMILY COALITION: Respite care helps caregivers and families maintain their independence.; Dana Kennedy, Self: I support this bill to give caregivers a few hours to of respite so they can take care of themselves and prevent burnout.; Barbara D. Rosenberg, Self: Caregivers need support. Please pass this very important Bill!

HB2446, technical correction; payment of assistance

Support:

Charles "Steve" Miller, AZ STATE UNIVERSITY; Katy Yanez, NORTHERN ARIZONA UNIVERSITY; Michael Haener, Partner, Arizona State University; Kody Kelleher, AZ BOARD OF REGENTS; Andrew Escoto, UNIVERSITY OF ARIZONA; Michael Sistik, UNIVERSITY OF ARIZONA; Zachary Brooks, representing self; kevin salcido, representing self; Abigail Polito Hawkins, AZ STATE UNIVERSITY

Neutral:

Nicholas Ponder, AZ STATE RETIREMENT SYSTEM

Oppose:

Linda Somo, representing self; Barry McCain, representing self; Luis Schmidt, AFSCME PEOPLE Conference; Leonard Clark Clark, representing self

All Comments:

Charles "Steve" Miller, AZ STATE UNIVERSITY: Supports the strike everything amendment to HB 2446; Linda Somo, Self: The wording of this bill indicates that the study committee will only concentrate on any positives that might arise, and totally ignore all the negatives. The committee should be considering pros and cons, not just pros.; Katy Yanez, NORTHERN ARIZONA UNIVERSITY: Support the strike everything amendment.; Michael Haener, Arizona State University: Support the strike everything amendment.; Kody Kelleher, AZ BOARD OF REGENTS: ABOR supports the Olson strike everything amendment; Barry McCain, Self: I am against denying people a right to representation, or not to receive a monetary supplement for loyal service to this city!; Zachary Brooks, Self: Creating a university retirement system could save the universities money that could be used to educate Arizona citizens. Zachary Brooks Graduate Professional Student Body President University of Arizona; Luis Schmidt, AFSCME PEOPLE Conference: Don't balance budget on backs of employees for the benefit of Wall Street. DC plans cost more than DB plans and are not the solution to this issue.; Kevin Salcido, Self: Support the strike everything amendment - Vice President of HR - ASU; Abigail Polito Hawkins, AZ STATE UNIVERSITY: Supports the strike everything amendment.

HB2559, constables; study committee.

Support:

Steve Trussell, Arizona Rock Products Association; Richard Bohan, MARICOPA COUNTY

Oppose:

Gary Johnson, representing self

All Comments:

Gary Johnson, Self: With the budget issues facing the state of Arizona I don't think using valuable time and resources on a committee to study constables makes good fiscal sense.; Steve Trussell, Arizona Rock Products Association: The Arizona Rock Products Association supports the continuance of the Channelization District on the Agua Fria River. We would like the opportunity to continue to explore options for channelize that would free up lands now in the floodplain; Richard Bohan, MARICOPA COUNTY: The Maricopa County Board of Supervisors and the Flood Control District of Maricopa County support the strike everything amendment.

HB2540, technical correction; defrauding secured creditors

Testified as opposed:

Trey Williams, AZ ASSOCIATION OF COUNTIES; Eric Spencer, AZ SECRETARY OF STATE; Tom Belshe, League Of Arizona Cities And Towns

Oppose:

Eric Spencer, AZ SECRETARY OF STATE

All Comments:

Trey Williams, AZ ASSOCIATION OF COUNTIES: On behalf of county filing officers

HB2390, schools; expenses; classroom funding**Support:**

Martin Shultz, representing self

Oppose:

Williams Johnson, representing self; Charles Essigs, Director of Government Relations, Arizona Association Of School Business Officials; Janice Palmer, AZ School Boards Assn; Quinn Kellis, Ed.D., representing self; Greg Wyman, representing self; Kevin Hegarty, representing self; James Rice, representing self; Kevin Kelty, representing self; Myriam Roa, representing self; Mark Joraanstad, representing self; Linda Polito, FLOWING WELLS UNIFIED SCHOOL DIST NO 8, Polito Associates; Geoff Esposito, Arizona School Boards Association; Elizabeth Hatch, Mesa Public Schools; Jennifer Loreda, Arizona Education Association; Laura Jansen, representing self

All Comments:

Williams Johnson, Self: Horrible bill. Attacks teacher training, school libraries, school counselors, speech and physical therapists, crossing guards, child nutrition programs, school safety and security, school maintenance, student record keeping, etc., etc.; Quinn Kellis, Ed.D., Self: As an A district with 7 of 8 A schools, our current staffing model works. We don't need to cut any more instructional support services (non-classroom funds) and put student achievement at risk. Please let successful Districts manage our own budgets; Martin Shultz, Self: As a long time supporter of improving school finance, efficiency and getting money in the classroom, this bill is an exceptional idea. Martin "Marty" Shultz PS: Thanks for Hearing this bill!; James Rice, Self: This bill does not provide any additional dollars for classroom instruction. It pulls dollars from Capital support dollars that are needed for school district expenses that support students and teachers.; Kevin Kelty, Self: I am the Administrative Services Managers for Casa Grande Elementary School District; Myriam Roa, Self: Dr. Myriam Roa, Superintendent Phoenix ESD #1

HB2623, state agencies; budget submission**Support:**

Ann Heins, representing self; Ralph Heins, representing self; Tracy Langston, Mrs., representing self; William Sandry, representing self; Danny Ray, representing self; Gene Dufoe, representing self

**State Debt and
Lease-Purchase Financing
February 17 & 18, 2015
Appropriations Committee Hearings**

JLBC

Debt Overview

Statute Requires JLBC to Annually Report on State Debt and Other Obligations

- Outstanding principal on State debt, along with principal and interest payments in the prior fiscal year (FY 2014)
- Summary of payment deferrals (“rollovers”) by budget unit and the cost of these deferrals
- Information on per-capita State debt and other long-term obligations
- A 10-year history of State debt and long-term financing based on available data

Arizona Constitution Limits General Fund Backed Debt to \$350,000

- This limit has been interpreted as applying to debt secured by General Fund revenues
- This interpretation does not apply to debt secured by non-General Fund revenues
 - State has outstanding bonds supported by transportation, lottery and University revenues
- Lease-purchase financing has does not apply to the limit – no dedicated repayment source

Arizona's Credit Rating Is Currently 4th Worst Among States

- ❑ State has similar credit rating from both major agencies – Aa3 Moodys/AA- Standard and Poors
- ❑ Outlook changed from stable to positive in November 2013
- ❑ Only New Jersey, California, and Illinois have a lower credit rating

State Used Operating Financing For \$1.5 B of Solutions To Budget Shortfall in FY 2010

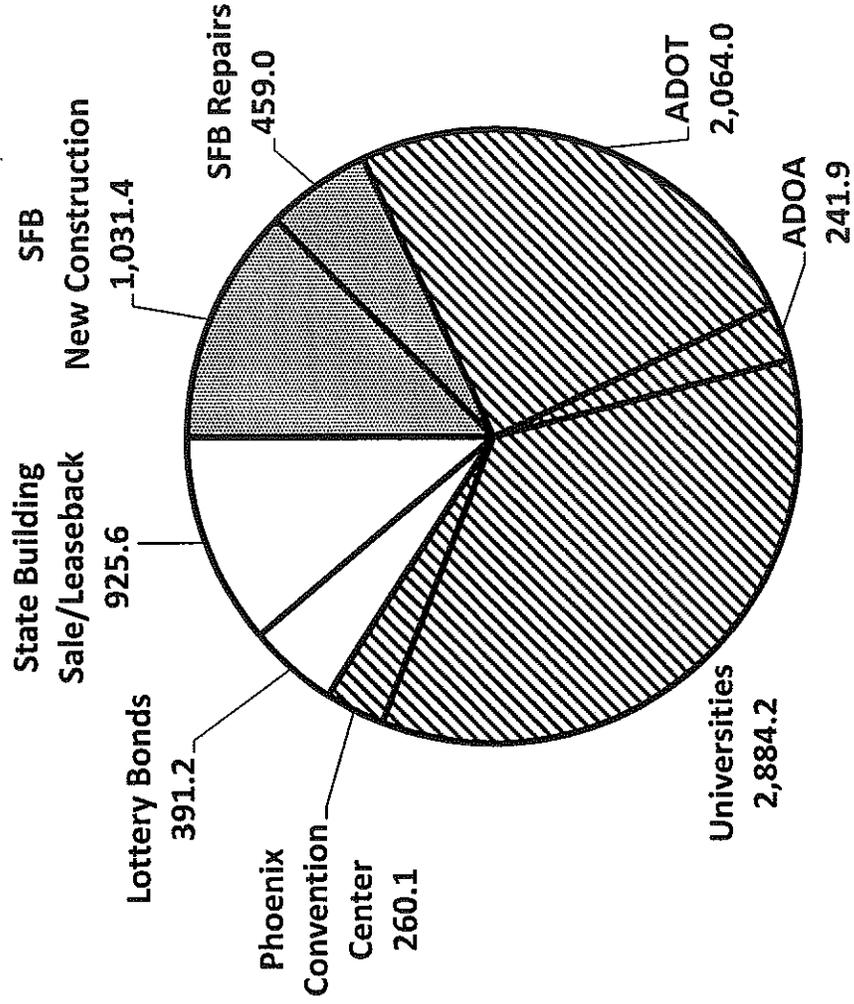
- ❑ \$1.0 B from the sale and leaseback of 22 state properties
 - 3rd party holds building titles until FY 2030
- ❑ \$450 M from the issuance of lottery revenue bonds
 - Debt service paid from General Fund portion of lottery revenues – represents foregone revenues
- ❑ \$107 M in principal paid so far through FY 2014

Debt Balance and Payment Information

JLBC

Total Outstanding State Debt/Lease-Purchase Financing is \$8.3 Billion - Reflects Multiple Payment Sources

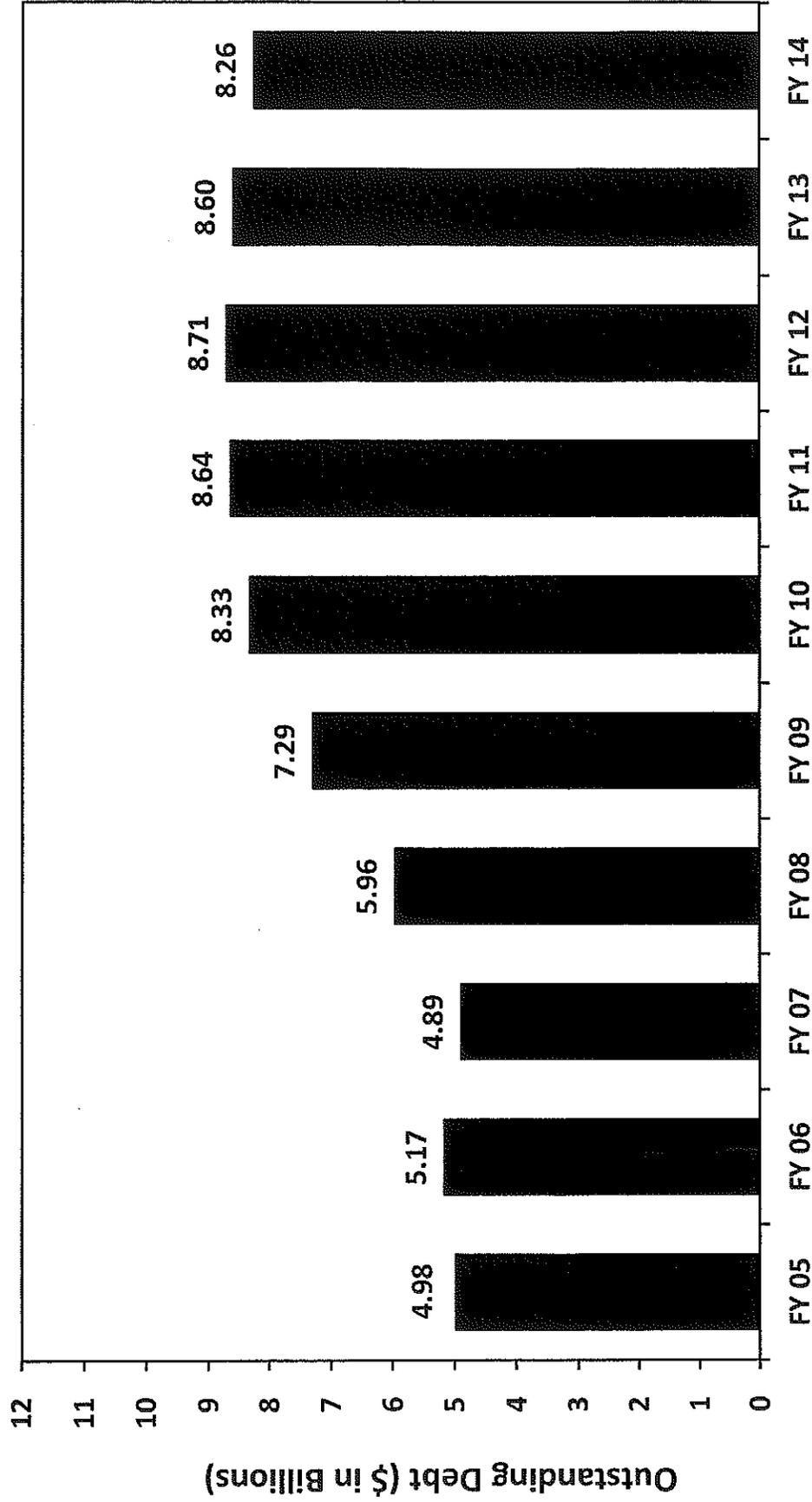
Outstanding Balances	
Capital Facilities/Uses	\$ 5.5 B
School Facilities Board	\$ 1.5 B
Operating	\$ 1.3 B



