

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HOUSE BILL 4157

AN ACT

AMENDING SECTION 5-572, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2024, CHAPTER 210, SECTION 2; REPEALING SECTION 5-572, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2024, CHAPTER 210, SECTION 3; AMENDING SECTIONS 20-156, 28-8604, 32-1134, 41-1545.05, 41-1561, 41-2257, 41-2306 AND 44-2039, ARIZONA REVISED STATUTES; RELATING TO COMMERCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 5-572, Arizona Revised Statutes, as amended by
3 Laws 2024, chapter 210, section 2, is amended to read:
4 5-572. Use of monies in state lottery fund; report
5 A. If there are any bonds or bond related obligations payable from
6 the state lottery revenue bond debt service fund, the state lottery
7 revenue bond debt service fund shall be secured by a first lien on the
8 monies in the state lottery fund after the payment of operating costs of
9 the lottery, as prescribed in section 5-555, subsection A, paragraph 1,
10 until the state lottery bond debt service fund contains sufficient monies
11 to meet all the requirements for the current period as required by the
12 bond documents. Debt service for revenue bonds issued pursuant to this
13 chapter shall be paid first from monies that would have otherwise been
14 deposited pursuant to this section in the state general fund. After the
15 requirements for the current period have been satisfied as required by the
16 bond documents, the monies in the state lottery fund shall be expended for
17 the expenses of the commission incurred in carrying out its powers and
18 duties and in the operation of the lottery.
19 B. Of the monies remaining in the state lottery fund each fiscal
20 year after appropriations and deposits authorized in subsection A of this
21 section, \$10,000,000 shall be deposited in the Arizona game and fish
22 commission heritage fund established by section 17-297.
23 C. Of the monies remaining in the state lottery fund each fiscal
24 year after appropriations and deposits authorized in subsections A and B
25 of this section, \$5,000,000 shall be allocated to the department of child
26 safety for the healthy families program established by section 8-481,
27 \$4,000,000 shall be allocated to the Arizona board of regents for the
28 Arizona area health education system established by section 15-1643,
29 \$3,000,000 shall be allocated to the department of health services to fund
30 the teenage pregnancy prevention programs established in Laws 1995,
31 chapter 190, sections 2 and 3, \$2,000,000 shall be allocated to the
32 department of health services for the health start program established by
33 section 36-697, \$2,000,000 shall be deposited in the disease control
34 research fund established by section 36-274 and \$1,000,000 shall be
35 allocated to the department of health services for the federal women,
36 infants and children food program. The allocations in this subsection
37 shall be adjusted annually according to changes in the GDP price deflator
38 as defined in section 41-563, and the allocations are exempt from the
39 provisions of section 35-190 relating to lapsing of appropriations. If
40 there are not sufficient monies available pursuant to this subsection, the
41 allocation of monies for each program shall be reduced on a pro rata
42 basis.

1 D. If the state lottery director determines that monies available
2 to the state general fund may not equal \$84,150,000 in a fiscal year, the
3 director shall not authorize deposits to the Arizona game and fish
4 commission heritage fund pursuant to subsection B of this section until
5 the deposits to the state general fund equal \$84,150,000 in a fiscal year.

6 E. Of the monies remaining in the state lottery fund each fiscal
7 year after appropriations and deposits authorized in subsections A through
8 D of this section, \$1,000,000 or the remaining balance in the fund,
9 whichever is less, is appropriated to the department of economic security
10 for grants to nonprofit organizations, including faith-based
11 organizations, for homeless emergency and transitional shelters and
12 related support services. The department of economic security shall
13 submit a report on the amounts, recipients, purposes and results of each
14 grant to the governor, the speaker of the house of representatives and the
15 president of the senate on or before December 31 of each year for the
16 prior fiscal year and shall provide a copy of this report to the secretary
17 of state.

