

House Engrossed

law enforcement; defunding; prohibition

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HOUSE BILL 2221

AN ACT

AMENDING TITLE 9, CHAPTER 4, ARTICLE 8, ARIZONA REVISED STATUTES, BY
ADDING SECTION 9-500.52; AMENDING SECTIONS 42-5029 AND 43-206, ARIZONA
REVISED STATUTES; RELATING TO LAW ENFORCEMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 9, chapter 4, article 8, Arizona Revised Statutes,
3 is amended by adding section 9-500.52, to read:

4 9-500.52. Law enforcement; budget decrease; prohibition;
5 applicability; definition

6 A. A CITY OR TOWN MAY NOT REDUCE THE ANNUAL OPERATING BUDGET FOR A
7 LAW ENFORCEMENT AGENCY BY ANY AMOUNT BELOW THE PREVIOUS YEAR'S BUDGET.

8 B. IF A CITY OR TOWN REDUCES THE ANNUAL OPERATING BUDGET FOR A LAW
9 ENFORCEMENT AGENCY, THE CITY OR TOWN SHALL NOTIFY THE STATE TREASURER OF
10 THE REDUCTION. THE STATE TREASURER SHALL THEN WITHHOLD ANY STATE SHARED
11 MONIES FROM THE CITY OR TOWN IN AN AMOUNT EQUAL TO THE AMOUNT OF THE
12 REDUCTION OF THE ANNUAL OPERATING BUDGET FOR THE LAW ENFORCEMENT AGENCY
13 PURSUANT TO SECTION 42-5029, SUBSECTION M AND SECTION 43-206,
14 SUBSECTION G. THE STATE TREASURER SHALL CONTINUE TO WITHHOLD STATE SHARED
15 MONIES UNTIL NOTIFICATION FROM THE CITY OR TOWN THAT THE REDUCTION IN THE
16 LAW ENFORCEMENT AGENCY'S BUDGET HAS BEEN RESTORED.

17 C. THE REQUIREMENTS OF THIS SECTION DO NOT APPLY IF ANY OF THE
18 FOLLOWING APPLIES:

19 1. THE CITY OR TOWN DOES NOT HAVE THE MONIES REQUIRED TO CONTINUE
20 THE ANNUAL OPERATING BUDGET FOR A LAW ENFORCEMENT AGENCY AT THE SAME
21 AMOUNT AS THE PREVIOUS YEAR. IF THE CITY OR TOWN REDUCES THE CITY'S OR
22 TOWN'S ANNUAL OPERATING BUDGET PURSUANT TO THIS SUBSECTION, THE CITY OR
23 TOWN SHALL REDUCE ALL OTHER DEPARTMENTS' OR AGENCIES' ANNUAL OPERATING
24 BUDGETS IN THE CITY OR TOWN FIRST AND MAY NOT REDUCE THE ANNUAL OPERATING
25 BUDGET FOR A LAW ENFORCEMENT AGENCY IN AN AMOUNT GREATER THAN THE
26 REDUCTION TO ALL OTHER MUNICIPAL DEPARTMENTS' OR AGENCIES' ANNUAL
27 OPERATING BUDGETS.

28 2. THE ANNUAL OPERATING BUDGETS FOR ALL DEPARTMENTS AND AGENCIES IN
29 THE CITY OR TOWN HAVE BEEN REDUCED AT THE SAME OR A GREATER AMOUNT AS THE
30 REDUCTION IN THE LAW ENFORCEMENT AGENCY'S ANNUAL OPERATING BUDGET.

31 3. THE CITY OR TOWN HAS NOT EXPERIENCED POPULATION GROWTH.

32 4. THE CITY OR TOWN APPROVED A TEMPORARY INCREASE IN THE LAW
33 ENFORCEMENT AGENCY'S ANNUAL OPERATING BUDGET THE PREVIOUS YEAR FOR A
34 ONETIME EXPENSE OR CAPITAL OUTLAY AND THE CITY OR TOWN RESTORES THE LAW
35 ENFORCEMENT AGENCY'S ANNUAL OPERATING BUDGET TO THE SAME AMOUNT AS BEFORE
36 THE TEMPORARY INCREASE.

37 D. FOR THE PURPOSES OF THIS SECTION, "LAW ENFORCEMENT AGENCY" MEANS
38 A MUNICIPAL POLICE DEPARTMENT.

39 Sec. 2. Section 42-5029, Arizona Revised Statutes, is amended to
40 read:

41 42-5029. Remission and distribution of monies; withholding;
42 definitions

43 A. The department shall deposit, pursuant to sections 35-146 and
44 35-147, all revenues collected under this article and articles 4, 5 and 8
45 of this chapter pursuant to section 42-1116, separately accounting for:

1 1. Payments of estimated tax under section 42-5014, subsection D.