End of FY 2014 - \$ in Millions

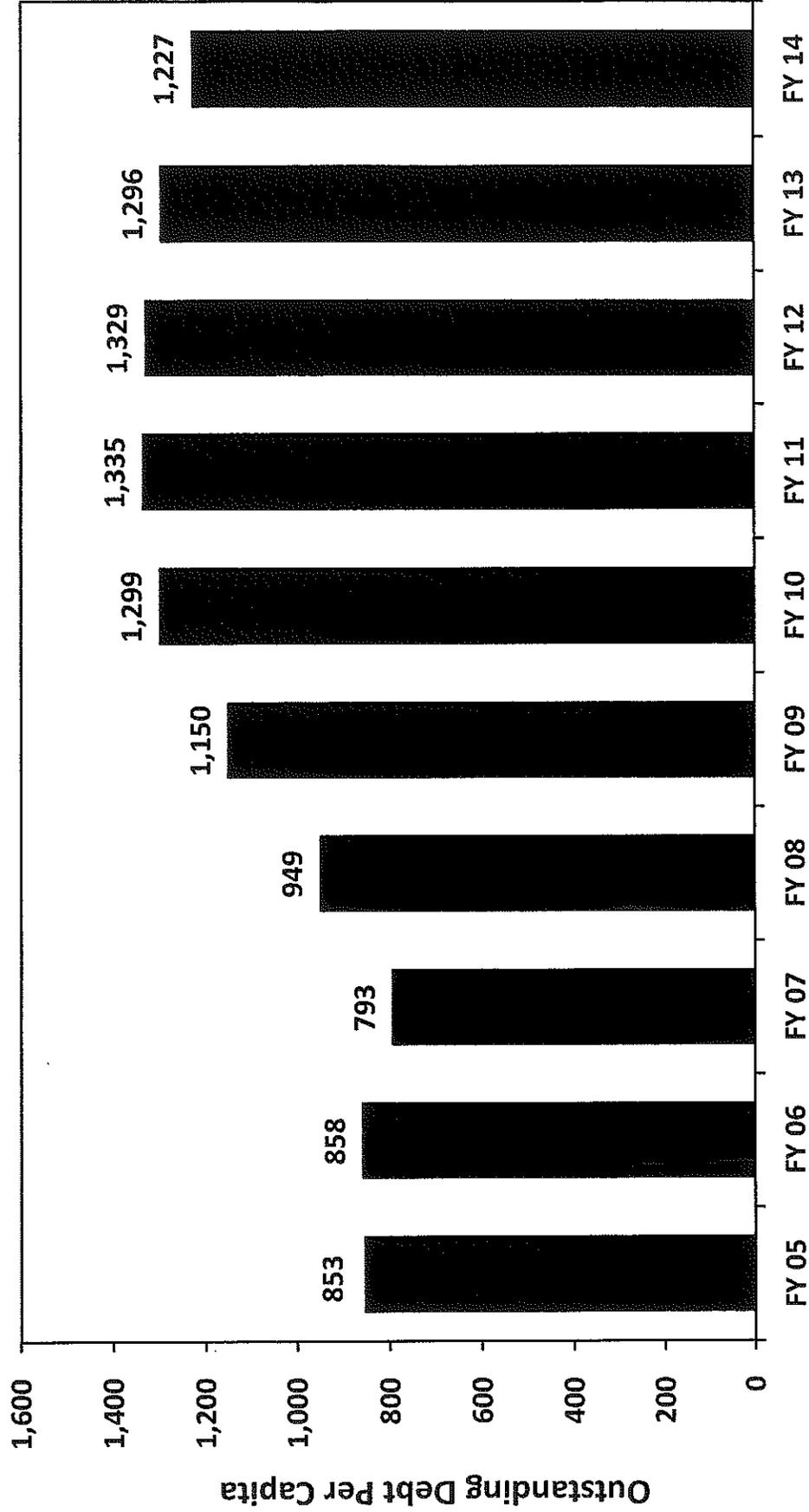
Arizona Overall Debt Obligations Have Increased Significantly Since FY '07

- Increase Is Mostly Due to Universities, SFB and Operating Financing



Arizona Per Capita Debt Obligations Since FY '05

- State's Assumption of Financing K-12 Construction and Recent Operating Financing Played A Major Role In Growth



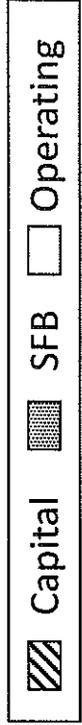
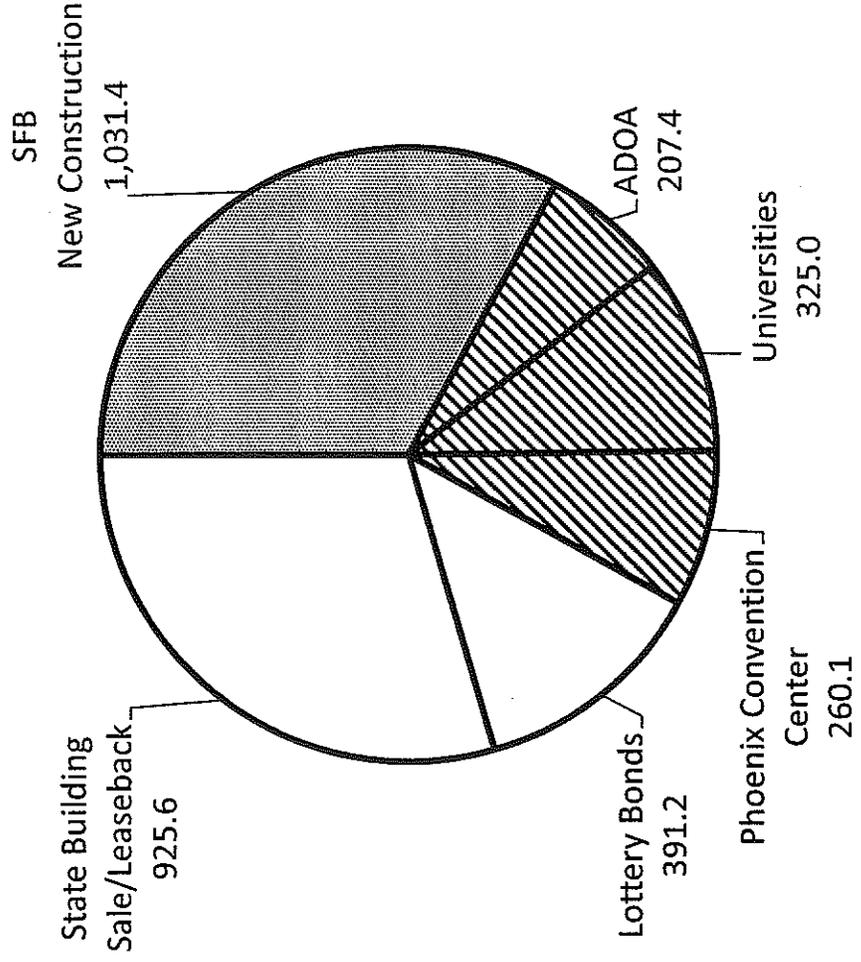
State Also Defers \$1.2 B of Payments Annually

- Interest Is Not Paid By the State For Rollovers

- Used for one-time solutions during recent years with significant budget shortfalls.
- Current use:
 - K-12 State Aid payments: \$931 M
 - Universities: \$200 M
 - DES: \$21 M
 - DCS: \$11 M
- Over the last 3 years, rollover usage declined.
 - Eliminated AHCCCS rollover (\$112.6 M)
 - Eliminated K-12 small school rollover (\$21.9 M)
 - Reduced DES/DCS rollover (\$10 M) and allocated the remaining between DES/DCS

General Fund Share of Outstanding Balances Is \$3.1 B

Outstanding Balances	
Capital Facilities/Uses	\$ 0.8 B
School Facilities Board	\$ 1.0 B
Operating	\$ 1.3 B

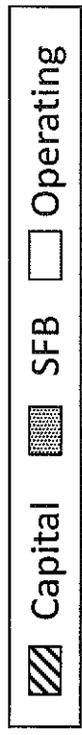
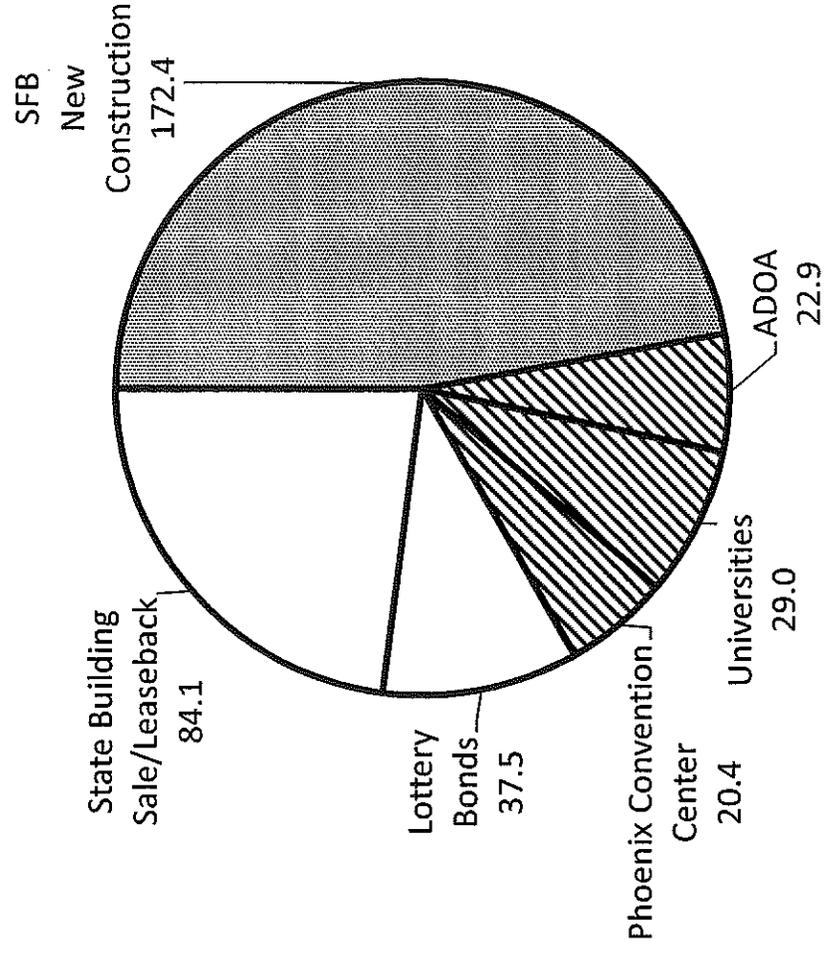


End of FY 2014 - \$ in Millions

General Fund Debt Service Cost \$366 M

- Represented 7th Largest Budget Unit

Annual Payments	
Capital Facilities/Uses	\$ 72 M
School Facilities Board	\$ 172 M
Operating	\$ 122 M



FY 2014 - \$ in Millions

Annual General Fund Debt Service/Lease-Purchase Financing Costs Will Be Stable Through FY 2016

	<u>\$ in Millions</u>		
	<u>FY '14</u>	<u>FY '15</u>	<u>FY '16</u>
Capital Facilities/Uses	72	72	71
School Facilities Board	172	161	172
Operating	122	122	122
Total	\$366 M	\$355 M	\$365 M



HOUSE OF REPRESENTATIVES

HB 2167

appropriation; client services trust fund

Sponsors: Representatives Brophy McGee, Mach: Carter

DPA Committee on Health
X Committee on Appropriations
 Caucus and COW
 House Engrossed

OVERVIEW

HB 2167 appropriates \$2,000,000 from the Arizona Long-Term Care System Fund (ALTCS) if unexpended and unencumbered at the end of Fiscal Year (FY) 2015 to the Client Development Disability Services Trust Fund (Fund).