18 F. Of the monies remaining in the state lottery fund each fiscal
19 year after appropriations and deposits authorized in subsections A
20 through E of this section, and after a total of at least \$99,640,000 has
21 been deposited in the state general fund, \$1,750,000 shall be deposited in
22 the Arizona competes fund established by section 41-1545.01 **THROUGH FISCAL**
23 **YEAR 2028-2029 AND \$3,500,000 THEREAFTER.** The balance in the state
24 lottery fund remaining after deposits into the Arizona competes fund shall
25 be deposited in the university capital improvement lease-to-own and bond
26 fund established by section 15-1682.03, up to a maximum of eighty percent
27 of the total annual payments of lease-to-own and bond agreements entered
28 into by the Arizona board of regents.

29 G. All monies remaining in the state lottery fund after the
30 appropriations and deposits authorized in this section shall be deposited
31 in the state general fund.

32 H. Except for monies expended for debt service of revenue bonds as
33 provided in subsection A of this section, monies expended under subsection
34 A of this section are subject to legislative appropriation.

35 I. The commission shall transfer monies prescribed in this section
36 on a quarterly basis.

37 Sec. 2. Repeal
38 Section 5-572, Arizona Revised Statutes, as amended by Laws 2024,
39 chapter 210, section 3, is repealed.

40 Sec. 3. Section 20-156, Arizona Revised Statutes, is amended to
41 read:

42 20-156. Examination of insurers; financial surveillance fund;
43 definition

44 A. The director shall examine the affairs, transactions, accounts,
45 records and assets of each authorized insurer as often as the director

1 deems advisable. The director shall so examine each domestic insurer at
2 least once every five years. Examination of an alien insurer shall be
3 limited to its insurance transactions in the United States. The director
4 may examine the business transactions and affairs of each domestic life
5 and disability reinsurer as defined in section 20-1082, service company as
6 defined in section 20-1095 and mechanical reimbursement reinsurer as
7 defined in section 20-1096.

8 B. The director shall in like manner examine each insurer applying
9 for an initial certificate of authority to do business in this state.

10 C. In lieu of making an examination, the director may accept a full
11 report of the last recent examination of a foreign or alien insurer,
12 certified to by the insurance supervisory official of another state,
13 territory, commonwealth or district of the United States.

14 D. The expenses of the examinations conducted under this section
15 shall be paid by the insurance examiners' revolving fund as provided in
16 section 20-159. Such expenses shall be limited to preexamination
17 selection and preparation costs, examination costs, postexamination costs
18 and other such costs of evaluations of compliance required by law.

19 E. The financial surveillance fund is established consisting of
20 monies collected pursuant to subsection F of this section. The fund is a
21 special state fund pursuant to section 35-142, subsection A, paragraph 8.
22 The department shall administer the fund. Monies in the fund are
23 ~~continuously appropriated and are exempt from the provisions of section~~
24 ~~35-190 relating to lapsing of appropriations~~ SUBJECT TO LEGISLATIVE
25 APPROPRIATION.

26 F. The director shall annually assess and collect from each
27 FOREIGN, ALIEN AND domestic insurer, other than a domestic life and
28 disability reinsurer as defined in section 20-1082, a service company as
29 defined in section 20-1095, and a mechanical reimbursement reinsurer as
30 defined in section 20-1096, THAT HOLD AN ACTIVE CERTIFICATE OF AUTHORITY
31 an amount within the ranges provided in this subsection and on a uniform
32 percentage basis among all fee categories, to pay the costs of ~~employing~~
33 ~~financial analysts who shall assist the department in conducting financial~~
34 ~~surveillance of domestic insurers~~ ADMINISTERING THE INSURANCE OPERATIONAL
35 FUNCTIONS OF THE DEPARTMENT. The director shall deposit all collected
36 monies in the financial surveillance fund. The director shall base the
37 amount of each insurer's assessment on the total admitted assets of the
38 insurer as shown in its annual statement for the calendar year preceding
39 the year in which the assessment is made, according to the following
40 schedule:

