



**ARIZONA STATE SENATE**  
*Fifty-Second Legislature, Second Regular Session*

FACT SHEET FOR S.B. 1378

prohibited money transfers; immigration; violations

Purpose

Prohibits the State Treasurer from transferring monies from the state General Fund (GF), or any other fund, to any city, town or county that is determined to be a sanctuary city.

Background

Arizona's cities and counties receive a portion of state revenues from several sources through revenue sharing programs. The largest source of shared revenue for cities and counties is Urban Revenue Sharing (URS), which was established by a voter approved ballot initiative. URS provides a proportion of individual and corporate state income taxes to cities and counties based on their proportional population. The second largest source of shared revenue for cities and counties is the transaction privilege tax (TPT), a portion of which is also distributed based on population. Cities and counties also receive shared revenue through the vehicle license tax (VLT) and the Highway User Revenue Fund (HURF), where various fees and taxes on vehicles and fuels are deposited.

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

Provisions

***Sanctuary City***

1. Defines *sanctuary city* as a city, town or county that has in effect any law, policy or procedure that:
  - a) limits or restricts the enforcement of federal immigration laws to less than the full extent permitted by federal law; or
  - b) violates the state mandated application requirements for public benefits that require proof of citizenship, legal residence or lawful presence.
2. Allows the Attorney General (AG) or County Attorney to investigate and determine whether a city, town or county is a sanctuary city and allows a citizen to request such an investigation from the AG or County Attorney.
3. Requires the AG or County Attorney to notify the State Treasurer, and the political subdivision affected, if a city, town or county has been determined to be a sanctuary city or is no longer considered a sanctuary city.
4. Requires every city, town and county treasurer to annually provide an electronic notification to the State Treasurer attesting that the political subdivision is not a sanctuary city and allows

the notification to be included in any other report or notice that is required by the State Treasurer.

*State Treasury*

5. Prohibits the State Treasurer from transferring any monies from the state GF or any other fund to a sanctuary city, unless:
  - a) the city, town or county treasurer attests that the political subdivision is not a sanctuary city; or
  - b) the AG or County Attorney sends notice that the political subdivision is no longer a sanctuary city.
6. Requires the State Treasurer to:
  - a) annually list on its website the names of all cities, towns and counties that were prohibited from receiving state treasury funds at any time during the year;
  - b) redistribute any monies that were withheld from a sanctuary city to all other cities, towns and counties that are not sanctuary cities; and
  - c) renew transferring monies to a city, town or county as soon as reasonably possible after receiving notice from the AG or County Attorney that the political subdivision is no longer a sanctuary city.
7. Stipulates that a city, town or county is not entitled to future payment of any monies that were withheld pursuant to this act.

*Miscellaneous*

8. Allows the act to be cited as the *Sanctuary Cities Prohibition Act*.
9. Becomes effective on the general effective date.

Prepared by Senate Research

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