HISTORY

Laws 1972, Chapter 142 created the Arizona Department of Economic Security (ADES) to promote the safety, well-being, and self-sufficiency of children, adults and families within Arizona. Consisting of numerous divisions, ADES supports enhanced safety and security for Arizonans by focusing on four key goals; strengthening individuals and families, enhancing self-sufficiency, collaborating with communities to enlarge their capacity, increasing efficiency and being effective through innovation and accountability.

The Division of Developmental Disabilities (Division) provides services to individuals and families with disabilities by offering home and community-based aid, residential and day programs and services for children. Within the Division is the Developmental Disability Advisory Council (Council). Laws 1992, Chapter 355 established the Council which consists of 17 members appointed by the governor. The Council must review and make recommendations to the Division in relation to coordinating and integrating services, the health, safety, welfare and legal rights of persons with developmental disabilities, the Division's plan for improvement and service delivery along with other items outlined in statute. In addition, the Council must oversee and approve expenditures of monies from the Fund.

The Fund is a one-time assistance fund that was established to assist people with developmental disabilities and their families. The Council reviews and approves expenditures which meet the program goals.

PROVISIONS

1. Appropriates \$2,000,000 from ALTCS, if unexpended and unencumbered at the end of FY 2015 to the Fund.
2. States that the transfer of funds is subject to approval by AHCCCS.
3. States that it is the intent of the Legislature to partially replace monies swept from the Fund used to provide services to clients with development disabilities in FYs 2008 and 2009.

Attachment 3

HB 2167

Amendments

Committee on Health

1. Decreases the appropriation amount to \$100,000 and corrects the statutory reference relating to the source of the appropriation.



HOUSE OF REPRESENTATIVES

HB 2170

lifespan respite care program; appropriation
Sponsor: Representative Brophy McGee

W/D Committee on Children & Family Affairs

X Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

HB 2170 appropriates \$500,000 from the state General Fund (GF) in Fiscal Year (FY) 2016 to the Arizona Department of Economic Security (DES) for the Lifespan Respite Care Program.

HISTORY

Arizona Revised Statutes (A.R.S.) § 46-172 requires DES to establish a Lifespan Respite Care Program (Program) for primary caregivers of individuals who do not currently qualify for other publicly funded respite services. Statute directs the Program to coordinate with other respite services and support the growth and maintenance of a statewide respite coalition. The Program must conduct a study on the need for respite care and identify local training resources for respite care providers. In addition, the Program is tasked with linking families with respite care providers and creating an evaluation tool for recipients of respite care to assure quality of care.

PROVISIONS

1. Appropriates \$500,000 from the state GF in FY 2016 to DES for the Lifespan Respite Care Program.
2. Deletes the Program termination date.

Attachment 5

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2170

(Reference to printed bill)

- 1 Page 1, line 24, strike "\$500,000" insert "\$250,000"
- 2 Amend title to conform

JUSTIN OLSON

2170-p1-olson
2/24/15
11:06 AM
H:ajs

Attachment 6

Adopted # of Verbals _____
Failed _____ Withdrawn _____
Not Offered _____ Analysts Initials _____



HOUSE OF REPRESENTATIVES

HB 2176

legislative appropriations; state; federal; monies
Sponsors: Representatives Thorpe, Allen J, Borrelli, et al.

-
- * Committee on Federalism & States' Rights
 - X Committee on Appropriations
 - Caucus and COW
 - House Engrossed
-

OVERVIEW

HB 2176 provides that the Legislature retains authority to appropriate all state and noncustodial federal monies.

Summary of the Proposed Strike-Everything Amendment to HB 2176

The proposed strike-everything amendment to HB 2176 requires the US to relinquish all constitutionally nonenumerated federal land within Arizona to the State Land Trust.

HISTORY

Arizona Revised Statutes (A.R.S.) § 37-102 provides the State Land Department (Department) the authority to have charge and control of all lands owned by the state, timber, stone, gravel and other products of such lands. The State Land Commissioner (Commissioner) is appointed by the governor to perform and exercise all powers and duties vested in or imposed on the Department. The duties include, among others, exercising the powers of surveyor-general, making long range plans for the future use of state lands in cooperation with other state agencies, local planning authorities and political subdivisions and classifying and appraising state lands for the purpose of sale, lease or grant of right-of-way (A.R.S. § 37-132).

Under federal law, local governments are compensated through various programs for reductions to their property tax bases due to the presence of federally owned land. The Payments in Lieu of Taxes Act of 1976 (P.L. 94-565, as amended, 31 U.S.C. § 6901-6907) created the most widely applicable program administered by the Department of the Interior (DOI), which applies to many types of federally owned land, and is referred to as PILT. PILT are payments to local governments that help offset losses in property taxes due to nontaxable federal lands within their boundaries. The authorized level of PILT payments is calculated under a formula based on population, receipt sharing payments and the amount of federal land within an affected county. PILT does not apply to Indian-owned lands, virtually none of which are subject to local taxes.

PROVISIONS

1. Requires the Commissioner to request the US to relinquish all constitutionally nonenumerated federal land within Arizona to the State Land Trust by January 1, 2026.
2. Requires, beginning January 1, 2026, the Attorney General (AG) to initiate proceedings against the US in order to force the relinquishment of all remaining constitutionally nonenumerated federal land.

Attachment 8

HB 2176

3. Declares that Arizona has not agreed to the provisions of the Payments in Lieu of Taxes Act of 1976 (Act) and specifies that the receipt of PILT payments to the state or a political subdivision does not constitute:
 - a. An acceptance of the validity or authority of the Act.
 - b. The relinquishment of any taxing authority.
 - c. The relinquishment of any other rights.
4. Requires Arizona and political subdivisions of the state to assess property taxes as provided by law on all constitutionally nonenumerated federal lands within Arizona.
5. Stipulates that any PILT payments made by the federal government on the constitutionally nonenumerated federal lands must be applied toward the property tax assessed but are not accepted in lieu of the payment for the taxes assessed. Requires the AG to initiate proceedings against the US to collect delinquent tax assessment payments.
6. Contains legislative findings.

**Not withdrawn as of 2/24/15*

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2176

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Title 37, chapter 5, article 1, Arizona Revised Statutes,
3 is amended by adding section 37-910, to read:

4 37-910. Relinquishment of nonenumerated federal land; payments
5 in lieu of taxes

6 A. THE COMMISSIONER SHALL REQUEST THE UNITED STATES TO RELINQUISH ALL
7 CONSTITUTIONALLY NONENUMERATED FEDERAL LAND WITHIN THIS STATE TO THE STATE
8 LAND TRUST ON OR BEFORE DECEMBER 31, 2025.

9 B. BEGINNING JANUARY 1, 2026, THE ATTORNEY GENERAL SHALL INITIATE
10 PROCEEDINGS AGAINST THE UNITED STATES IN ORDER TO FORCE THE RELINQUISHMENT OF
11 ALL REMAINING CONSTITUTIONALLY NONENUMERATED FEDERAL LAND WITHIN THIS STATE
12 TO THE STATE LAND TRUST.

13 C. THIS STATE HAS NOT AGREED TO THE PROVISIONS OF THE PAYMENTS IN LIEU
14 OF TAXES ACT OF 1976. THE RECEIPT OF PAYMENTS BY THIS STATE OR A POLITICAL
15 SUBDIVISION OF THIS STATE PURSUANT TO THE ACT DOES NOT CONSTITUTE:

16 1. AN ACCEPTANCE OF THE VALIDITY OR AUTHORITY OF THE ACT.

17 2. THE RELINQUISHMENT OF ANY TAXING AUTHORITY BY THIS STATE OR A
18 POLITICAL SUBDIVISION OF THIS STATE.

19 3. THE RELINQUISHMENT OF ANY OTHER RIGHTS BY THIS STATE OR A POLITICAL
20 SUBDIVISION OF THIS STATE.

21 D. THIS STATE AND THE POLITICAL SUBDIVISIONS OF THIS STATE SHALL
22 ASSESS PROPERTY TAXES AS PROVIDED BY LAW ON ALL CONSTITUTIONALLY
23 NONENUMERATED FEDERAL LAND WITHIN THIS STATE. ANY PAYMENTS IN LIEU OF TAXES
24 MADE BY THE FEDERAL GOVERNMENT ON THE CONSTITUTIONALLY NONENUMERATED FEDERAL
25 LAND SHALL BE APPLIED TOWARD THE PROPERTY TAX ASSESSED BUT ARE NOT ACCEPTED
26 IN LIEU OF THE PAYMENT FOR THE TAXES ASSESSED. THE ATTORNEY GENERAL SHALL
27 INITIATE PROCEEDINGS AGAINST THE UNITED STATES TO COLLECT DELINQUENT TAX
28 ASSESSMENT PAYMENTS.

29 Sec. 2. Legislative findings

30 A. The 42.1% of Arizona land (approximately 30,700,000 acres) under
31 the control of the United States:

32 1. Was not constitutionally conveyed to the United States. Attachment 9

33 2. Is typically not being used for constitutionally enumerated uses.

Adopted # of Verbals _____
Failed _____ Withdrawn _____
Not Offered _____ Analysts Initials _____

1 3. Has been held since Arizona's 1912 statehood, which is an
2 unreasonable length of time.

3 4. Is grossly disproportionate to similar federal land holdings within
4 the eastern states, which constitutes a violation of the Equal Footing
5 Doctrine and the principle of basic fairness across sovereign states.

6 B. In comparison to eastern states, the large presence of the United
7 States as a landholder within this state clearly dilutes state sovereignty,
8 impedes this state's ability to govern (for example, to lay and collect
9 taxes, fund education, fund first responders, fund and maintain
10 infrastructure and exercise policing powers), and begs the question as to
11 whether those lands in question actually comprise a portion of the current
12 state of Arizona or whether they have not fundamentally changed disposition
13 from the territorial status that existed before 1912.

14 C. According to Professor Robert Natelson of the Independence
15 Institute, the United States Constitution grants the federal government no
16 plenary power to hold land, only to dispose of and to acquire real estate and
17 other property to carry out any enumerated purpose, either in the exercise of
18 a core power or through the implied powers memorialized in the Necessary and
19 Proper Clause. Land acquired or held by the federal government within states
20 may be held only for enumerated purposes, and all federal holdings not being
21 used or needed for enumerated purposes must be disposed of within a
22 reasonable time. Nonenclave federal land held under the Property Clause
23 should be held only for enumerated purposes. The land is subject to state
24 law, and the federal government must be treated like any other landowner.
25 States must respect the discharge of legitimate federal functions associated
26 with federally held lands."

27 Amend title to conform

JUSTIN OLSON

2176jo
02/23/2015
02:29 PM
C: meb



HOUSE OF REPRESENTATIVES

HB 2262

school district transportation; JTED students
Sponsors: Representatives Bowers; Barton, Finchem

W/D Committee on Education
X Committee on Appropriations
Caucus and COW
House Engrossed

OVERVIEW

Requires a school district to provide transportation to and from a Joint Technical Education District (JTED) campus for children who reside within the district's boundaries; do not attend a district-operated school and are enrolled in a program or course at the JTED campus.