| | Minimum | Maximum |
|---------------------------------|-------------------|-------------------|
| | Assessment Amount | Assessment Amount |
| 41 | | |
| 42 | | |
| 43 Insurers with total admitted | | |
| 44 assets of greater than | | |
| 45 \$1,000,000,000 | \$15,000 | \$22,500 |

| | | | |
|----|-------------------------------------|----------|----------|
| 1 | Insurers with total admitted | | |
| 2 | assets of at least \$200,000,000 | | |
| 3 | but not more than \$1,000,000,000 | \$ 5,000 | \$ 7,500 |
| 4 | Insurers with total admitted | | |
| 5 | assets of at least \$100,000,000 | | |
| 6 | but not more than \$199,999,999 | \$ 3,000 | \$ 4,500 |
| 7 | Insurers with total admitted assets | | |
| 8 | of at least \$50,000,000 but not | | |
| 9 | more than \$99,999,999 | \$ 1,500 | \$ 2,250 |
| 10 | Insurers with total admitted assets | | |
| 11 | of at least \$25,000,000 but not | | |
| 12 | more than \$49,999,999 | \$ 500 | \$ 750 |
| 13 | Insurers with total admitted | | |
| 14 | assets of not more than | | |
| 15 | \$24,999,999 | \$ 250 | \$ 375 |

16 G. For the purposes of this section, "insurer" includes health care
17 services organizations, prepaid dental plan organizations, hospital
18 service corporations, medical service corporations, dental service
19 corporations and hospital, medical, dental and optometric service
20 corporations incorporated in this state.

21 Sec. 4. Section 28-8604, Arizona Revised Statutes, is amended to
22 read:

23 28-8604. Advanced air mobility fund

24 A. The advanced air mobility fund is established. The ~~state~~
25 ~~treasurer~~ ARIZONA COMMERCE AUTHORITY shall administer the fund. Monies in
26 the fund are subject to legislative appropriation and are exempt from the
27 provisions of section 35-190 relating to lapsing of appropriations. The
28 ~~state treasurer~~ ARIZONA COMMERCE AUTHORITY shall invest and divest monies
29 in the fund as provided by section 35-313, and monies earned from
30 investment shall be credited to the fund. The fund consists of the
31 following:

32 1. Monies appropriated by the legislature.

33 2. Any nonfederal gifts, grants, donations or other monies received
34 by the ~~state treasurer~~ ARIZONA COMMERCE AUTHORITY from any public or
35 private source for transportation projects.

36 B. The monies in the fund shall be used to:

37 1. Purchase advanced air mobility vehicles that are capable of
38 carrying passengers or cargo for testing and demonstration purposes of the
39 ability to use the advanced air mobility vehicles.

40 2. Construct vertiports.

41 ~~C. Before any expenditure is made from the fund, the state~~
42 ~~treasurer and the department shall submit an expenditure plan for review~~
43 ~~to the joint committee on capital review.~~

44 C. THE PURPOSE OF THE FUND IS TO ALLOW FOR THE OFFICE OF DEFENSE
45 INNOVATION WITHIN THE ARIZONA COMMERCE AUTHORITY TO ENTER INTO A CONTRACT

1 WITH ANY ENTITY THAT ADVANCES THE STATE'S DEFENSE, AEROSPACE, DUAL USE
2 TECHNOLOGY AND NATIONAL SECURITY INNOVATION ECOSYSTEM.

3 Sec. 5. Section 32-1134, Arizona Revised Statutes, is amended to
4 read:

5 32-1134. Powers and duties of registrar

6 A. The registrar shall:

7 1. Establish assessments and maintain the fund balance at a level
8 sufficient to pay operating costs and anticipated claims using the cash
9 basis of accounting.

10 2. Cause an examination of the fund to be made every three years by
11 an independent certified public accountant.

12 3. File with the department of insurance and financial institutions
13 an annual statement of the condition of the fund.

14 4. Employ accountants and attorneys from monies in the fund, but
15 not to exceed \$10,000 in any fiscal year, that are necessary for the
16 performance of the duties prescribed in this section.