2 2. Revenues collected pursuant to section 42-5070.

3 3. Revenues collected under this article and article 5 of this
4 chapter from and after June 30, 2000 from sources located on Indian
5 reservations in this state.

6 4. Revenues collected pursuant to section 42-5010, subsection G and
7 section 42-5155, subsection D.

8 5. Revenues collected pursuant to section 42-5010.01 and section
9 42-5155, subsection E.

10 6. Revenues collected pursuant to section 42-5061 from a remote
11 seller.

12 B. The department shall credit payments of estimated tax to an
13 estimated tax clearing account and each month shall transfer all monies in
14 the estimated tax clearing account to a fund designated as the transaction
15 privilege and severance tax clearing account. The department shall credit
16 all other payments to the transaction privilege and severance tax clearing
17 account, separately accounting for the monies designated as distribution
18 base under sections 42-5010, 42-5164 and 42-5205. Each month the
19 department shall report to the state treasurer the amount of monies
20 collected pursuant to this article and articles 4, 5 and 8 of this
21 chapter.

22 C. On notification by the department, the state treasurer shall
23 distribute the monies deposited in the transaction privilege and severance
24 tax clearing account in the manner prescribed by this section and by
25 sections 42-5164 and 42-5205, after deducting warrants drawn against the
26 account pursuant to sections 42-1118 and 42-1254.

27 D. Of the monies designated as distribution base, the department
28 shall:

29 1. Pay twenty-five percent to the various incorporated
30 municipalities in this state in proportion to their population to be used
31 by the municipalities for any municipal purpose, except a municipality
32 shall use monies paid from revenues separately accounted for pursuant to
33 subsection A, paragraph 6 of this section and paid pursuant to this
34 paragraph for public safety before any other municipal purpose.

35 2. Pay 38.08 percent to the counties in this state by averaging the
36 following proportions:

37 (a) The proportion that the population of each county bears to the
38 total state population.

39 (b) The proportion that the distribution base monies collected
40 during the calendar month in each county under this article, section
41 42-5164, subsection B and section 42-5205, subsection B bear to the total
42 distribution base monies collected under this article, section 42-5164,
43 subsection B and section 42-5205, subsection B throughout the state for
44 the calendar month.

1 3. Pay an additional 2.43 percent to the counties in this state as
2 follows:

3 (a) Average the following proportions:

4 (i) The proportion that the assessed valuation used to determine
5 secondary property taxes of each county, after deducting that part of the
6 assessed valuation that is exempt from taxation at the beginning of the
7 month for which the amount is to be paid, bears to the total assessed
8 valuations used to determine secondary property taxes of all the counties
9 after deducting that portion of the assessed valuations that is exempt
10 from taxation at the beginning of the month for which the amount is to be
11 paid. Property of a city or town that is not within or contiguous to the
12 municipal corporate boundaries and from which water is or may be withdrawn
13 or diverted and transported for use on other property is considered to be
14 taxable property in the county for purposes of determining assessed
15 valuation in the county under this item.

16 (ii) The proportion that the distribution base monies collected
17 during the calendar month in each county under this article, section
18 42-5164, subsection B and section 42-5205, subsection B bear to the total
19 distribution base monies collected under this article, section 42-5164,
20 subsection B and section 42-5205, subsection B throughout this state for
21 the calendar month.

22 (b) If the proportion computed under subdivision (a) of this
23 paragraph for any county is greater than the proportion computed under
24 paragraph 2 of this subsection, the department shall compute the
25 difference between the amount distributed to that county under paragraph 2
26 of this subsection and the amount that would have been distributed under
27 paragraph 2 of this subsection using the proportion computed under
28 subdivision (a) of this paragraph and shall pay that difference to the
29 county from the amount available for distribution under this paragraph.
30 Any monies remaining after all payments under this subdivision shall be
31 distributed among the counties according to the proportions computed under
32 paragraph 2 of this subsection.

33 4. After any distributions required by sections 42-5030,
34 42-5030.01, 42-5031, 42-5032, 42-5032.01 and 42-5032.02, and after making
35 any transfer to the water quality assurance revolving fund as required by
36 section 49-282, subsection B, credit the remainder of the monies
37 designated as distribution base to the state general fund. From this
38 amount the legislature shall annually appropriate to:

39 (a) The department of revenue, sufficient monies to administer and
40 enforce this article and articles 5 and 8 of this chapter.