HISTORY

Arizona Revised Statutes (A.R.S.) § 15-392 authorizes school districts to form JTEDs to act as cooperatives for school districts to deliver specialized vocational and career and technical education courses for students to attain sufficient skills to enter into occupations that normally do not require a baccalaureate or advanced degree. Currently, 13 JTEDs operate in Arizona.

A.R.S. §15-393 provides funding mechanisms for JTEDs. Specifically, JTEDs are funded by a combination of limited bonding authority, receiving monies from the state via the school finance formula and a property tax of no more than \$0.05 per \$100 assessed value. To receive monies from the state, JTEDs are required to calculate student count and Average Daily Membership (ADM). Statute allows JTEDs to count a student enrolled in the district in the JTED's student count and ADM only if the student is in grades 10 through 12, is under 21 years of age and is enrolled in courses that are approved by the JTED, for centrally located courses, or by the JTED and participating school districts, for satellite courses. JTEDs are authorized to collect tuition from adult students and students enrolled in the JTED who reside in another school district.

PROVISIONS

1. Requires, if a school district provides pupil transportation services to and from a JTED campus, a district to provide transportation to and from the JTED campus for children who:
 - a. Reside within the district's boundaries;
 - b. Do not attend a district-operated school; and
 - c. Are enrolled in a program or course at the JTED campus.
2. Requires the JTED to provide any needed identification or indemnification information to the district for the transportation of the pupils.

Attachment 11

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2262
(Reference to printed bill)

- 1 Page 1, line 6, after the first "DISTRICT" insert "PURSUANT TO SECTION 15-393,
2 SUBSECTION L, PARAGRAPH 6 AND THIS SECTION"
3 Line 11, strike "OR" insert "INFORMATION AND"
4 Line 12, strike "INFORMATION"
5 Line 13, after the period insert "A SCHOOL DISTRICT THAT IS REQUIRED TO
6 TRANSPORT PUPILS PURSUANT TO THIS SECTION IS NOT OBLIGATED TO CHANGE THE
7 SCHOOL DISTRICT'S BUS ROUTES OR ADD BUS STOPS TO ACCOMMODATE PUPILS WHO ARE
8 NOT ENROLLED IN THE SCHOOL DISTRICT. ALL PUPILS WHO ARE TRANSPORTED BY A
9 SCHOOL DISTRICT PURSUANT TO SECTION 15-393, SUBSECTION L, PARAGRAPH 6 AND
10 THIS SECTION SHALL COMPLY WITH THE SCHOOL DISTRICT'S BUS CONDUCT RULES, AND
11 PUPILS MAY BE EXCLUDED FROM TRANSPORTATION BY THE SCHOOL DISTRICT FOR
12 MISCONDUCT. THE SCHOOL DISTRICT SHALL BE REIMBURSED FOR FUEL COSTS AND FOR
13 EXPENSES RELATED TO ADDING EQUIPMENT, STAFF OR ROUTES TO ACCOMMODATE THE
14 PUPIL TRANSPORTATION REQUIRED BY SECTION 15-393, SUBSECTION L, PARAGRAPH 6,
15 EXCEPT THAT THE DISTRICT MAY NOT CHARGE FOR COSTS THAT THE SCHOOL DISTRICT IS
16 ALREADY INCURRING FOR STAFF AND EQUIPMENT TO TRANSPORT THE SCHOOL DISTRICT'S
17 ENROLLED PUPILS PURSUANT TO SECTION 15-393, SUBSECTION L, PARAGRAPH 6."
18 Amend title to conform

RUSSELL BOWERS

2262rb.doc
02/25/2015
09:15 AM
C: tdb

Attachment 12

Adopted # of Verbals _____
Failed _____ Withdrawn _____
Not Offered _____ Analysts Initials _____

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2262

(Reference to printed bill)

1 Page 1, between lines 3 and 4, insert:

2 "Section 1. Section 15-393, Arizona Revised Statutes, is amended to
3 read:

4 15-393. Joint technical education district governing board;
5 report; definitions

6 A. The management and control of the joint district are vested in the
7 joint technical education district governing board, including the content and
8 quality of the courses offered by the district, the quality of teachers who
9 provide instruction on behalf of the district, the salaries of teachers who
10 provide instruction on behalf of the district and the reimbursement of other
11 entities for the facilities used by the district. Unless the governing
12 boards of the school districts participating in the formation of the joint
13 district vote to implement an alternative election system as provided in
14 subsection B of this section, the joint board shall consist of five members
15 elected from five single member districts formed within the joint district.
16 The single member district election system shall be submitted as part of the
17 plan for the joint district pursuant to section 15-392 and shall be
18 established in the plan as follows:

19 1. The governing boards of the school districts participating in the
20 formation of the joint district shall define the boundaries of the single
21 member districts so that the single member districts are as nearly equal in
22 population as is practicable, except that if the joint district lies in part
23 in each of two or more counties, at least one single member district may be
24 entirely within each of the counties comprising the joint district if this
25 district design is consistent with the obligation to equalize the population
26 among single member districts.

Attachment 13

Adopted _____ # of Verbals _____
Failed _____ Withdrawn _____
Not Offered _____ Analysts Initials _____

1 2. The boundaries of each single member district shall follow election
2 precinct boundary lines, as far as practicable, in order to avoid further
3 segmentation of the precincts.

4 3. A person who is a registered voter of this state and who is a
5 resident of the single member district is eligible for election to the office
6 of joint board member from the single member district. The terms of office
7 of the members of the joint board shall be as prescribed in section 15-427,
8 subsection B. An employee of a joint technical education district or the
9 spouse of an employee shall not hold membership on a governing board of a
10 joint technical education district by which the employee is employed. A
11 member of one school district governing board or joint technical education
12 district governing board is ineligible to be a candidate for nomination or
13 election to or serve simultaneously as a member of any other governing board,
14 except that a member of a governing board may be a candidate for nomination
15 or election for any other governing board if the member is serving in the
16 last year of a term of office. A member of a governing board shall resign
17 the member's seat on the governing board before becoming a candidate for
18 nomination or election to the governing board of any other school district or
19 joint technical education district, unless the member of the governing board
20 is serving in the last year of a term of office.

21 4. Nominating petitions shall be signed by the number of qualified
22 electors of the single member district as provided in section 16-322.

23 B. The governing boards of the school districts participating in the
24 formation of the joint district may vote to implement any other alternative
25 election system for the election of joint district board members. If an
26 alternative election system is selected, it shall be submitted as part of the
27 plan for the joint district pursuant to section 15-392, and the
28 implementation of the system shall be as approved by the United States
29 justice department.

30 C. The joint technical education district shall be subject to the
31 following provisions of this title:

32 1. Chapter 1, articles 1 through 6.

- 1 2. Sections 15-208, 15-210, 15-213 and 15-234.
- 2 3. Articles 2, 3 and 5 of this chapter.
- 3 4. Section 15-361.
- 4 5. Chapter 4, articles 1, 2 and 5.
- 5 6. Chapter 5, articles 1, 2 and 3.
- 6 7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728, 15-729
- 7 and 15-730.
- 8 8. Chapter 7, article 5.
- 9 9. Chapter 8, articles 1, 3 and 4.
- 10 10. Sections 15-828 and 15-829.
- 11 11. Chapter 9, article 1, article 6, except for section 15-995, and
- 12 article 7.
- 13 12. Sections 15-941, 15-943.01, 15-948, 15-952, 15-953 and 15-973.
- 14 13. Sections 15-1101 and 15-1104.
- 15 14. Chapter 10, articles 2, 3, 4 and 8.

16 D. Notwithstanding subsection C of this section, the following apply
17 to a joint technical education district:

18 1. A joint district may issue bonds for the purposes specified in
19 section 15-1021 and in chapter 4, article 5 of this title to an amount in the
20 aggregate, including the existing indebtedness, not exceeding one per cent of
21 the taxable property used for secondary tax purposes, as determined pursuant
22 to title 42, chapter 15, article 1, within the joint technical education
23 district as ascertained by the last property tax assessment previous to
24 issuing the bonds.

25 2. The number of governing board members for a joint district shall be
26 as prescribed in subsection A of this section.

27 3. The student count for the first year of operation of a joint
28 technical education district as provided in this article shall be determined
29 as follows:

30 (a) Determine the estimated student count for joint district classes
31 that will operate in the first year of operation. This estimate shall be
32 based on actual registration of pupils as of March 30 scheduled to attend

1 classes that will be operated by the joint district. The student count for
2 the district of residence of the pupils registered at the joint district
3 shall be adjusted. The adjustment shall cause the district of residence to
4 reduce the student count for the pupil to reflect the courses to be taken at
5 the joint district. The district of residence shall review and approve the
6 adjustment of its own student count as provided in this subdivision before
7 the pupils from the school district can be added to the student count of the
8 joint district.

9 (b) The student count for the new joint district shall be the student
10 count as determined in subdivision (a) of this paragraph.

11 (c) For the first year of operation, the joint district shall revise
12 the student count to the actual average daily membership as prescribed in
13 section 15-901, subsection A, paragraph 1 for students attending classes in
14 the joint district. A joint district shall revise its student count, the
15 base support level as provided in section 15-943.02, the revenue control
16 limit as provided in section 15-944.01 and the district additional assistance
17 as provided in section 15-962.01 prior to May 15. A joint district that
18 overestimated its student count shall revise its budget prior to May 15. A
19 joint district that underestimated its student count may revise its budget
20 prior to May 15.

21 (d) After March 15 of the first year of operation, the district of
22 residence shall adjust its student count by reducing it to reflect the
23 courses actually taken at the joint district. The district of residence
24 shall revise its student count, the base support level as provided in section
25 15-943, the revenue control limit as provided in section 15-944 and the
26 district additional assistance as provided in section 15-962.01 prior to
27 May 15. A district that underestimated the student count for students
28 attending the joint district shall revise its budget prior to May 15. A
29 district that overestimated the student count for students attending the
30 joint district may revise its budget prior to May 15.

31 (e) A joint district for the first year of operation shall not be
32 eligible for adjustment pursuant to section 15-948.

1 (f) The procedures for implementing this paragraph shall be as
2 prescribed in the uniform system of financial records.

3 (g) Pupils in an approved joint technical education district
4 centralized program may generate an average daily membership of 1.0 during
5 any day of the week and at any time between July 1 and June 30 of each fiscal
6 year.

7 For the purposes of this paragraph, "district of residence" means the
8 district that included the pupil in its average daily membership for the year
9 before the first year of operation of the joint district and that would have
10 included the pupil in its student count for the purposes of computing its
11 base support level for the fiscal year of the first year of operation of the
12 joint district if the pupil had not enrolled in the joint district.

13 4. A student includes any person enrolled in the joint district
14 without regard to the person's age or high school graduation status, except
15 that:

16 (a) A student in a kindergarten program or in grades one through nine
17 who enrolls in courses offered by the joint technical education district
18 shall not be included in the joint district's student count or average daily
19 membership.

20 (b) A student in a kindergarten program or in grades one through nine
21 who is enrolled in career and technical education courses shall not be funded
22 in whole or in part with monies provided by a joint technical education
23 district, except that a pupil in grade eight or nine may be funded with
24 monies generated by the five cent qualifying tax rate authorized in
25 subsection F of this section.

26 (c) A student who is over twenty-one years of age shall not be
27 included in the student count of the joint district for the purposes of
28 chapter 9, articles 3, 4 and 5 of this title.

29 5. A joint district may operate for more than one hundred eighty days
30 per year, with expanded hours of service.

31 6. A joint district may use the carryforward provisions of section
32 15-943.01.

1 7. A school district that is part of a joint district shall use any
2 monies received pursuant to this article to supplement and not supplant base
3 year career and technical education courses, and directly related equipment
4 and facilities, except that a school district that is part of a joint
5 technical education district and that has used monies received pursuant to
6 this article to supplant career and technical education courses that were
7 offered before the first year that the school district participated in the
8 joint district or the first year that the school district used monies
9 received pursuant to this article or that used the monies for purposes other
10 than for career and technical education courses shall use one hundred per
11 cent of the monies received pursuant to this article to supplement and not
12 supplant base year career and technical education courses.

13 8. A joint technical education district shall use any monies received
14 pursuant to this article to enhance and not supplant career and technical
15 education courses and directly related equipment and facilities.

