ARIZONA STATE SENATE

Fifty-Second Legislature, Second Regular Session

FACT SHEET FOR H.B. 2512

pension contributions; expenditure limit exemption

Purpose

Stipulates that any payment made to the Public Safety Personnel Retirement System (PSPRS) by a city, town or county against the city's, town's or county's unfunded accrued liability is excluded from expenditure limitation requirements.

Background

Pursuant to statute, for FY 2016 and each fiscal year thereafter, PSPRS members are required to contribute 11.65 percent or 33.3 percent of the sum of the member's contribution rate from the preceding fiscal year and the aggregate computed employer contribution rate, whichever is lower, except that the member contribution rate cannot be less than 7.65 percent of the member's compensation.

Pursuant to Article IX, Section 20 of the state Constitution, the Economic Estimates Commission is required to determine and publish prior to April 1 of each year the expenditure limitation for the following fiscal year for each county, city and town. The expenditure limitations must be determined by adjusting the amount of actual payments of local revenues for each such political subdivision for FY 1980 to reflect the changes in the population of each political subdivision and the cost of living. The governing board of any political subdivision, with exceptions, cannot authorize expenditures of local revenues in excess of the prescribed limitations.

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Stipulates that any payment made to PSPRS by a city, town or county against the city's, town's or county's unfunded accrued liability is excluded from expenditure limitation requirements.

2. Makes technical and conforming changes.

3. Becomes effective on the general effective date.

House Action

GHE	1/28/16	DP	5-3-0-1
COM	1/28/16	W/D	
3rd Read	2/9/16		35-23-2-0