41 (b) The department of economic security, monies to be used for the
42 purposes stated in title 46, chapter 1.

43 (c) The firearms safety and ranges fund established by section
44 17-273, \$50,000 derived from the taxes collected from the retail
45 classification pursuant to section 42-5061 for the current fiscal year.

1 E. If approved by the qualified electors voting at a statewide
2 general election, all monies collected pursuant to section 42-5010,
3 subsection G and section 42-5155, subsection D shall be distributed each
4 fiscal year pursuant to this subsection. The monies distributed pursuant
5 to this subsection are in addition to any other appropriation, transfer or
6 other allocation of public or private monies from any other source and
7 shall not supplant, replace or cause a reduction in other school district,
8 charter school, university or community college funding sources. The
9 monies shall be distributed as follows:

10 1. If there are outstanding state school facilities revenue bonds
11 pursuant to title 15, chapter 16, article 7, each month one-twelfth of the
12 amount that is necessary to pay the fiscal year's debt service on
13 outstanding state school improvement revenue bonds for the current fiscal
14 year shall be transferred each month to the school improvement revenue
15 bond debt service fund established by section 15-2084. The total amount
16 of bonds for which these monies may be allocated for the payment of debt
17 service shall not exceed a principal amount of eight hundred million
18 dollars exclusive of refunding bonds and other refinancing obligations.

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

25 3. After the transfer of monies pursuant to paragraph 1 of this
26 subsection, three per cent of the remaining monies collected during the
27 preceding month shall be transferred to the workforce development account
28 established in each community college district pursuant to section 15-1472
29 for the purpose of investment in workforce development programs.

30 4. After transferring monies pursuant to paragraphs 1, 2 and 3 of
31 this subsection, one-twelfth of the amount a community college that is
32 owned, operated or chartered by a qualifying Indian tribe on its own
33 Indian reservation would receive pursuant to section 15-1472, subsection
34 D, paragraph 2 if it were a community college district shall be
35 distributed each month to the treasurer or other designated depository of
36 a qualifying Indian tribe. Monies distributed pursuant to this paragraph
37 are for the exclusive purpose of providing support to one or more
38 community colleges owned, operated or chartered by a qualifying Indian
39 tribe and shall be used in a manner consistent with section 15-1472,
40 subsection B. For the purposes of this paragraph, "qualifying Indian
41 tribe" has the same meaning as defined in section 42-5031.01,
42 subsection D.

43 5. After transferring monies pursuant to paragraphs 1, 2 and 3 of
44 this subsection, one-twelfth of the following amounts shall be transferred
45 each month to the department of education for the increased cost of basic

1 state aid under section 15-971 due to added school days and associated
2 teacher salary increases enacted in 2000:

3 (a) In fiscal year 2001-2002, \$15,305,900.

4 (b) In fiscal year 2002-2003, \$31,530,100.

5 (c) In fiscal year 2003-2004, \$48,727,700.

6 (d) In fiscal year 2004-2005, \$66,957,200.

7 (e) In fiscal year 2005-2006 and each fiscal year thereafter,
8 \$86,280,500.

9 6. After transferring monies pursuant to paragraphs 1, 2 and 3 of
10 this subsection, seven million eight hundred thousand dollars is
11 appropriated each fiscal year, to be paid in monthly installments, to the
12 department of education to be used for school safety as provided in
13 section 15-154 and two hundred thousand dollars is appropriated each
14 fiscal year, to be paid in monthly installments to the department of
15 education to be used for the character education matching grant program as
16 provided in section 15-154.01.

17 7. After transferring monies pursuant to paragraphs 1, 2 and 3 of
18 this subsection, no more than seven million dollars may be appropriated by
19 the legislature each fiscal year to the department of education to be used
20 for accountability purposes as described in section 15-241 and title 15,
21 chapter 9, article 8.

22 8. After transferring monies pursuant to paragraphs 1, 2 and 3 of
23 this subsection, one million five hundred thousand dollars is appropriated
24 each fiscal year, to be paid in monthly installments, to the failing
25 schools tutoring fund established by section 15-241.

26 9. After transferring monies pursuant to paragraphs 1, 2 and 3 of
27 this subsection, twenty-five million dollars shall be transferred each
28 fiscal year to the state general fund to reimburse the general fund for
29 the cost of the income tax credit allowed by section 43-1072.01.