17 5. Employ or contract with individuals and procure equipment and
18 operational support, to be paid from or purchased with monies in the fund,
19 but not to exceed in any fiscal year ~~fourteen~~ TWENTY percent of the total
20 amount deposited in the fund in the prior fiscal year as may be necessary
21 to monitor, process or oppose claims filed by claimants, which may result
22 in collection from the recovery fund.

23 B. Notwithstanding section 32-1135, the registrar may ~~expend~~ SPEND
24 interest monies from the fund to increase public awareness of the fund.
25 This expenditure may not exceed \$50,000 in any fiscal year.

26 Sec. 6. Section 41-1545.05, Arizona Revised Statutes, is amended to
27 read:

28 41-1545.05. Program termination

29 The program established by this article ends on July 1, ~~2026~~ 2028.

30 Sec. 7. Section 41-1561, Arizona Revised Statutes, is amended to
31 read:

32 41-1561. Office of defense innovation; powers and duties;
33 annual report; definitions

34 A. The office of defense innovation is established within the
35 authority.

36 B. THE OFFICE SHALL ENTER INTO A CONTRACT WITH A QUALIFIED PUBLIC
37 OR PRIVATE ENTITY TO ADVANCE THIS STATE'S DEFENSE, AEROSPACE, DUAL USE
38 TECHNOLOGY AND NATIONAL SECURITY INNOVATION ECOSYSTEM. THE OFFICE SHALL
39 ENGAGE WITH AND COORDINATE WITH PRIVATE INDUSTRY, DEFENSE CONTRACTORS,
40 SMALL BUSINESSES, INSTITUTIONS OF HIGHER EDUCATION, RESEARCH INSTITUTIONS,
41 MILITARY INSTALLATIONS AND PRIVATE STAKEHOLDERS TO IMPLEMENT THE DUTIES OF
42 THE OFFICE.

43 ~~B.~~ C. The office may:

44 1. Act as a liaison between this state, the United States
45 department of defense and national security organizations, including

- 1 federal and state agencies ~~and law enforcement~~ and industries that support
2 the purposes **PRESCRIBED** in this ~~subsection~~ **SECTION**.
- 3 2. Identify and pursue, as appropriate, opportunities to increase
4 the amount of federal funding to foster the development of products,
5 services and technologies that support the United States department of
6 defense in this state.
- 7 3. Support, **ENHANCE OR EXPAND** any ongoing United States department
8 of defense ~~industry development mission that is directed at this state~~
9 **MISSIONS WITHIN THE STATE**.
- 10 4. Support Arizona-based companies that seek federal defense
11 contracts.
- 12 5. ~~Advance~~ **ADVOCATE TO ANY RELEVANT CONSTITUENCIES FOR** Arizona's
13 economic interests that are related to the United States department of
14 defense's ~~aerospace mission~~ **MISSIONS** and **AEROSPACE AND** defense ~~sectors and~~
15 industries.
- 16 6. Develop and implement a reoccurring strategic plan to enhance
17 Arizona's competitiveness in defense-related **AND NATIONAL SECURITY**
18 industries.
- 19 7. Identify and support emerging technology **AND DUAL USE**
20 **TECHNOLOGY**, including commercialization support services to accelerate
21 technology development.
- 22 8. Collaborate with the Arizona board of regents and universities
23 and research institutions that seek to increase the amount of defense
24 research and development funding for applied research, ~~and~~ advance
25 prototyping of critical defense-related products and technologies, ~~AND~~ **AND**
26 support rapid technology transfer and transition capabilities.
- 27 9. Collaborate to enhance workforce development that prepares
28 innovators, ~~and intrapreneurs~~ **ENTREPRENEURS AND WORKERS** to support **DEFENSE**
29 **AND NATIONAL SECURITY** industries ~~of the future~~.
- 30 10. **DEVELOP, IN COORDINATION WITH PUBLIC AND PRIVATE PARTNERS AND**
31 **CONSISTENT WITH APPLICABLE STATE AND FEDERAL LAW, A PROVING GROUND IN THIS**
32 **STATE FOR AUTONOMOUS SYSTEMS AND ADVANCED AIR MOBILITY TO ENABLE TESTING,**
33 **VALIDATION AND COMMERCIALIZATION ACTIVITIES.**
- 34 11. **ENTER INTO AGREEMENTS, INCLUDING INTERGOVERNMENTAL AGREEMENTS**
35 **AND MEMORANDA OF UNDERSTANDING, AS NECESSARY TO IMPLEMENT THIS SECTION.**
- 36 12. **APPLY FOR, ACCEPT AND SPEND GRANTS, DONATIONS, AID OR OTHER**
37 **MONIES RECEIVED FROM THE FEDERAL GOVERNMENT OR ANY AGENCY OF THE FEDERAL**
38 **GOVERNMENT FOR ANY ADVANCED AIR MOBILITY PURPOSE.**
- 39 13. **ON BEHALF OF THIS STATE OR IN COORDINATION WITH ANY APPROPRIATE**
40 **STATE AGENCY, APPLY FOR AND HOLD FEDERAL AVIATION ADMINISTRATION**
41 **CERTIFICATES, WAIVERS OR AUTHORIZATIONS NECESSARY TO IMPLEMENT THIS**
42 **SECTION.**
- 43 ~~10.~~ 14. Coordinate with the governor and the legislature on the
44 office's activities, achievements and recommendations.