16 9. A joint technical education district or a school district that is
17 part of a joint district shall only include pupils in grades ten through
18 twelve in the calculation of student count or average daily membership if the
19 pupils are enrolled in courses that are approved jointly by the governing
20 board of the joint technical education district and each participating school
21 district for satellite courses taught within the participating school
22 district, or approved solely by the joint technical education district for
23 centrally located courses. Student count and average daily membership from
24 courses that are not part of an approved program for career and technical
25 education shall not be included in student count and average daily membership
26 of a joint technical education district.

27 E. The joint board shall appoint a superintendent as the executive
28 officer of the joint district.

29 F. Taxes may be levied for the support of the joint district as
30 prescribed in chapter 9, article 6 of this title, except that a joint
31 technical education district shall not levy a property tax pursuant to law
32 that exceeds five cents per one hundred dollars assessed valuation except for

1 bond monies pursuant to subsection D, paragraph 1 of this section. Except
2 for the taxes levied pursuant to section 15-994, such taxes shall be obtained
3 from a levy of taxes on the taxable property used for secondary tax purposes.

4 G. The schools in the joint district are available to all persons who
5 reside in the joint district and to pupils whose district of residence within
6 this state is paying tuition on behalf of the pupils to a district of
7 attendance that is a member of the joint technical education district,
8 subject to the rules for admission prescribed by the joint board.

9 H. The joint board may collect tuition for adult students and the
10 attendance of pupils who are residents of school districts that are not
11 participating in the joint district pursuant to arrangements made between the
12 governing board of the district and the joint board.

13 I. The joint board may accept gifts, grants, federal monies, tuition
14 and other allocations of monies to erect, repair and equip buildings and for
15 the cost of operation of the schools of the joint district.

16 J. One member of the joint board shall be selected chairman. The
17 chairman shall be selected annually on a rotation basis from among the
18 participating school districts. The chairman of the joint board shall be a
19 voting member.

20 K. A joint board and a community college district may enter into
21 agreements for the provision of administrative, operational and educational
22 services and facilities.

23 L. Any agreement between the governing board of a joint technical
24 education district and another joint technical education district, a school
25 district, a charter school or a community college district shall be in the
26 form of an intergovernmental agreement or other written contract. The
27 auditor general shall modify the uniform system of financial records and
28 budget forms in accordance with this subsection. The intergovernmental
29 agreement or other written contract shall completely and accurately specify
30 each of the following:

31 1. The financial provisions of the intergovernmental agreement or
32 other written contract and the format for the billing of all services.

1 2. The accountability provisions of the intergovernmental agreement or
2 other written contract.

3 3. The responsibilities of each joint technical education district,
4 each school district, each charter school and each community college district
5 that is a party to the intergovernmental agreement or other written contract.

6 4. The type of instruction that will be provided under the
7 intergovernmental agreement or other written contract, including
8 individualized education programs pursuant to section 15-763.

9 5. The quality of the instruction that will be provided under the
10 intergovernmental agreement or other written contract.

11 6. The transportation services that will be provided under the
12 intergovernmental agreement or other written contract and the manner in which
13 transportation costs will be paid.

14 7. The amount that the joint technical education district will
15 contribute to a course and the amount of support required by the school
16 district or the community college.

17 8. That the services provided by the joint technical education
18 district, the school district, the charter school or the community college
19 district be proportionally calculated in the cost of delivering the service.

20 9. That the payment for services shall not exceed the cost of the
21 services provided.

22 M. On or before December 31 of each year, each joint technical
23 education district shall submit a detailed report to the career and technical
24 education division of the department of education. The career and technical
25 education division of the department of education shall collect, summarize
26 and analyze the data submitted by the joint districts, shall submit an annual
27 report that summarizes the data submitted by the joint districts to the
28 governor, the speaker of the house of representatives, the president of the
29 senate and the state board of education and shall submit a copy of this
30 report to the secretary of state. The data submitted by each joint technical
31 education district shall include the following:

32 1. The average daily membership of the joint district.

1 2. The program listings and program descriptions of programs offered
2 by the joint district, including the course sequences for each program.

3 3. The costs associated with each program offered by the joint
4 district.

5 4. The completion rate for each program offered by the joint district.
6 For the purposes of this paragraph, "completion rate" means the completion
7 rate for students who are designated as concentrators in that program by the
8 department of education under the career and technology approved plan.

9 5. The graduation rate from the school district of residence of
10 students who have completed a program in the joint district.

11 6. A detailed description of the career opportunities available to
12 students after completion of the program offered by the joint district.

13 7. A detailed description of the career placement of students who have
14 completed the program offered by the joint district.

15 8. Any other data deemed necessary by the department of education to
16 carry out its duties under this subsection.

17 N. If the career and technical education division of the department of
18 education determines that a course does not meet the criteria for approval as
19 a joint technical education course, the governing board of the joint
20 technical education district may appeal this decision to the state board of
21 education acting as the state board of vocational education.

22 O. Notwithstanding any other law, the average daily membership for a
23 pupil who is enrolled in a joint technical education course defined in
24 section 15-391 and who does not meet the criteria specified in subsection Q
25 or R of this section shall be 0.25 for each course, except the sum of the
26 average daily membership shall not exceed the limits prescribed by subsection
27 D, Q or R of this section, as applicable.

28 P. If a career and technical education course or program is provided
29 on a satellite campus, the sum of the average daily membership, as provided
30 in section 15-901, subsection A, paragraph 1, for that pupil in both the
31 school district and joint technical education district shall not exceed 1.25.
32 SATELLITE COURSES SHALL BE APPROVED BY THE JOINT TECHNICAL EDUCATION

1 DISTRICT. IN THE FIRST YEAR THAT A NEW SATELLITE COURSE IS OFFERED, THE
2 PORTION OF THE AVERAGE DAILY MEMBERSHIP THAT EXCEEDS 1.0 SHALL BE APPORTIONED
3 TO THE JOINT TECHNICAL EDUCATION DISTRICT. IN THE SECOND AND ALL SUBSEQUENT
4 YEARS IN WHICH A SATELLITE COURSE IS OFFERED, THE SCHOOL DISTRICT AND THE
5 JOINT DISTRICT SHALL DETERMINE THROUGH AN INTERGOVERNMENTAL AGREEMENT THE
6 APPORTIONMENT OF THE AVERAGE DAILY MEMBERSHIP FOR PUPILS ENROLLED IN EACH
7 SATELLITE COURSE BASED ON THE MAINTENANCE AND OPERATIONAL COSTS ASSOCIATED
8 WITH THE SATELLITE COURSE. FOR COURSES AND PROGRAMS OTHER THAN SATELLITE
9 COURSES, the school district and the joint district shall determine the
10 apportionment of the average daily membership for that pupil between the
11 school district and the joint district. A pupil who attends a course or
12 program at a satellite campus and who is not enrolled in the school district
13 where the satellite campus is located may generate the average daily
14 membership pursuant to this subsection if the pupil is enrolled in a school
15 district that is a member district in the same joint technical education
16 district.

17 Q. The sum of the average daily membership of a pupil who is enrolled
18 in both the school district and joint technical education district course or
19 program provided at a community college pursuant to subsection K of this
20 section or at a centralized campus shall not exceed 1.75. The member school
21 district and the joint district shall determine the apportionment of the
22 average daily membership and student enrollment for that pupil between the
23 member school district and the joint district, except that the amount
24 apportioned shall not exceed 1.0 for either entity. Notwithstanding any
25 other law, the average daily membership for a pupil in grade ten, eleven or
26 twelve who is enrolled in a course that meets for at least one hundred fifty
27 minutes per class period at a centralized campus shall be 0.75. To qualify
28 for funding pursuant to this subsection, a centralized campus shall offer
29 programs and courses to all eligible students in each member district of the
30 joint technical education district.

31 R. The average daily membership for a pupil in grade ten, eleven or
32 twelve who is enrolled in a course that meets for at least one hundred fifty

1 minutes per class period at a leased centralized campus shall not exceed
2 0.75. The sum of the average daily membership, as provided in section
3 15-901, subsection A, paragraph 1, of a pupil who is enrolled in both the
4 school district and in joint technical education district courses provided at
5 a leased centralized campus shall not exceed 1.75 if all of the following
6 conditions are met:

7 1. The course qualifies as a joint technical education course as
8 defined in section 15-391.

9 2. The course is offered to all eligible students in each member
10 district of the joint technical education district and enrolls students from
11 multiple high schools.

12 3. The joint technical education district program in which the course
13 is included addresses a specific industry need and has been developed in
14 cooperation with that industry, or the leased facility is a state or federal
15 asset that would otherwise be unused or underutilized.

16 4. The lease is established at fair market value if the lease is
17 executed for a facility located on the site of a member district and was
18 approved by the joint committee on capital review, except that a lease that
19 was executed or renewed before December 31, 2012 is not subject to approval
20 by the joint committee on capital review. The requirement prescribed in this
21 paragraph does not apply from and after December 31, 2016.

22 S. A student who is enrolled in an accommodation school as defined in
23 section 15-101 may be treated as a student of the school district in which
24 the student physically resides for the purposes of enrollment in a joint
25 technical education district and shall be included in the calculation of
26 average daily membership for either the joint technical education district or
27 the accommodation school, or both.

28 T. Notwithstanding any other law, beginning in fiscal year 2011-2012,
29 the student count for a joint technical education district shall be
30 equivalent to the joint technical education district's average daily
31 membership.

32 U. For the purposes of this section:

1 1. "Base year" means the complete school year in which voters of a
2 school district elected to join a joint technical education district.

3 2. "Centralized campus" means a facility that is owned and operated by
4 a joint technical education district for the purpose of offering joint
5 technical education programs or joint technical education courses as defined
6 in section 15-391.

7 3. "Lease" means a written agreement in which the right of occupancy
8 or use of real property is conveyed from one person or entity to another
9 person or entity for a specified period of time.

10 4. "Leased centralized campus" means a facility that is leased and
11 operated by a joint technical education district for the purpose of offering
12 joint technical education programs or joint technical education courses as
13 defined in section 15-391.

14 5. "Satellite campus" means a facility that is owned or operated by a
15 school district for the purpose of offering joint technical education
16 programs or joint technical education courses as defined in section 15-391."

17 Renumber to conform

18 Amend title to conform

KEN CLARK

2262-p2-clark
2/25/15
12:34 PM
H:laa



HOUSE OF REPRESENTATIVES

HB 2364

universities; funding revisions
Sponsor: Representative Thorpe

DPA Committee on Government & Higher Education

X Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

HB 2364 makes changes to the Arizona Board of Regents' (ABOR) statutes relating to the performance-based funding model, tuition and fee remittance to the state and project reviews by the Joint Committee on Capital Review (JCCR).

HISTORY

ABOR is the governing board for Arizona's public universities: Arizona State University, the University of Arizona and Northern Arizona University. ABOR offers guidance in areas such as: academic and student affairs, student tuition, fees, financial aid programs and financial and human resource programs. ABOR consists of 12 members, including the Governor and the Superintendent of Public Instruction as ex-officio members, and two student members. The two student members are appointed by the Governor and serve two-year staggered terms. The other eight members are appointments of the Governor and serve eight-year terms (azregents.edu).

Arizona Revised Statutes (A.R.S.) § 15-1626 requires ABOR to adopt a performance funding model, in collaboration with the universities under its jurisdiction. The funding model must use performance metrics that include increases in degrees awarded, increases in completed student credit hours, and increases in externally generated research and public service funding. ABOR must use this model in developing and submitting budget requests for the universities under its jurisdiction.

Statute requires ABOR to annually adopt an operating budget for each university under its jurisdiction. The budget must be equal to the sum of appropriated General Fund (GF) monies and the amount of tuition, registration fees and other revenues approved by ABOR and allocated to each university operating budget. The amount of tuition, registration fees and all other revenues included in the university budgets must be remitted to the state Treasurer (A.R.S. § 15-1626).

