

State of Arizona
House of Representatives
Fifty-fourth Legislature
First Regular Session
2019

CHAPTER 241
HOUSE BILL 2123

AN ACT

AMENDING SECTION 42-5029.02, ARIZONA REVISED STATUTES; RELATING TO
TRANSACTION PRIVILEGE AND USE TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-5029.02, Arizona Revised Statutes, is amended
3 to read:

4 42-5029.02. Distribution of revenues for education:
5 definitions

6 A. All monies collected pursuant to section 42-5010.01 and section
7 42-5155, subsection E shall be distributed each fiscal year pursuant to
8 this subsection. The monies distributed pursuant to this subsection are
9 in addition to any other appropriation, transfer or other allocation of
10 public or private monies from any other source and may not supplant,
11 replace or cause a reduction in other school district, charter school,
12 university or community college funding sources. The monies shall be
13 distributed as follows:

14 1. \$64,100,000 is appropriated each fiscal year, to be paid in
15 monthly installments, to the classroom site fund established by section
16 15-977.

17 2. After any transfer of monies pursuant to paragraph 1 of this
18 subsection, twelve percent of the remaining monies collected during the
19 preceding month shall be transferred to the technology and research
20 initiative fund established by section 15-1648 to be distributed among the
21 universities under the jurisdiction of the Arizona board of regents for
22 the purpose of investment in technology and research-based initiatives.

23 3. After the transfer of monies pursuant to ~~paragraphs 1 and 2~~
24 **PARAGRAPH 1** of this subsection, three percent of the remaining monies
25 collected during the preceding month shall be transferred to the workforce
26 development account established in each community college district
27 pursuant to section 15-1472 for the purpose of investment in workforce
28 development programs.

29 4. After the transfer of monies pursuant to paragraphs 1, 2 and 3
30 of this subsection, one-twelfth of the amount a community college that is
31 owned, operated or chartered by a qualifying Indian tribe on its own
32 Indian reservation would receive pursuant to section 15-1472, subsection
33 D, paragraph 2 if it were a community college district shall be
34 distributed each month to the treasurer or other designated depository of
35 the qualifying Indian tribe. Monies distributed pursuant to this
36 paragraph are for the exclusive purpose of providing support to one or
37 more community colleges that are owned, operated or chartered by a
38 qualifying Indian tribe and shall be used in a manner consistent with
39 section 15-1472, subsection B.

40 5. After the transfer of monies pursuant to paragraphs 1, 2 and 3
41 of this subsection, one-twelfth of \$86,280,500 shall be transferred each
42 month to the department of education for the increased cost of basic state
43 aid under section 15-971 due to added school days and associated teacher
44 salary increases that were enacted in 2000.

1 6. After the transfer of monies pursuant to paragraphs 1, 2 and 3
2 of this subsection, \$7,800,000 is appropriated each fiscal year, to be
3 paid in monthly installments, to the department of education to be used
4 for school safety as provided in section 15-154 and \$200,000 is
5 appropriated each fiscal year, to be paid in monthly installments, to the
6 department of education to be used for the character education matching
7 grant program as provided in section 15-154.01.

8 7. After the transfer of monies pursuant to paragraphs 1, 2 and 3
9 of this subsection, the legislature may not appropriate more than
10 \$7,000,000 each fiscal year to the department of education to be used for
11 accountability purposes as described in section 15-241.02 and title 15,
12 chapter 9, article 8.

13 8. After the transfer of monies pursuant to paragraphs 1, 2 and 3
14 of this subsection, \$1,500,000 is appropriated each fiscal year, to be
15 paid in monthly installments, to the failing schools tutoring fund
16 established by section 15-241.

17 9. After the transfer of monies pursuant to paragraphs 1, 2 and 3
18 of this subsection, \$25,000,000 shall be transferred each fiscal year to
19 the state general fund to reimburse the state general fund for the cost of
20 the income tax credit allowed by section 43-1072.02.

21 10. After the transfer of monies pursuant to paragraphs 1 through 9
22 of this subsection, the remaining monies collected during the preceding
23 month shall be transferred to the classroom site fund established by
24 section 15-977. The monies shall be allocated as follows in the manner
25 prescribed by section 15-977:

26 (a) Forty percent shall be allocated for teacher compensation based
27 on performance.

28 (b) Twenty percent shall be allocated for increases in teacher base
29 compensation and employee-related expenses.

30 (c) Forty percent shall be allocated for maintenance and operation
31 purposes.

32 B. For the purposes of this section:

33 1. "Community college district" means a community college district
34 that is established pursuant to sections 15-1402 and 15-1403 and that is a
35 political subdivision of this state and, unless otherwise specified,
36 includes a community college tuition financing district established
37 pursuant to section 15-1409.

38 2. "Qualifying Indian tribe" has the same meaning as defined in
39 section 42-5031.01.

APPROVED BY THE GOVERNOR MAY 22, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 22, 2019.