1 D. THIS SECTION DOES NOT ALLOW THE OFFICE TO EXERCISE REGULATORY
2 AUTHORITY OVER ANY PUBLIC OR PRIVATE ENTITY.

3 ~~E.~~ E. On or before December 31, 2026 and each year thereafter, the
4 office shall submit a report regarding the OFFICE'S activities and
5 recommendations to the governor, the president of the senate and the
6 speaker of the house of representatives and shall provide a copy of the
7 report to the secretary of state.

8 F. ON OR BEFORE SEPTEMBER 1, 2029, THE OFFICE SHALL SUBMIT TO THE
9 GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
10 REPRESENTATIVES A COMPREHENSIVE REPORT THAT INCLUDES ALL OF THE FOLLOWING:

11 1. A SUMMARY OF THE OFFICE'S ACTIVITIES AND ACCOMPLISHMENTS.

12 2. AN ASSESSMENT OF THE ECONOMIC AND NATIONAL SECURITY IMPACT OF
13 THE OFFICE.

14 3. RECOMMENDATIONS REGARDING THE CONTINUATION, MODIFICATION OR
15 TERMINATION OF THE OFFICE.

16 G. FOR THE PURPOSES OF THIS SECTION:

17 1. "ADVANCED AIR MOBILITY" HAS THE SAME MEANING PRESCRIBED IN
18 SECTION 28-8601.

19 2. "DUAL USE TECHNOLOGY" MEANS TECHNOLOGY THAT HAS BOTH CIVILIAN
20 AND DEFENSE OR NATIONAL SECURITY APPLICATIONS.

21 3. "QUALIFIED PUBLIC OR PRIVATE ENTITY" MEANS AN ENTITY THAT
22 DEMONSTRATES EXPERIENCE, CAPACITY AND CREDIBILITY IN DEFENSE AND NATIONAL
23 SECURITY INNOVATION AND THAT HAS THE ABILITY TO DO ALL OF THE FOLLOWING:

24 (a) SUPPORT FEDERAL DEFENSE AND NATIONAL SECURITY MISSIONS,
25 INCLUDING ENGAGING WITH THE UNITED STATES DEPARTMENT OF DEFENSE AND
26 RELATED AGENCIES.

27 (b) MANAGE COMPLEX PROGRAMS THAT INVOLVE COORDINATION AMONG PUBLIC
28 AND PRIVATE STAKEHOLDERS, INCLUDING INDUSTRY, ACADEMIA AND GOVERNMENT.