Current law requires any lease-purchase agreement executed by ABOR relating to land acquisition, capital projects, energy systems or energy management systems, to provide that the project must be reviewed by JCCR before the lease-purchase agreement takes effect. JCCR must review any ABOR project funded by state appropriation, indirect or third-party financing or bonds (A.R.S. §§ 15-1682.01, 15-1682.02 & 15-1683)

Attachment 15

PROVISIONS

Performance Funding Model

1. Requires ABOR, in collaboration with the universities under its jurisdiction, to adopt and periodically update a performance-based funding model before July 1, 2016, to use in preparing its annual budget request for the Fiscal Year that begins July 1 of the following calendar year.
 - a. Each year subsequent to its implementation, ABOR must adopt the model and communicate any revisions to the Governor, President of the Senate, Speaker of the House of Representatives and their respective budget offices.
2. Directs the Legislature to use the funding model to determine the annual increase to the base level of GF support to the universities.
3. Requires the funding model to be based on readily available and auditable metrics that include each of the following:
 - a. The actual incremental growth of degrees conferred
 - b. The actual incremental growth of completed student credit hours
 - c. The actual incremental growth of externally funded research and public service spending
4. Allows ABOR to use an average of three years or less of the annual growth of the metrics in the funding formula.
5. Allows the funding formula to give higher weight to high-value degrees that are in short supply or that are essential to the long-term economic development strategy of the state.
6. Requires ABOR to submit the model to the Governor's Office of Strategic Planning and Budgeting and the Joint Legislative Budget Committee (JLBC) for use in preparing annual budget estimates and recommendations.
7. Requires ABOR to maintain and update a data directory for all data elements used in maintaining and operating the funding model.
 - a. This directory must be made available to the Governor, the Legislature and the public through ABOR's website.

Tuition Remittance

8. Removes the requirement that all tuition, registration fees and other revenues included in the operating budget for each university be remitted to the state Treasurer.
9. Strikes the requirement that ABOR adopt an annual operating budget for each university, equal to the sum of appropriated GF monies, the amount of tuition, registration fees and other revenues approved by the board and allocated to each university operating budget.
10. Requires ABOR to submit a report to JLBC, on or before October 1 of each year, regarding all tuition revenues, received by each university under its jurisdiction that details the expenditure of all tuition revenues for the prior fiscal year.

JCCR Project Reviews

11. States that JCCR may only review an ABOR project to the extent of the portion of the project that is financed by state appropriation.
 - a. Excludes projects or portions of projects financed by indirect or third-party from JCCR review.

HB 2364

12. States that a bond-funded ABOR project is deemed to have a favorable recommendation from JCCR if JCCR does not review the project within 90 days after a university has formally submitted project plans to JLBC staff.
13. Makes technical and conforming changes.

AMENDMENTS

Committee on Government & Higher Education

1. Adjusts, from July 1, 2016 to July 1, 2015, the date by which ABOR must adopt the performance funding model.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2364

(Reference to printed bill)

- 1 Page 3, line 14, strike "2016" insert "2015"
- 2 Strike pages 7 and 8
- 3 Renumber to conform
- 4 Amend title to conform

JUSTIN OLSON

2364-p1-olson
2/24/15
12:18 PM
H:ajs

Attachment 16

Adopted # of Verbals _____
Failed _____ Withdrawn _____
Not Offered _____ Analysts Initials _____



HOUSE OF REPRESENTATIVES

HB 2447

technical correction; bond election

Sponsor: Representative Olson

X Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

HB 2447 makes a technical correction to the posting of resolutions for bond elections.

Summary of the Proposed Strike-Everything Amendment to HB 2447

The proposed strike-everything amendment to HB 2447 requires a municipality that levies transaction privilege, sales, or any similar tax on the rental of real property to allow real property managers to file consolidated tax returns on behalf of client property owners.

HISTORY

Transaction Privilege Tax (TPT) is imposed on a vendor for the privilege of conducting business in Arizona. Under this tax, the seller is responsible for remitting to the state the entire amount of tax due based on the gross proceeds or gross income of the business. While the tax is commonly passed on to the consumer at the point of sale, it is ultimately the seller's responsibility to remit the tax. Business activities subject to TPT include, but are not limited to: retail, restaurants and bars, transient lodging (hotel/motel), commercial leasing, advertising, amusements, personal property rentals, real property rentals, construction contracting, owner/builders, manufactured building, severance (mining, timbering), transportation, printing, publishing, utilities, communications, air/railroad, and private cars/pipelines.

According to the Arizona Department of Revenue's Model City Tax Code, the tax rate for rental, leasing, and licensing for use of real property shall be at an amount equal to a specific percent of the gross income from the business activity engaging or continuing in the business of leasing or renting real property.

PROVISIONS

1. Requires a municipality that levies TPT, sales, gross receipt, use, franchise, or any similar tax on rental, lease, or licensing of real property to allow property managers to file consolidated tax returns with respect to gross proceeds on behalf of the property owners.
2. Stipulates that the filing manager must obtain written consent of each property owner.
3. Mandates that all owners on the same tax return have the same tax schedule and use the same cash receipts or accrual basis of reporting.
4. Describes the responsibilities of the manager filing the return as follows:
 - a. Acts in a fiduciary capacity as the owners' agent;
 - b. Is accountable to the owners and to the municipality for accurately reporting and paying the tax and other amounts due;

Attachment 18

HB2447

- c. Is subject to audit of the consolidated tax returns, including the data used in compiling and filing the return; and
 - d. Provides written notice to each owner within 30 days after filing of the date and amount paid to the municipality on the owners' behalf.
5. Details the responsibilities of the property owner as follows:
- a. Remains accountable, responsible, and liable for the accuracy of the information furnished to the manager and the return and payment of the full tax liability;
 - b. Is subject to an audit of records that are submitted to the manager for the consolidated tax return; and
 - c. May withdraw any properties from the consolidated tax return on 30 days written notice to the manager and the municipality's tax collector.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2447

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Title 42, chapter 6, article 1, Arizona Revised Statutes,
3 is amended by adding section 42-6009, to read:

4 42-6009. Consolidated real property manager returns

5 A. A CITY OR TOWN THAT LEVIES A TRANSACTION PRIVILEGE, SALES, GROSS
6 RECEIPTS, USE, FRANCHISE OR OTHER SIMILAR TAX, HOWEVER DENOMINATED, ON THE
7 BUSINESS OF RENTAL, LEASING OR LICENSING USE OF REAL PROPERTY SHALL ALLOW
8 PROPERTY MANAGERS OF REAL PROPERTY TO FILE CONSOLIDATED TAX RETURNS WITH
9 RESPECT TO GROSS INCOME OR GROSS PROCEEDS FROM THE INDIVIDUAL PROPERTIES
10 UNDER MANAGEMENT ON BEHALF OF THE CLIENT PROPERTY OWNERS.

11 B. A PROPERTY MANAGER FILING A CONSOLIDATED RETURN SHALL OBTAIN THE
12 WRITTEN CONSENT OF EACH PARTICIPATING CLIENT PROPERTY OWNER, INCLUDING THE
13 OWNER'S SPECIFIC AGREEMENT AND ACKNOWLEDGEMENT THAT ALLOWS CONFIDENTIAL TAX
14 INFORMATION TO BE CONSOLIDATED WITH SIMILAR INFORMATION FROM OTHER OWNERS AND
15 OTHER PROPERTIES.

16 C. ALL PARTICIPATING CLIENT PROPERTY OWNERS INCLUDED IN THE SAME
17 CONSOLIDATED RETURN SHALL BE ON THE SAME TAX PAYMENT SCHEDULE AND USE THE
18 SAME CASH RECEIPTS OR ACCRUAL BASIS OF REPORTING.

19 D. A PROPERTY MANAGER FILING A CONSOLIDATED RETURN:

20 1. ACTS IN A FIDUCIARY CAPACITY AS THE CLIENT PROPERTY OWNERS' AGENT.

21 2. IS RESPONSIBLE AND ACCOUNTABLE TO THE CLIENT PROPERTY OWNERS AND TO
22 THE CITY OR TOWN FOR FULLY AND ACCURATELY REPORTING AND PAYING THE TAX AND
23 ANY OTHER AMOUNTS DUE.

Attachment 19

Adopted # of Verbals _____
Failed _____ Withdrawn _____
Not Offered _____ Analysts Initials _____

1 3. IS SUBJECT TO AUDIT, AS PROVIDED BY LAW, OF THE CONSOLIDATED
2 RETURNS, INCLUDING DATA IN THE PROPERTY MANAGER'S POSSESSION THAT IS USED IN
3 COMPILING AND FILING THE CONSOLIDATED RETURNS.

4 4. SHALL PROVIDE WRITTEN NOTICE TO EACH CLIENT PROPERTY OWNER WITHIN
5 THIRTY DAYS AFTER FILING EACH CONSOLIDATED RETURN OF THE DATE AND AMOUNT OF
6 TAX AND OTHER AMOUNTS PAID TO THE CITY OR TOWN ON THE CLIENT PROPERTY OWNER'S
7 BEHALF.

8 E. A CLIENT PROPERTY OWNER:

9 1. REMAINS ULTIMATELY RESPONSIBLE, ACCOUNTABLE AND LIABLE FOR BOTH:

10 (a) THE ACCURACY OF INFORMATION THE CLIENT PROPERTY OWNER FURNISHES TO
11 THE MANAGER.

12 (b) THE RETURN AND PAYMENT OF THE FULL TAX LIABILITY.

13 2. IS SUBJECT TO AUDIT, AS PROVIDED BY LAW, OF THE RECORDS IN THE
14 CLIENT PROPERTY OWNER'S POSSESSION THAT ARE SUBMITTED TO THE MANAGER FOR THE
15 PURPOSES OF THE CONSOLIDATED TAX RETURN.

16 3. MAY WITHDRAW ANY OF THE CLIENT PROPERTY OWNER'S PROPERTIES FROM THE
17 CONSOLIDATED RETURN ON THIRTY DAYS' WRITTEN NOTICE TO THE PROPERTY MANAGER
18 AND TO THE CITY OR TOWN TAX COLLECTOR."

19 Amend title to conform

JUSTIN OLSON

2447jo1
02/18/2015
09:31 AM
C: dmt



HOUSE OF REPRESENTATIVES

HB 2540

technical correction; defrauding secured creditors

Sponsor: Representative Finchem

-
- * Committee on Elections
- X* Committee on Appropriations
- Caucus and COW
- House Engrossed
-

OVERVIEW

HB 2540 makes technical changes.

SUMMARY OF THE PROPOSED STRIKE-EVERYTHING AMENDMENT TO HB 2540

The proposed strike-everything amendment to HB 2540 adds administrative requirements for initiative and referendum petitions and signature sheets.

HISTORY

Arizona Revised Statutes (A.R.S.) § 19-111 requires a person or organization intending to propose a law or constitutional amendment by initiative petition or filing a referendum against a measure to file an application with the Secretary of State (SOS) on a form provided by the SOS. The application contains information including the person's or organization's name, titles of its officers and their intention to circulate and file a petition. Statute prohibits the SOS from accepting an application for initiative or referendum without an accompanying statement of organization or signed exemption statement. On receipt of the application, the SOS assigns an official serial number to the petition, which appears in the lower right-hand corner of each side of each copy. A record is maintained in the office of the SOS of each application received and of the numbers assigned and issued to the applicant.

A.R.S. § 19-121.01 requires the SOS, within 20 days of the filing date of initiative and referendum petitions, to remove signature sheets for various reasons including not bearing the petition serial number in the lower right-hand corner of each side .

A.R.S. § 19-141 stipulates that the duties required by the SOS as to state legislation shall be performed by the city or town clerk and county officer in charge of elections as to municipal and county legislation, respectively.

PROVISIONS

1. Directs the SOS, municipal clerks and county officers in charge of elections to do the following:
 - a. Provide separate fillable forms for initiative and referendum petitions and signature sheets for the petition.
 - b. Place the official serial number on the petition and each signature form.
 - c. Ensure the petition form and signature sheets issued to each applicant are complete, correct and contain all the information required by law for a valid petition and signatures.
 - i. Specifies that this does not include verifying information regarding the signers and circulators, the actual signatures, the notarized signatures of the circulators and the information regarding and signature of the notary public.

Attachment 21

HB 2540

2. Makes technical and conforming changes.

**Not withdrawn or assigned as of 2/24/15*

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2540
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 19-111, Arizona Revised Statutes, is amended to
3 read:

4 19-111. Number for petition: training materials

5 A. A person or organization intending to propose a law or
6 constitutional amendment by initiative petition or to file a referendum
7 petition against a measure, item, section or part of a measure, before
8 causing the petition to be printed and circulated, shall file with the
9 secretary of state an application, on a form to be provided by the secretary
10 of state, setting forth the person's name or, if an organization, its name
11 and the names and titles of its officers, the person's or organization's
12 address, the person's or organization's intention to circulate and file a
13 petition, a description of no more than one hundred words of the principal
14 provisions of the proposed law, constitutional amendment or measure and the
15 text of the proposed law, constitutional amendment or measure to be initiated
16 or referred in no less than eight point type, and applying for issuance of an
17 official serial number. At the same time as the person or organization files
18 its application, the person or organization shall file with the secretary of
19 state its statement of organization or its signed exemption statement as
20 prescribed by section 16-902.01. The secretary of state shall not accept an
21 application for initiative or referendum without an accompanying statement of
22 organization or signed exemption statement as prescribed by this subsection.

