



ARIZONA HOUSE OF REPRESENTATIVES

HB2756: revenue; budget reconciliation; 2019-2020.

PRIME SPONSOR: Representative Bowers, LD 25

BILL STATUS: [Appropriations](#)

Overview

Contains budget reconciliation provisions relating to the Ways & Means Committee needed for implementing the FY 2020 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#), Constitution of Arizona, requires the *General Appropriations Act* (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate bills known as *Budget Reconciliation Bills* (BRBs). These BRBs are prepared according to subject area.

Provisions

1. Requires state agencies to include, as part of their budget report, a detailed cost estimate attributed to a county, city or town whose minimum wage exceeds the statewide minimum wage. (Sec. 1)
2. Permits the Legislature to allocate funds based on the detailed cost estimate provided in the agencies budget report. (Sec. 2)
3. Requires the Arizona Department of Administration (ADOA) to collect from counties, cities and towns the cost to reimburse the amount the state attributed to the establishment of a minimum wage that exceeds the statewide wage. (Sec. 2)
4. Provides that, if ADOA does not receive the reimbursement on or before December 31 of the year the allocation is made, counties, cities and towns will have the monies withheld from their transaction privilege tax distributions. (Sec. 2)
5. Requires licensed escrow agents to file an information return to the Department of Revenue (DOR) by March 31 for the sale of real property in this state that are closed by December 31 of the prior year. (Sec. 3)
6. Expands the definition of *multistate service provider* to include a taxpayer that has more than 2,000 employees in this state and that derives more than 85% of its sales from support services provided to a regionally accredited institution of higher education. (Sec. 4, 5)
7. Provides that, in the case of a multistate service provider, the benefit of support services shall be deemed received at the billing address of the student to which the service relates. (Sec. 4, 5)
8. Continues, as session law, the Department of Gaming's Regulatory Wagering Assessment at the current rate of 0.5% of the amounts wagered for FY 2020. (Sec. 6)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note

9. Continues, as session law, to prohibit the Director of the Department of Insurance from modifying fees or assessments in FY2020 for the purpose of meeting the statutory requirement that the department recover between 95% and 110% of its appropriated budget. (Sec. 7)
10. Allows, as session law, the Director of the Arizona Department of Agriculture (ADA), with the assistance of the ADA advisory council, to continue, increase or decrease existing fees in FY 2020. (Sec. 8)
11. States it is the Legislature's intent that the additional revenues generated by the ADA fees do not exceed:
 - a. \$218,000 to the state General Fund;
 - b. \$113,000 to the Pesticide Trust Fund; and
 - c. \$26,000 to the Dangerous Plants, Pests and Diseases Trust Fund. (Sec. 8)
12. Continues to exempt the ADA from rulemaking requirements, until July 1, 2020, for the purpose of establishing fees. (Sec. 8)
13. Continues, as session law, to permit a county with a population of less than 250,000 to use any source of county revenue up to \$1.25 million to meet its FY 2020 obligations. (Sec. 9)
14. Requires, by October 1, 2019, all counties with a population of less than 250,000 to report to JLBC the specific source and amount of revenues the county intends to use to meet the fiscal obligation in FY 2020. (Sec. 9)
15. Continues, as session law, the legislative intent regarding the total amount of fees for all counties, cities, towns, councils of government and regional transportation authority to fund DOR are not to exceed \$20,755,835 in any fiscal year and that those fees assessed to each local government must be in proportion to the distribution of revenues in the fiscal years two years prior to the current fiscal year. (Sec. 10)
16. Provides an effective date for A.R.S. § 43-1147 of from and after December 31, 2019.
17. Contains technical and conforming changes.