29 (c) FACILITATE TECHNOLOGY DEVELOPMENT, TESTING, VALIDATION OR
30 TRANSITION ACTIVITIES IN SUPPORT OF DEFENSE OR DUAL USE TECHNOLOGY
31 APPLICATIONS.

32 (d) OPERATE IN ENVIRONMENTS THAT MAY REQUIRE SPECIALIZED
33 COMPLIANCE, CREDENTIALING OR SECURITY CONDITIONS AND SUPPORT
34 DEFENSE-RELATED CONTRACTING OR FEDERAL PROGRAM REQUIREMENTS.

35 Sec. 8. Section 41-2257, Arizona Revised Statutes, is amended to
36 read:

37 41-2257. Financial assistance

38 A. The authority may provide financial assistance to political
39 subdivisions, special districts and Indian tribes in developing,
40 acquiring, constructing, improving, equipping or refinancing
41 infrastructure. The financial assistance shall include:

42 1. Loans as provided in this section.

43 2. Credit enhancements purchased for a political subdivision's,
44 special district's or Indian tribe's bonds or other forms of indebtedness.

1 B. A loan shall be evidenced by a loan repayment agreement, lease
2 purchase agreement or bonds of a political subdivision, special district
3 or Indian tribe that are delivered to and held by the authority.

4 C. The authority shall prescribe a principal repayment schedule for
5 each loan made. Loan principal payments may be rescheduled at the
6 discretion of the authority but may not be forgiven.

7 D. A loan under this section:

8 1. Shall be repaid not more than thirty years after the date it is
9 incurred.

10 2. Shall require that interest payments begin not later than the
11 next date that either principal or interest must be paid by the authority
12 to holders of any of the authority's bonds that provided funding for the
13 loan. The authority may provide that loan interest accruing during
14 construction of the borrower's infrastructure project and up to one year
15 after completion of the construction be capitalized in the loan.

16 3. Shall be repayable in at least annual principal installments and
17 at least semiannual interest installments.

18 4. Shall be conditioned on the identification of pledged revenues
19 for repaying the loan. If the infrastructure financed by the loan is part
20 of a municipal utility and the city or town pledges revenues of the
21 utility to repay the loan, the loan shall be treated under section 9-530,
22 subsection B as a lawful long-term obligation incurred for a specific
23 capital purpose.

24 5. To the extent permitted by law, shall be secured by a debt
25 service reserve account that is held in trust and that is in such amount,
26 if any, as determined by the authority.

27 6. Shall be either:

28 (a) For a political subdivision, additionally secured by an
29 irrevocable pledge of the shared state revenues due the political
30 subdivision for the life of the loan as provided by a resolution of the
31 board.

32 (b) For an Indian tribe, conditioned on the establishment of a
33 dedicated revenue source under the control of a tribally chartered
34 corporation or other tribal entity that is subject to suit by the attorney
35 general to enforce the loan contract or be secured by assets that, in the
36 event of default of the loan contract, are subject to execution by the
37 attorney general.

38 E. The authority shall prescribe the rate or rates of interest on
39 loans made under this section, but the rate or rates shall not exceed the
40 prevailing market rate for similar types of loans. A political
41 subdivision or special district may negotiate the sale of its bonds to or
42 a loan repayment agreement with the authority without complying with any
43 public or accelerated bidding requirements imposed by any other law for
44 the sale of its bonds.

1 F. The approval of a loan is conditioned on a written commitment by
2 the political subdivision or special district to complete all applicable
3 reviews and approvals and to secure all required permits in a timely
4 manner.

5 G. The approval of financial assistance to a city or town having a
6 population of more than ~~ONE~~ **HUNDRED** fifty thousand persons shall be
7 conditioned on approval of its voters. An election is not required if
8 voter approval has previously been received for substantially the same
9 project.