23 B. On receipt of the application, the secretary of state shall assign
24 an official serial number to the petition, which number shall appear in the
25 lower right-hand corner of each side of each copy thereof, and issue that
26 number to the applicant. The secretary of state shall assign numbers to

Attachment 22

Adopted # of Verbals _____

Failed _____ Withdrawn _____

Not Offered _____ Analysts Initials _____

1 petitions in numerical sequence, and a record shall be maintained in the
2 secretary of state's office of each application received and of the numbers
3 assigned and issued to the applicant. THE SECRETARY OF STATE SHALL PROVIDE A
4 FILLABLE FORM FOR THE PETITION AND A SEPARATE FILLABLE FORM FOR THE SIGNATURE
5 SHEETS FOR THE PETITION AND SHALL PLACE THE OFFICIAL SERIAL NUMBER ON THE
6 PETITION AND ON EACH SIGNATURE SHEET. THE SECRETARY OF STATE SHALL ENSURE
7 THAT THE PETITION FORM AND SIGNATURE SHEET FORM ISSUED TO EACH APPLICANT ARE
8 COMPLETE AND CORRECT AND CONTAIN ALL OF THE INFORMATION REQUIRED BY LAW FOR A
9 VALID PETITION AND SIGNATURES EXCEPT FOR THE INFORMATION REGARDING THE
10 SIGNERS AND CIRCULATORS, THE ACTUAL SIGNATURES, THE NOTARIZED SIGNATURES OF
11 THE CIRCULATORS AND THE INFORMATION REGARDING AND SIGNATURE OF THE NOTARY
12 PUBLIC.

13 C. The secretary of state shall make available to each applicant by
14 electronic means a copy of the text of this article governing the initiative
15 and referendum and all rules adopted by the secretary of state pursuant to
16 this title. In addition, the secretary of state shall provide the applicant
17 by electronic means the ability to file a statement of organization or five
18 hundred dollar threshold exemption statement and a notice stating: "This
19 statement must be filed before valid signatures can be collected." The
20 secretary of state shall make available by electronic means a copy of the
21 text of this article governing the initiative and referendum and all rules
22 adopted by the secretary of state pursuant to this title to the county, city
23 and town clerks who shall similarly furnish a copy to each applicant by
24 electronic means. If a member of the public so requests, the secretary of
25 state and the county, city and town clerks shall provide a copy in pamphlet
26 form.

27 D. The secretary of state shall make available to each person or
28 organization circulating a statewide initiative, referendum or recall
29 petition a copy of circulator training materials created by the secretary of
30 state. Circulator training materials may be provided on paper or in
31 electronic format and shall also be available on the secretary of state's
32 website. A person or organization circulating a statewide petition shall
33 provide each circulator with the secretary of state's circulator training
34 materials and shall collect and submit to the secretary of state each of its

1 circulators' training materials receipts before the filing of completed
2 petitions. Each person who is a statewide circulator shall acknowledge in
3 writing receipt of the training materials before circulating a petition for
4 signatures. Failure to provide circulator training materials or failure to
5 submit circulators' training materials receipts is not grounds for removal of
6 signatures or signature sheets. Notwithstanding section 19-141, this
7 subsection does not apply to initiative, referendum or recall petitions for
8 cities, towns and counties.

9 E. The eight-point type required by subsection A of this section shall
10 not apply to maps, charts or other graphics.

11 Sec. 2. Section 19-121, Arizona Revised Statutes, is amended to read:

12 19-121. Signature sheets; petitions; form; procedure for filing

13 A. Signature sheets filed shall:

14 1. Be in the form prescribed by law.

15 2. Have printed in ~~its~~ THEIR lower right-hand corner, on each side of
16 such ~~sheet~~ SHEETS, the official serial number assigned to the petition by the
17 secretary of state. THE SECRETARY OF STATE SHALL PLACE THE OFFICIAL SERIAL
18 NUMBER ON THE FILLABLE FORMS FOR SIGNATURE SHEETS THAT ARE ISSUED BY THE
19 SECRETARY OF STATE.

20 3. Be attached to a full and correct copy of the title and text of the
21 measure, or amendment to the constitution, proposed or referred by the
22 petition.

23 4. Be printed in at least eight-point type.

24 5. Be printed in black ink on white or recycled white pages fourteen
25 inches in width by eight and one-half inches in length, with a margin of at
26 least one-half inch at the top and one-fourth inch at the bottom of each
27 page.

28 B. For THE purposes of this chapter, a petition is filed when the
29 petition sheets are tendered to the secretary of state, ~~at which time~~ WHO
30 SHALL ISSUE a receipt ~~is immediately issued by the secretary of state~~ based
31 on an estimate made to the secretary of state of the purported number of
32 sheets and signatures filed. After the issuance of the receipt, no
33 additional petition sheets may be accepted for filing.

1 C. Petitions may be filed with the secretary of state in numbered
2 sections for convenience in handling. Not more than fifteen signatures on
3 one sheet shall be counted.

4 D. Initiative petitions ~~which~~ THAT have not been filed with the
5 secretary of state as of 5:00 p.m. on the day required by the constitution
6 ~~prior to~~ BEFORE the ensuing general election after their issuance shall be
7 null and void, but in no event shall the secretary of state accept an
8 initiative petition ~~which~~ THAT was issued for circulation more than
9 twenty-four months ~~prior to~~ BEFORE the general election at which the measure
10 is to be included on the ballot.

11 E. For THE purposes of this article and article 4 OF THIS CHAPTER, the
12 measure to be attached to the petition as enacted by the legislative body of
13 an incorporated city, town or county means the adopted ordinance or
14 resolution or, in the absence of a written ordinance or resolution, that
15 portion of the minutes of the legislative body that ~~reflects~~ REFLECT the
16 action taken by that body when adopting the measure. In the case of zoning
17 measures, the measure shall also include a legal description of the property
18 and any amendments made to the ordinance by the legislative body.

19 Sec. 3. Section 19-121.01, Arizona Revised Statutes, is amended to
20 read:

21 19-121.01. Secretary of state; removal of petition and
22 ineligible signatures; facsimile sheets; random
23 sample

24 A. Within twenty days, excluding Saturdays, Sundays and other legal
25 holidays, of the date of filing of an initiative or referendum petition and
26 issuance of the receipt, the secretary of state shall:

27 1. Remove the following:

28 (a) Those sheets not attached to a copy of the title and text of the
29 measure.

30 (b) The copy of the title and text from the remaining petition sheets.

31 ~~(c) Those sheets not bearing the petition serial number in the lower~~
32 ~~right hand corner of each side.~~

33 ~~(d)~~ (c) Those sheets containing a circulator's affidavit that is not
34 completed or signed.

1 ~~(e)~~ (d) Those sheets on which the affidavit of the circulator is not
2 notarized, the notary's signature is missing, the notary's commission has
3 expired or the notary's seal is not affixed.

4 ~~(f)~~ (e) Those sheets on which the signatures of the circulator or the
5 notary are dated earlier than the dates on which the electors signed the face
6 of the petition sheet.

7 ~~(g)~~ (f) Those sheets that are circulated by a circulator who is
8 prohibited from participating in any election, initiative, referendum or
9 recall campaign pursuant to section 19-119.01.

10 ~~(h)~~ (g) For statewide ballot measures only, those sheets on which the
11 circulator is required to be registered with the secretary of state pursuant
12 to section 19-118 and the circulator is not properly registered.

13 2. After completing the steps in paragraph 1 of this subsection,
14 review each sheet to determine the county of the majority of the signers and
15 shall:

16 (a) Place a three or four letter abbreviation designating that county
17 in the upper right-hand corner of the face of the petition.

18 (b) Remove all signatures of those not in the county of the majority
19 on each sheet by marking an "SS" in red ink in the margin to the right of the
20 signature line.

21 (c) Cause all signature sheets to be grouped together by county of
22 registration of the majority of those signing and attach them to one or more
23 copies of the title and text of the measure. If the sheets are too bulky for
24 convenient grouping by the secretary of state in one volume by county, they
25 may be bound in two or more volumes with those in each volume attached to a
26 single printed copy of the measure. The remaining detached copies of the
27 title and text of the measure shall be delivered to the applicant.

28 3. After completing the steps in paragraph 2 of this subsection,
29 remove the following signatures that are not eligible for verification by
30 marking an "SS" in red ink in the margin to the right of the signature line:

31 (a) If the signature of the qualified elector is missing.

32 (b) If the residence address or the description of residence location
33 is missing.

34 (c) If the date on which the petitioner signed is missing.

1 (d) Signatures in excess of the fifteen signatures permitted per
2 petition.

3 (e) Signatures withdrawn pursuant to section 19-113.

4 (f) Signatures for which the secretary of state determines that the
5 petition circulator has printed the elector's first and last names or other
6 information in violation of section 19-112.

7 4. After the removal of petition sheets and signatures, count the
8 number of signatures for verification on the remaining petition sheets and
9 note that number in the upper right-hand corner of the face of each petition
10 sheet immediately above the county designation.

11 5. Number the remaining petition sheets that were not previously
12 removed and that contain signatures eligible for verification in consecutive
13 order on the front side of each petition sheet in the upper left-hand corner.

14 6. Count all remaining petition sheets and signatures not previously
15 removed and issue a receipt to the applicant of this total number eligible
16 for verification.

17 B. If the total number of signatures for verification as determined
18 pursuant to subsection A, paragraph 6 of this section equals or exceeds the
19 constitutional minimum, the secretary of state, during the same twenty day
20 period provided in subsection A of this section, shall select, at random,
21 five ~~per cent~~ PERCENT of the total signatures eligible for verification by
22 the county recorders of the counties in which the persons signing the
23 petition claim to be qualified electors. The random sample of signatures to
24 be verified shall be drawn in such a manner that every signature eligible for
25 verification has an equal chance of being included in the sample. The random
26 sample produced shall identify each signature selected by petition page and
27 line number. The signatures selected shall be marked according to the
28 following procedure:

29 1. Using red ink, mark the selected signature by circling the line
30 number and drawing a line from the base of the circle extending into the left
31 margin.

32 2. If a signature line selected for the random sample is found to be
33 blank or was removed from the verification process pursuant to subsection A
34 of this section and is marked with an "SS", then the next line down, even if

1 that requires going to the next petition sheet in sequence, on which an
2 eligible signature appears shall be selected as a substitute if that line has
3 not already been selected for the random sample. If the next eligible line
4 is already being used in the random sample, the secretary of state shall
5 proceed back up the page from the signature line originally selected for the
6 random sample to the next previous signature line eligible for verification.
7 If that line is already being used in the random sample, the secretary of
8 state shall continue moving down the page or to the next page from the line
9 originally selected for the random sample and shall select the next eligible
10 signature as its substitute for the random sample. The secretary of state
11 shall use this process of alternately moving forward and backward until a
12 signature eligible for verification and not already included in the random
13 sample can be selected and substituted.

14 C. After the selection of the random sample and the marking of the
15 signatures selected on the original petition sheets pursuant to subsection B
16 of this section, the secretary of state shall reproduce a facsimile of the
17 front of each signature sheet on which a signature included in the random
18 sample appears. The secretary of state shall clearly identify those
19 signatures marked for verification by color highlighting or other similar
20 method and shall transmit by personal delivery or certified mail to each
21 county recorder a facsimile sheet of each signature sheet on which a
22 signature appears of any individual who claims to be a qualified elector of
23 that county and whose signature was selected for verification as part of the
24 random sample.

25 D. The secretary of state shall retain in custody all signature sheets
26 removed pursuant to this section except as otherwise prescribed in this
27 title.

