

REFERENCE TITLE: jail districts; maintenance of effort

State of Arizona  
Senate  
Fifty-third Legislature  
First Regular Session  
2017

## **SB 1316**

Introduced by  
Senator Allen S

AN ACT

AMENDING SECTION 48-4002, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 25, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-4024.01; AMENDING SECTION 48-4025, ARIZONA REVISED STATUTES; RELATING TO COUNTY JAIL DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-4002, Arizona Revised Statutes, is amended to  
3 read:

4 48-4002. Board of directors; administrative powers, duties  
5 and immunities

6 A. The county board of supervisors shall serve as the board of  
7 directors of the district. The directors are not eligible to receive  
8 compensation for their services as such but are eligible for reimbursement  
9 for their necessary expenses in attending district meetings and traveling  
10 in and out of state when necessary to carry on the affairs of the  
11 district.

12 B. A county jail district organized under this chapter is a  
13 tax-levying public improvement district for all purposes of article XIII,  
14 section 7, Constitution of Arizona, and has all the powers, privileges and  
15 immunities granted generally to municipal corporations by the constitution  
16 and laws of this state including immunity of its property, debts,  
17 obligations and interest from taxation.

18 C. The board of directors shall exercise all powers and duties in  
19 acquiring the properties of the district and in carrying out its functions  
20 under this chapter, and as otherwise provided by law, as are ordinarily  
21 exercised by the governing body of a municipal corporation.

22 D. A district organized under this article, acting through its  
23 board of directors and the sheriff, may:

24 1. Acquire by eminent domain, purchase, donation, dedication,  
25 exchange, lease, lease-purchase or other lawful means and mortgage and  
26 dispose of by sale, exchange or other lawful means real and personal  
27 property. Any lease-purchase agreement for property acquired under this  
28 paragraph shall require the final payment to be made within twenty-five  
29 years after the date the agreement is executed.

30 2. Acquire and maintain existing correctional facilities and  
31 juvenile detention facilities within the district for the benefit of the  
32 district if mutually agreeable to the owners of such facilities.

33 3. Enter into intergovernmental agreements with other public  
34 agencies pursuant to title 11, chapter 7, article 3 to carry out the  
35 objects and purposes of the district.

36 4. Sue and be sued, enter into contracts and generally do all  
37 things ~~which~~ THAT may be necessary to construct, acquire and maintain  
38 facilities, operate the district and perform its functions and ~~which~~ THAT  
39 are in the interests of the district.

40 5. Adopt such rules and bylaws for its orderly operation as it sees  
41 fit.

42 6. Apply for, obtain and expend financial assistance from this  
43 state and from any other available source and comply with the terms and  
44 conditions of the assistance, including repayment of loans.

1           7. Pledge all or part of the net revenues from county maintenance  
2 of effort payments under section 48-4024 OR 48-4024.01 or from an excise  
3 tax levied under section 48-4022, or revenues from both sources, to make  
4 payments under a lease-purchase agreement.

5           E. The board shall keep a proper written record of all of its  
6 proceedings, which shall be open to public inspection.

7           F. Except as provided in sections 8-306 and 48-4005, the county  
8 sheriff shall exercise all powers and duties in operating and managing the  
9 properties of the district under this chapter and as otherwise provided by  
10 law, the county treasurer shall serve as the district treasurer and the  
11 county attorney shall serve as the attorney for the district. The sheriff  
12 may employ other employees the sheriff considers desirable and necessary  
13 to carry out the purposes of the district. Any other work required by the  
14 district may be performed by regular employees of the county on assignment  
15 by the county board of supervisors, except that regular county employees  
16 shall not undertake construction projects with an estimated cost of five  
17 thousand dollars or more.

18           G. The accounts, funds and monies of the district shall be  
19 maintained separate from county accounts, funds and monies and are subject  
20 to annual and other audits as provided by law.

21           Sec. 2. Title 48, chapter 25, article 2, Arizona Revised Statutes,  
22 is amended by adding section 48-4024.01, to read:

23           48-4024.01. County alternative maintenance of effort

24           A. A COUNTY AS DESCRIBED IN SUBSECTION D OF THIS SECTION AND IN  
25 WHICH A COUNTY JAIL DISTRICT IS ESTABLISHED SHALL MAINTAIN ITS SUPPORT OF  
26 CORRECTIONS FACILITIES AND SERVICES OPERATED, MAINTAINED AND PERFORMED BY  
27 THE DISTRICT. IF THE DISTRICT INCLUDES JUVENILE DETENTION FACILITIES AND  
28 SERVICES, THE COUNTY SHALL ALSO MAINTAIN ITS SUPPORT OF THE JUVENILE  
29 DETENTION FACILITIES AND SERVICES OPERATED, MAINTAINED AND PERFORMED BY  
30 THE DISTRICT. EACH FISCAL YEAR THE COUNTY SHALL PAY THE AMOUNT DETERMINED  
31 UNDER SUBSECTION B OF THIS SECTION TO THE DISTRICT TREASURER IN TWELVE  
32 EQUAL MONTHLY INSTALLMENTS FOR DEPOSIT IN THE COUNTY JAIL DISTRICT GENERAL  
33 FUND. SECTION 48-4024 DOES NOT APPLY TO COUNTIES THAT MAKE PAYMENTS UNDER  
34 THIS SECTION.

