

# Fiscal Note

**BILL #** SB 1365

**TITLE:** state agencies; cash payment; acceptance

**SPONSOR:** Bolick

**STATUS:** Senate Engrossed

**PREPARED BY:** Destin Moss

## Description

The bill would require state agencies to accept cash and money orders for payment of any amount due.

## Estimated Impact

We estimate that the bill will have a fiscal impact for agencies to adjust operations and appropriately store and handle cash, but we cannot determine the magnitude or precise fund sourcing of the impact in advance.

We requested input from a sampling of state agencies regularly collecting payments from the public, including the Department of Revenue (DOR), the Arizona Department of Transportation (ADOT), and regulatory boards. The regulatory boards described a minimal fiscal impact to the extent that adjusting operations results in increases to costs for services provided by the Central Services Bureau (CSB). DOR and ADOT have not responded to our request.

Based on current agency practices at the Arizona State Parks Board (SPB) and the Arizona Game and Fish Department (AGFD), which also receive a large volume of payments, we do not expect those agencies would be significantly impacted by the bill.

## Analysis

There is currently no uniform policy governing whether agencies accept cash or money order payments, and individual agency policies vary across state government. DOR, for example, does not accept cash payments. Given the large volume of payments accepted by DOR, we expect compliance with this bill could require additional staff and resources from the General Fund. We asked DOR to estimate their costs under this bill, but we have not yet received a response.

ADOT also receives a large volume of payments from the public. We understand that Motor Vehicle Division (MVD) locations are currently accepting cash payments and we do not expect the bill's provisions to require a significant change to current MVD operations. We have not received a response from ADOT on our request for the fiscal impact. We would expect any changes could be funded by Other Fund sources.

SPB and AGFD also receive frequent payments. We understand that both agencies are currently accepting cash payments and the bill would not require a significant change to either agency's operations.

The bill would also impact many other state boards and agencies that do not currently accept cash payments. To estimate these costs, we surveyed a small sample of boards. Survey responses indicate that costs of implementation for most individual boards would be minimal, although costs for some agencies could be higher depending on implementation of the bill's provisions. The Arizona Department of Administration (ADOA) provides centralized services to many boards through CSB, which has already established processes for accepting cash at a number of state agencies. If agencies began utilizing CSB services for accepting cash payments, it could result in increases to CSB contracts. If agencies independently establish a new process for accepting cash payments, the impact will depend on each agency's existing capacity for



appropriately storing and handling cash in compliance with state laws. We expect most of this impact could be funded by Other Fund sources.

**Local Government Impact**

None

3/11/24