28 Sec. 4. Section 19-141, Arizona Revised Statutes, is amended to read:

29 19-141. Initiative and referendum in counties, cities and towns

30 A. ~~The provisions of This chapter shall apply~~ APPLIES to the
31 legislation of cities, towns and counties, except as specifically provided to
32 the contrary in this article. The duties required of the secretary of state
33 as to state legislation shall be performed in connection with such
34 legislation by the city or town clerk, county officer in charge of elections

1 or person performing the duties as such. The duties required of the governor
2 shall be performed by the mayor or the chairman of the board of supervisors,
3 the duties required of the attorney general shall be performed by the city,
4 town or county attorney, and the printing and binding of measures and
5 arguments shall be paid for by the city, town or county in like manner as
6 payment is provided for by the state with respect to state legislation. The
7 provisions of section 19-124 with respect to the legislative council analysis
8 do not apply in connection with initiatives and referenda in cities, towns
9 and counties. The printing shall be done in the same manner as other
10 municipal or county printing is done.

11 B. THE DUTIES OF CITY AND TOWN CLERKS AND COUNTY OFFICERS IN CHARGE OF
12 ELECTIONS FOR CITY, TOWN OR COUNTY MATTERS, RESPECTIVELY, INCLUDE:

13 1. PROVIDING FILLABLE FORMS FOR INITIATIVE AND REFERENDUM PETITIONS
14 AND SIGNATURE SHEETS AND PLACING THE OFFICIAL SERIAL NUMBER OF THE MEASURE ON
15 EACH PETITION FORM AND SIGNATURE SHEET FORM.

16 2. ENSURING THAT THE PETITION FORM AND SIGNATURE SHEET FORM ISSUED TO
17 EACH APPLICANT ARE COMPLETE AND CORRECT AND CONTAIN ALL OF THE INFORMATION
18 REQUIRED BY LAW FOR A VALID PETITION AND SIGNATURES EXCEPT FOR THE
19 INFORMATION REGARDING THE SIGNERS AND CIRCULATORS, THE ACTUAL SIGNATURES, THE
20 NOTARIZED SIGNATURES OF THE CIRCULATORS AND THE INFORMATION REGARDING AND
21 SIGNATURE OF THE NOTARY PUBLIC.

22 ~~B-~~ C. Distribution of pamphlets shall be made to every household
23 containing a registered voter in the city, TOWN or county, so far as
24 possible, by the city or town clerk or by the county officer in charge of
25 elections by mail before the earliest date for receipt by registered voters
26 of any requested early ballot for the election at which the measures are to
27 be voted on. If the pamphlet is not mailed before the earliest date for
28 receipt of a requested early ballot, the officer in charge of elections shall
29 provide a notice with the early ballots stating when the pamphlets will be
30 mailed and where and when the pamphlets may be accessed or viewed. Pamphlets
31 shall not be mailed or carried less than ten days before the election at
32 which the measures are to be voted upon.

33 ~~C-~~ D. Arguments supporting or opposing municipal or county initiative
34 and referendum measures shall be filed with the city or town clerk or the

House Amendments to H.B. 2540

1 county officer in charge of elections not less than ninety days before the
2 election at which they are to be voted upon.

3 ~~D~~ E. The procedure with respect to municipal and county legislation
4 shall be as nearly as practicable the same as the procedure relating to
5 initiative and referendum provided for the state at large, except the
6 procedure for verifying signatures on initiative or referendum petitions may
7 be established by a city or town by charter or ordinance.

8 ~~E~~ F. References in this section to duties to be performed by city or
9 town officers apply only with respect to municipal legislation, and
10 references to duties to be performed by county officers apply only with
11 respect to county legislation.

12 ~~F~~ G. The duties required of the county recorder with respect to
13 state legislation shall also be performed by the county recorder with respect
14 to municipal or county legislation."

15 Amend title to conform

JUSTIN OLSON

2540jo.doc
02/23/2015
2:47 PM
C: myr



HOUSE OF REPRESENTATIVES

HB 2559

constables; study committee.
Sponsor: Representative Bowers

X Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

HB 2559 creates a study committee to conduct research on constable duties, salary, salary calculation, and current statutes that regulate constables.

Summary of the Proposed Strike-Everything Amendment to HB 2559

The proposed strike-everything amendment to HB 2559 extends the deadline for the formation of new recreational corridor channelization districts from July 1, 2015, to July 1, 2023.

HISTORY

Arizona Revised Statutes (A.R.S.) Title 48 governs special taxing districts. Special taxing districts are formed to provide necessary services or infrastructure by placing the tax burden on those who benefit from the improvements.

Laws 2004, Chapter 321, provided for the formation of recreational corridor channelization districts. A district can receive preliminary approval for formation after the county board of supervisors receives a petition of intent and holds a hearing. After preliminary approval, a district concept report must be developed for the channelization district and must include provisions relating to the watercourse master plan, the land use plan, the financial plan and the governance plan. Upon completion of the district concept report and a submittal of a petition signed by property owners, the county board of supervisors may approve and take steps to officially form the channelization district.

Among the powers and duties of a district is the authority to construct, operate and maintain flood conveyance facilities and recreational facilities in a flood plain during or after aggregate mining operations and reclamation (A.R.S. § 48-6006). Laws 2010, Ch. 179, set a deadline for the formation of recreational corridor channelization districts on July 1, 2015.

PROVISIONS

1. Extends the deadline for the formation of new recreational corridor channelization districts from July 1, 2015, to July 1, 2023.

Attachment 24

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2559

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 48-6009, Arizona Revised Statutes, is amended to
3 read:

4 48-6009. Termination of formation authority; existing
5 districts; effect on financial provisions

6 A. Beginning July 1, ~~2015~~ 2023, a new district may not be formed
7 pursuant to this chapter.

8 B. This section shall not be construed to:

9 1. Limit the authority or otherwise affect the validity of any
10 district formed pursuant to this chapter before July 1, ~~2015~~ 2023.

11 2. Affect the validity or enforceability of any legal or financial
12 obligation or benefit incurred by a district formed pursuant to this chapter
13 before July 1, ~~2015~~ 2023 without regard to when the legal or financial
14 obligation or benefit is incurred."

15 Amend title to conform

RUSSELL BOWERS

2559-se-bowers
2/23/15
2:53 PM
H:laa

Attachment 25

Adopted # of Verbals _____
Failed _____ Withdrawn _____
Not Offered _____ Analysts Initials _____



HOUSE OF REPRESENTATIVES

HCR 2016

personal property tax; exemption

Sponsors: Representatives Mesnard, Mitchell, Petersen, et al.

DP Committee on Government & Higher Education

X Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

HCR 2016 amends Article IX, § 2 of the Arizona Constitution to provide a tax exemption for the first \$2.4 million of assessed value for qualifying personal property acquired after December 31, 2015.

HISTORY

The Arizona Constitution provides that all property in Arizona is subject to property taxation unless it is specifically exempted from tax as authorized by the Constitution. Under current Arizona law, the first \$50,000 of full cash value of a taxpayer's personal property used in agriculture or in a trade or business is exempt from tax (Arizona Revised Statutes [A.R.S.] § 42-11127). The amount is adjusted annually for inflation, and is set at \$146,973 for 2015. *Full cash value* is synonymous with market value, which means the estimate of value derived annually by using standard appraisal methods and techniques, unless statute prescribes another method. Pursuant to A.R.S. § 42-11001(6), full cash value shall not be greater than market value regardless of the method prescribed to determine value for property tax purposes. *Personal property* refers to property that is not part of real estate and includes such things as machinery, equipment, and store fixtures.

PROVISIONS

1. Prohibits the Legislature from levying a tax on the full cash value of the first \$2.4 million of assessed cash value of personal property acquired after December 31, 2015, used for agricultural purposes or in a trade or business.
2. Requires the Legislature to increase the full cash value of the first \$2.4 million in accordance with inflation.
3. States the measure is to be known as the *Small Business Job Creation Act*.
4. Requires the Secretary of State to place the measure on the ballot at the next general election.
5. Makes technical and conforming changes.

Attachment 27

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session**

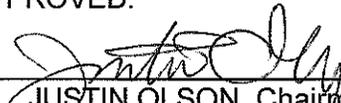
ROLL CALL VOTE

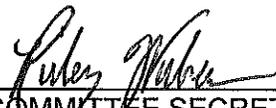
COMMITTEE ON APPROPRIATIONS BILL NO. HCR 2016

DATE February 25, 2015 MOTION: dp

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Allen J		✓			
Mr. Bowers		✓			
Mr. Cardenas					✓
Mr. Clark			✓		
Mr. Gray		✓			
Ms. Mach			✓		
Mr. Meyer			✓		
Mr. Petersen		✓			
Mr. Rivero					✓
Mr. Sherwood			✓		
Mr. Stevens		✓			
Mrs. Ugenti		✓			
Mr. Leach, Vice-Chairman		✓			
Mr. Olson, Chairman		✓			
		8	4	0	2

APPROVED:


JUSTIN OLSON, Chairman
VINCE LEACH, Vice-Chairman


COMMITTEE SECRETARY

ATTACHMENT 28



HOUSE OF REPRESENTATIVES

HCR 2027

ballot measures; federal law; super majority

Sponsor: Representative Thorpe

X* Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

HCR 2027 sets the threshold for passage of an initiative or referendum that proposes a law that conflicts with federal law to approval by at least 75% of voters.

HISTORY

An amendment to the Arizona Constitution may be proposed in one of two ways:

- By the Legislature through a referendum.
- By the people through the initiative process.

For an amendment to the Constitution to be effective, it must be referred to a vote of the qualified electors and approved by a majority of votes cast (Arizona Constitution, Article 4, Part 1, § 1).

PROVISIONS

1. Establishes the threshold for passage of an initiative or referendum that conflicts with a federal law by requiring approval of 75% or more of the qualified electors casting a vote.
2. Makes technical changes.
3. Directs the Secretary of State to submit this proposition to the voters at the next general election.

**Not assigned as of 2/24/15*

Attachment 29

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.C.R. 2027

(Reference to printed resolution)

- 1 Page 2, line 22, strike "CONFLICTS WITH A FEDERAL"
2 Line 23, strike "LAW" insert "LEGALIZES THE RECREATIONAL USE OF A DRUG THAT HAD
3 BEEN A CONTROLLED SUBSTANCE UNDER FEDERAL LAW AT ANY TIME DURING THE TWO
4 YEARS IMMEDIATELY BEFORE THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS
5 SECTION"; strike "SEVENTY FIVE"
6 Line 24, strike "PERCENT" insert "TWO-THIRDS"
7 Page 4, line 38, strike "CONFLICTS WITH FEDERAL LAW" insert "LEGALIZES THE
8 RECREATIONAL USE OF A DRUG THAT HAD BEEN A CONTROLLED SUBSTANCE UNDER FEDERAL
9 LAW AT ANY TIME DURING THE TWO YEARS IMMEDIATELY BEFORE THE EFFECTIVE DATE OF
10 THIS AMENDMENT TO THIS SECTION"; strike "SEVENTY-FIVE"
11 Line 39, strike "PERCENT" insert "TWO-THIRDS"
12 Page 5, between lines 13 and 14, insert:
13 "2. Section 1 of this act applies retroactively to all initiative and
14 referendum measures approved by the voters at and after the November 2016
15 general election."
16 Renumber to conform
17 Amend title to conform

JUSTIN OLSON

HCR2027J0.doc
02/25/2015
8:46 AM
C: myr

Attachment 30

Adopted # of Verbals _____
Failed _____ Withdrawn _____
Not Offered _____ Analysts Initials _____

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session**

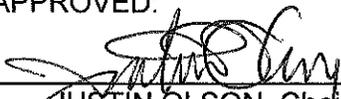
ROLL CALL VOTE

COMMITTEE ON APPROPRIATIONS BILL NO. HCR 2027

DATE February 25, 2015 MOTION: failed
~~open~~

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Allen J			✓		
Mr. Bowers		✓			
Mr. Cardenas			✓		
Mr. Clark			✓		
Mr. Gray		✓			
Ms. Mach			✓		
Mr. Meyer			✓		
Mr. Petersen			✓		
Mr. Rivero		✓			
Mr. Sherwood			✓		
Mr. Stevens		✓			
Mrs. Ugenti			✓		
Mr. Leach, Vice-Chairman		✓			
Mr. Olson, Chairman		✓			
		6	8	0	0

APPROVED:


 JUSTIN OLSON, Chairman
 VINCE LEACH, Vice-Chairman


 COMMITTEE SECRETARY

ATTACHMENT 31