35           B. THE AUDITOR GENERAL SHALL DETERMINE THE AMOUNT EXPENDED BY THE  
36 COUNTY FOR MAINTENANCE AND OPERATION OF CORRECTIONAL FACILITIES AND  
37 PROGRAMS IN THE FISCAL YEAR IMMEDIATELY PRECEDING THE FIRST FISCAL YEAR IN  
38 WHICH A COUNTY JAIL DISTRICT TAX LEVY IS EFFECTIVE UNDER THIS ARTICLE. IF  
39 THE DISTRICT INCLUDES JUVENILE DETENTION FACILITIES AND SERVICES, THE  
40 AUDITOR GENERAL SHALL DETERMINE THE AMOUNT SPENT BY THE COUNTY FOR  
41 MAINTENANCE AND OPERATION OF JUVENILE DETENTION FACILITIES AND SERVICES IN  
42 THE FISCAL YEAR IMMEDIATELY PRECEDING THE FIRST FISCAL YEAR IN WHICH THE  
43 EXPENDITURES FOR JUVENILE DETENTION FACILITIES AND SERVICES ARE  
44 TRANSFERRED TO THE DISTRICT. \_\_\_\_\_ PERCENT OF THIS TOTAL AMOUNT IS THE  
45 BASE EXPENDITURE. ANY OUTSTANDING DEBT DUE FROM A CITY, THIS STATE OR THE

1 UNITED STATES FOR THE COUNTY HOUSING PRISONERS PURSUANT TO SECTION 31-121  
2 SHALL BE EXCLUDED FROM THE BASE EXPENDITURE CALCULATION. AS PART OF THE  
3 ANNUAL COUNTY AUDIT THE AUDITOR GENERAL SHALL DETERMINE THE AMOUNT TO BE  
4 PAID BY THE COUNTY TO THE DISTRICT TREASURER FOR THE FISCAL YEAR BY  
5 ADJUSTING THE AMOUNT THE COUNTY PAID TO THE DISTRICT TREASURER IN THE  
6 PRECEDING FISCAL YEAR, OR THE BASE EXPENDITURE, BY THE LESSER OF THE  
7 PERCENTAGE CHANGE IN THE COUNTY'S PRIMARY PROPERTY TAX LEVY LIMITATION  
8 FROM THE PRECEDING YEAR PURSUANT TO SECTION 42-17051 OR THE ANNUAL CHANGE  
9 IN THE GDP PRICE DEFLATOR, AS DEFINED IN SECTION 41-563.

10 C. NOTWITHSTANDING SUBSECTIONS A AND B OF THIS SECTION, THE  
11 DISTRICT MAY REIMBURSE THE COUNTY FOR THE ACTUAL COST OF INDIRECT OR  
12 COLLATERAL SERVICES PROVIDED TO THE DISTRICT BY THE COUNTY, INCLUDING  
13 SERVICES RELATING TO HUMAN RESOURCES, INFORMATION SYSTEMS, PURCHASING,  
14 BUDGET AND FINANCE AND THE OFFICES OF THE COUNTY MANAGER, THE COUNTY  
15 TREASURER, THE COUNTY RECORDER AND THE COUNTY ATTORNEY. THE DISTRICT MAY  
16 CHOOSE TO PERFORM FOR ITSELF ANY OF THE SERVICES PROVIDED BY THE COUNTY  
17 INSTEAD OF RECEIVING SERVICES FROM THE COUNTY EXCEPT FOR ELECTION AND  
18 FINANCIAL SERVICES AND THOSE OTHER SERVICES THAT THE COUNTY IS REQUIRED BY  
19 LAW TO PROVIDE TO THE DISTRICT.

20 D. FOR ANY COUNTY WITH A NEGATIVE NET NEW ASSESSED VALUATION IN ANY  
21 ONE YEAR THAT OCCURS AFTER 2015 AND THAT IS WITHIN THE THREE-YEAR PERIOD  
22 IMMEDIATELY PRECEDING THE IMPOSITION OF A COMMUNITY CORRECTIONS TAX LEVIED  
23 PURSUANT TO THIS CHAPTER, THIS SECTION APPLIES FOR THE DURATION OF THE TAX  
24 AND THE COUNTY IS EXEMPT FROM SECTION 48-4024.

25 Sec. 3. Section 48-4025, Arizona Revised Statutes, is amended to  
26 read:

27 48-4025. County jail district general fund; annual audit

28 A. The board of directors shall establish and administer a county  
29 jail district general fund consisting of revenues from approved taxes  
30 under this article, county maintenance of effort payments under section  
31 48-4024 OR 48-4024.01 and any other available revenues for that purpose  
32 from federal, state, local and private sources.

33 B. The board of directors shall separately account for monies  
34 received as county maintenance of effort payments and may expend other  
35 monies in the fund only after the expenditure of all county maintenance of  
36 effort monies currently deposited in the fund.

37 C. The board of directors shall retain any monies remaining  
38 unexpended or unencumbered in the fund at the end of the fiscal year and  
39 may allocate these monies as necessary to:

- 40 1. Reduce the county primary property tax levy.
- 41 2. Reduce the subsequent year's levy for the district.
- 42 3. Reduce the district's debt.
- 43 4. Be held as reserves for years in which district revenues are  
44 insufficient to meet district expenditures.
- 45 5. Offset future district construction and maintenance costs.

1           D. The board of directors shall cause an audit to be made of the  
2 fund either by a certified public accountant within ninety days after the  
3 close of each fiscal year or in conjunction with the annual county audit  
4 pursuant to section 41-1279.21. The board shall immediately file a  
5 certified copy of the audit with the auditor general. The auditor general  
6 may make such further audits of the fund as necessary and take appropriate  
7 action relating to the audit pursuant to title 41, chapter 7, article  
8 10.1. If the auditor general takes no official action within thirty days  
9 after the audit is filed, the audit is deemed sufficient. The board of  
10 directors shall pay the costs of the certified public accountant and the  
11 auditor general under this section from the fund.

12           E. Any jail district formed after January 1, 2000 shall only  
13 allocate monies based on subsection C, paragraphs 2 through 5 of this  
14 section.