30 10. After the payment of monies pursuant to paragraphs 1 through 9
31 of this subsection, the remaining monies collected during the preceding
32 month shall be transferred to the classroom site fund established by
33 section 15-977. The monies shall be allocated as follows in the manner
34 prescribed by section 15-977:

35 (a) Forty per cent shall be allocated for teacher compensation
36 based on performance.

37 (b) Twenty per cent shall be allocated for increases in teacher
38 base compensation and employee related expenses.

39 (c) Forty per cent shall be allocated for maintenance and operation
40 purposes.

41 F. The department shall credit the remainder of the monies in the
42 transaction privilege and severance tax clearing account to the state
43 general fund, subject to any distribution required by section 42-5030.01.

44 G. Notwithstanding subsection D of this section, if a court of
45 competent jurisdiction finally determines that tax monies distributed

1 under this section were illegally collected under this article or articles
 2 5 and 8 of this chapter and orders the monies to be refunded to the
 3 taxpayer, the department shall compute the amount of such monies that was
 4 distributed to each city, town and county under this section. Each
 5 city's, town's and county's proportionate share of the costs shall be
 6 based on the amount of the original tax payment each municipality and
 7 county received. Each month the state treasurer shall reduce the amount
 8 otherwise distributable to the city, town and county under this section by
 9 1/36 of the total amount to be recovered from the city, town or county
 10 until the total amount has been recovered, but the monthly reduction for
 11 any city, town or county shall not exceed ten percent of the full monthly
 12 distribution to that entity. The reduction shall begin for the first
 13 calendar month after the final disposition of the case and shall continue
 14 until the total amount, including interest and costs, has been recovered.

15 H. On receiving a certificate of default from the greater Arizona
 16 development authority pursuant to section 41-2257 or 41-2258 and to the
 17 extent not otherwise expressly prohibited by law, the state treasurer
 18 shall withhold from the next succeeding distribution of monies pursuant to
 19 this section due to the defaulting political subdivision the amount
 20 specified in the certificate of default and immediately deposit the amount
 21 withheld in the greater Arizona development authority revolving fund. The
 22 state treasurer shall continue to withhold and deposit the monies until
 23 the greater Arizona development authority certifies to the state treasurer
 24 that the default has been cured. ~~In no event may~~ The state treasurer MAY
 25 NOT withhold any amount that the defaulting political subdivision
 26 certifies to the state treasurer and the authority as being necessary to
 27 make any required deposits then due for the payment of principal and
 28 interest on bonds of the political subdivision that were issued before the
 29 date of the loan repayment agreement or bonds and that have been secured
 30 by a pledge of distributions made pursuant to this section.

31 I. Except as provided by sections 42-5033 and 42-5033.01, the
 32 population of a county, city or town as determined by the most recent
 33 United States decennial census plus any revisions to the decennial census
 34 certified by the United States bureau of the census shall be used as the
 35 basis for apportioning monies pursuant to subsection D of this section.

36 J. Except as otherwise provided by this subsection, on notice from
 37 the department of revenue pursuant to section 42-6010, subsection B, the
 38 state treasurer shall withhold from the distribution of monies pursuant to
 39 this section to the affected city or town the amount of the penalty for
 40 business location municipal tax incentives provided by the city or town to
 41 a business entity that locates a retail business facility in the city or
 42 town. The state treasurer shall continue to withhold monies pursuant to
 43 this subsection until the entire amount of the penalty has been withheld.
 44 The state treasurer shall credit any monies withheld pursuant to this
 45 subsection to the state general fund as provided by subsection D,

1 paragraph 4 of this section. The state treasurer shall not withhold any
2 amount that the city or town certifies to the department of revenue and
3 the state treasurer as being necessary to make any required deposits or
4 payments for debt service on bonds or other long-term obligations of the
5 city or town that were issued or incurred before the location incentives
6 provided by the city or town.

7 K. On notice from the auditor general pursuant to section 9-626,
8 subsection D, the state treasurer shall withhold from the distribution of
9 monies pursuant to this section to the affected city the amount computed
10 pursuant to section 9-626, subsection D. The state treasurer shall
11 continue to withhold monies pursuant to this subsection until the entire
12 amount specified in the notice has been withheld. The state treasurer
13 shall credit any monies withheld pursuant to this subsection to the state
14 general fund as provided by subsection D, paragraph 4 of this section.

