



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

Senate: APPROP DP 10-0-0-0 | 3rd Read 27-1-2-0

SB 1270: state parks; lottery; heritage fund

Sponsor: Senator Shope, LD 8

Committee on Appropriations

Overview

Appropriates \$1 million in fiscal year (FY) 2023, \$5 million in FY 2023 and \$3 million in FY 2024 and each year thereafter from the State Lottery Fund (SLF) to the Arizona State Parks Heritage Fund if sufficient monies are available after preceding distribution requirements are satisfied.

History

State Lottery Fund

In November 1980, Arizona voters approved [Proposition 200](#) which created a state lottery overseen by Arizona State Lottery Commission (Commission) to generate revenue for various Arizona programs. Revenues are generated from sales of lottery tickets or shares, drawing games and instant ticket "scratcher" games. These revenues are deposited into the SLF and are first used to resolve debt service obligations for state lottery revenue bonds and pay for any Commission expenses. After these distributions, \$10 million will be deposited into the Arizona Game and Fish Commission Heritage Fund. However, this deposit will not occur if there is less than \$84,150,000 available for deposit to the state General Fund (GF) in that fiscal year (A.R.S. §§ [5-571](#) and [5-572](#)).

Arizona State Parks Heritage Fund

The Arizona State Parks Heritage Fund was originally created when voters passed [Proposition 200](#) in 1990. This fund annually received \$10 million from the SLF at the same priority and under the same conditions as the Arizona Game and Fish Commission Heritage Fund. The Legislature eliminated the this fund and redirected its monies and allocated lottery proceeds to the state GF in 2010 ([Laws 2010, 7th S.S., Ch. 12, §§ 15 and 45](#)).

[Laws 2019, Chapter 304](#) re-established the fund, which is administered by the Arizona State Parks Board (Board). The fund's monies consist of legislative appropriations, grants and donations that are continuously appropriated and exempt from lapsing ([A.R.S. § 41-502](#)). However, this fund does not have any dedicated revenue sources. At most, the FY 2022 budget appropriated \$5 million from the state GF to this fund in FY 2022 ([Laws 2021, Chapter 408, § 68](#)).

The Board, in consultation with the Historical Advisory Commission, creates criteria for using fund monies, establishes a grant application process and reviews applications. Fund monies cannot be used to acquire property and must be distributed as follows:

- 1) 50% to outdoor recreation and open space development, restoration or renovation of local, regional and state parks;
- 2) 30% on local, regional and state historic preservation projects;
- 3) 10% on local, regional and state nonmotorized trails; and
- 4) 10% on outdoor and environmental education ([A.R.S. § 41-503](#)).

Provisions

1. Appropriates the following amounts from the SLF to the Arizona State Parks Heritage Fund if monies are available after paying all debt service obligation payments and Commission expenses and \$10 million is deposited into the Arizona Game and Fish Heritage Fund:
 - a) \$1 million in FY 2023;
 - b) \$5 million in FY 2024; and
 - c) \$3 million in FY 2025 and each subsequent fiscal year. (Sec. 1 and 4)
2. Stipulates that the allocation to the Arizona State Parks Heritage Fund is adjusted annually based on changes in the Gross Domestic Product price deflator. (Sec. 1)
3. Prohibits SLF monies from being deposited into the Arizona State Parks Heritage Fund if less than \$84,150,000 is available for the state GF for that fiscal year. (Sec. 1)
4. Specifies that monies deposited into the Arizona State Parks Heritage Fund from the SLF are exempt from lapsing. (Sec. 1)
5. Requires the Arizona State Parks Heritage Fund's allocation to be reduced on a *pro rata* basis with other state agencies, programs and funds receiving SLF monies if there are insufficient SLF monies. (Sec. 1)
6. Allows the Arizona State Parks Heritage Fund to include monies deposited from SLF and interest earned on those monies. (Sec. 2)
7. Exempts the Board from rulemaking requirements for one year after the effective date of this act. (Sec. 3)
8. Makes technical changes. (Sec. 1 and 2)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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