15 L. Except as otherwise provided by this subsection, on notice from
16 the attorney general pursuant to section 41-194.01, subsection B,
17 paragraph 1 that an ordinance, regulation, order or other official action
18 adopted or taken by the governing body of a county, city or town violates
19 state law or the Constitution of Arizona, the state treasurer shall
20 withhold the distribution of monies pursuant to this section to the
21 affected county, city or town and shall continue to withhold monies
22 pursuant to this subsection until the attorney general certifies to the
23 state treasurer that the violation has been resolved. The state treasurer
24 shall redistribute the monies withheld pursuant to this subsection among
25 all other counties, cities and towns in proportion to their population as
26 provided by subsection D of this section. The state treasurer shall not
27 withhold any amount that the county, city or town certifies to the
28 attorney general and the state treasurer as being necessary to make any
29 required deposits or payments for debt service on bonds or other long-term
30 obligations of the county, city or town that were issued or incurred
31 before committing the violation.

32 M. EXCEPT AS OTHERWISE PROVIDED BY THIS SUBSECTION, ON NOTICE FROM
33 THE GOVERNING BODY OF A CITY OR TOWN THAT AN OFFICIAL ACTION THAT WAS
34 ADOPTED OR TAKEN BY THE GOVERNING BODY OF THE CITY OR TOWN REDUCES A LAW
35 ENFORCEMENT AGENCY'S BUDGET FROM THE PREVIOUS YEAR'S BUDGET PURSUANT TO
36 SECTION 9-500.52, THE STATE TREASURER SHALL WITHHOLD THE DISTRIBUTION OF
37 MONIES PURSUANT TO THIS SECTION IN AN AMOUNT EQUAL TO THE REDUCTION TO THE
38 LAW ENFORCEMENT AGENCY'S BUDGET TO THE AFFECTED CITY OR TOWN AND SHALL
39 CONTINUE TO WITHHOLD MONIES PURSUANT TO THIS SUBSECTION UNTIL THE
40 GOVERNING BODY OF THE CITY OR TOWN NOTIFIES THE STATE TREASURER THAT THE
41 REDUCTION HAS BEEN RESTORED. THE STATE TREASURER SHALL NOT WITHHOLD ANY
42 AMOUNT THAT THE CITY OR TOWN CERTIFIES AS BEING NECESSARY TO MAKE ANY
43 REQUIRED DEPOSITS OR PAYMENTS FOR DEBT SERVICE ON BONDS OR OTHER LONG-TERM
44 OBLIGATIONS OF THE CITY OR TOWN THAT WERE ISSUED OR INCURRED BEFORE THE
45 REDUCTION IN THE LAW ENFORCEMENT AGENCY'S BUDGET. THIS SUBSECTION DOES

1 NOT APPLY TO A REDUCTION IN BUDGET PURSUANT TO SECTION 9-500.52,
2 SUBSECTION C.

3 ~~M.~~ N. For the purposes of this section: ~~;~~

4 1. "Community college district":

5 (a) Means a community college district that is established pursuant
6 to sections 15-1402 and 15-1403 and that is a political subdivision of
7 this state. ~~and;~~

8 (b) Unless otherwise specified, includes a community college
9 tuition financing district established pursuant to section 15-1409.

10 2. "LAW ENFORCEMENT AGENCY" MEANS A MUNICIPAL POLICE DEPARTMENT.

11 Sec. 3. Section 43-206, Arizona Revised Statutes, is amended to
12 read:

13 43-206. Urban revenue sharing fund; allocation; distribution;
14 withholding; definition

15 A. The urban revenue sharing fund is established. Through fiscal
16 year 2022-2023, the fund consists of an amount equal to fifteen percent of
17 the net proceeds of the state income taxes for the fiscal year two years
18 preceding the current fiscal year. Beginning in fiscal year 2023-2024,
19 the fund consists of an amount equal to eighteen percent of the net
20 proceeds of the state income taxes for the fiscal year two years preceding
21 the current fiscal year. The fund shall be distributed to incorporated
22 cities and towns as provided in this section, except that a city or town
23 shall receive at least an amount equal to what a city or town with a
24 population of fifteen hundred or more persons would receive. The transfer
25 of net proceeds prescribed by section 49-282, subsection B does not affect
26 the calculation of net proceeds prescribed by this subsection.

27 B. Each city or town shall share in the urban revenue sharing fund
28 in the proportion that the population of each bears to the population of
29 all. Except as provided by sections 42-5033 and 42-5033.01, the
30 population of a city or town as determined by the most recent United
31 States decennial census plus any revisions to the decennial census
32 certified by the United States CENSUS bureau ~~of the census~~ shall be used
33 as the basis for apportioning monies pursuant to this subsection.

34 C. The treasurer, on instruction from the department, shall
35 transmit, not later than the tenth day of each month, to each city or town
36 an amount equal to one-twelfth of that city's or town's total entitlement
37 for the current fiscal year from the urban revenue sharing fund as
38 determined by the department.

39 D. A newly incorporated city or town shall share in the urban
40 revenue sharing fund beginning the first month of the first full fiscal
41 year following incorporation.

42 E. On receipt of a certificate of default from the greater Arizona
43 development authority pursuant to section 41-2257 or 41-2258, the state
44 treasurer, to the extent not otherwise expressly prohibited by law, shall
45 withhold from the next succeeding distribution of monies pursuant to this

1 section due to the city or town the amount specified in the certificate of
2 default and immediately deposit the amount withheld in the greater Arizona
3 development authority revolving fund. The state treasurer shall continue
4 to withhold and deposit the monies until the authority certifies to the
5 state treasurer that the default has been cured. The state treasurer may
6 not withhold any amount that is necessary, as certified by the defaulting
7 political subdivision to the state treasurer and the authority, to make
8 any required deposits then due for the payment of principal and interest
9 on bonds of the political subdivision that were issued before the date of
10 the loan repayment agreement or bonds and that have been secured by a
11 pledge of distributions made pursuant to this section.

12 F. Except as otherwise provided by this subsection, on notice from
13 the attorney general pursuant to section 41-194.01, subsection B,
14 paragraph 1 that an ordinance, regulation, order or other official action
15 adopted or taken by the governing body of a city or town violates state
16 law or the Constitution of Arizona, the state treasurer shall withhold the
17 distribution of monies pursuant to this section to the affected city or
18 town and shall continue to withhold monies pursuant to this subsection
19 until the attorney general certifies to the state treasurer that the
20 violation has been resolved. The state treasurer shall redistribute the
21 monies withheld pursuant to this subsection among all other cities and
22 towns in proportion to their population as provided by subsection B of
23 this section. The state treasurer shall not withhold any amount that the
24 city or town certifies to the attorney general and the state treasurer as
25 being necessary to make any required deposits or payments for debt service
26 on bonds or other long-term obligations of the city or town that were
27 issued or incurred before committing the violation.

28 G. EXCEPT AS OTHERWISE PROVIDED BY THIS SUBSECTION, ON NOTICE FROM
29 THE GOVERNING BODY OF A CITY OR TOWN THAT AN OFFICIAL ACTION THAT WAS
30 ADOPTED OR TAKEN BY THE GOVERNING BODY OF A CITY OR TOWN REDUCES A LAW
31 ENFORCEMENT AGENCY'S BUDGET FROM THE PREVIOUS YEAR'S BUDGET PURSUANT TO
32 SECTION 9-500.52, THE STATE TREASURER SHALL WITHHOLD THE DISTRIBUTION OF
33 MONIES PURSUANT TO THIS SECTION IN AN AMOUNT EQUAL TO THE REDUCTION TO THE
34 LAW ENFORCEMENT AGENCY'S BUDGET TO THE AFFECTED CITY OR TOWN AND SHALL
35 CONTINUE TO WITHHOLD MONIES PURSUANT TO THIS SUBSECTION UNTIL THE
36 GOVERNING BODY OF THE CITY OR TOWN NOTIFIES THE STATE TREASURER THAT THE
37 REDUCTION HAS BEEN RESTORED. THE STATE TREASURER SHALL NOT WITHHOLD ANY
38 AMOUNT THAT THE CITY OR TOWN CERTIFIES AS BEING NECESSARY TO MAKE ANY
39 REQUIRED DEPOSITS OR PAYMENTS FOR DEBT SERVICE ON BONDS OR OTHER LONG-TERM
40 OBLIGATIONS OF THE CITY OR TOWN THAT WERE ISSUED OR INCURRED BEFORE THE
41 REDUCTION IN THE LAW ENFORCEMENT AGENCY'S BUDGET. THIS SUBSECTION DOES
42 NOT APPLY TO A REDUCTION IN BUDGET PURSUANT TO SECTION 9-500.52,
43 SUBSECTION C.

44 H. FOR THE PURPOSES OF THIS SECTION, "LAW ENFORCEMENT AGENCY" MEANS
45 A MUNICIPAL POLICE DEPARTMENT.