10 H. The approval of financial assistance to a county having a
11 population of more than ~~two~~ **FIVE** hundred thousand persons shall be
12 conditioned on approval of its voters. An election is not required if
13 voter approval has previously been received for substantially the same
14 project.

15 I. By resolution of the board, the authority may impose any
16 additional requirements it considers necessary to ensure that the loan
17 principal and interest are timely paid.

18 J. All monies received from political subdivisions, special
19 districts and Indian tribes as loan repayments, interest and penalties
20 shall be deposited, pursuant to sections 35-146 and 35-147, in the fund.

21 K. The attorney general may take whatever actions are necessary to
22 enforce the loan contract and achieve repayment of loans provided by the
23 authority pursuant to this article.

24 L. If a political subdivision fails to make any payment due to the
25 authority under its loan repayment agreement or bonds, the authority shall
26 certify to the state treasurer and notify the governing body of the
27 defaulting political subdivision that the political subdivision has failed
28 to make the required payment and direct a withholding of state shared
29 revenues as provided in subsection M of this section. The certificate of
30 default shall be in the form determined by the authority, provided the
31 certificate specifies the amount required to satisfy the unpaid payment
32 obligation of the political subdivision.

33 M. On receipt of a certificate of default from the authority, the
34 state treasurer, to the extent not otherwise expressly prohibited by law,
35 shall withhold the monies from the next succeeding distribution of monies
36 pursuant to section 42-5029 due to the defaulting political
37 subdivision. In the case of a city or town, the state treasurer shall
38 also withhold from the next succeeding distribution of monies pursuant to
39 section 43-206 due to the defaulting city or town the amount specified in
40 the certificate of default and immediately deposit the amount withheld in
41 the fund. The state treasurer shall continue to withhold and deposit the
42 monies until the authority certifies to the state treasurer that the
43 default has been cured. In no event shall the state treasurer withhold
44 any amount that is necessary, as certified by the defaulting political
45 subdivision to the state treasurer and the authority, to make any required

1 deposits then due for the payment of principal and interest on bonds of
2 the political subdivision that were issued prior to the date of the loan
3 repayment agreement or bonds and that have been secured by a pledge of
4 distributions made pursuant to sections 42-5029 and 43-206.

5 Sec. 9. Section 41-2306, Arizona Revised Statutes, is amended to
6 read:

7 41-2306. Tourism fund

8 A. The tourism fund is established consisting of separate accounts
9 derived from:

10 1. State general fund monies appropriated to the fund by the
11 legislature. All monies in this account are continuously appropriated to
12 the office of tourism for the purposes of operations and statewide tourism
13 promotion.

14 2. Revenues deposited pursuant to section 5-835, subsection B or C.
15 All monies in this account are continuously appropriated to the office of
16 tourism, which, in consultation with a consortium of destination marketing
17 organizations in the county in which the tourism and sports authority is
18 established, shall be spent to promote tourism within that county. ~~For~~
19 ~~fiscal years 2010-2011 and 2011-2012, fifty per cent of the revenues~~
20 ~~deposited in the tourism fund pursuant to this paragraph may be expended~~
21 ~~by the office of tourism for operational and administrative purposes.~~

22 3. Revenues deposited pursuant to section 42-6108.01. The
23 legislature shall appropriate all monies in this account to the office of
24 tourism, which, in conjunction with the destination marketing organization
25 in the county in which the tax revenues are collected, shall be spent only
26 to promote tourism within that county and shall not be spent for
27 administrative or overhead expenses.

28 4. Revenues deposited pursuant to section 5-601.02(H)(3)(b)(iv).
29 The office of tourism shall administer the account. The account is not
30 subject to appropriation, and expenditures from the fund are not subject
31 to outside approval notwithstanding any statutory provision to the
32 contrary. Monies received pursuant to section 5-601.02 shall be deposited
33 directly with this account. On notice from the office of tourism, the
34 state treasurer may invest and divest monies in the account as provided by
35 section 35-313, and monies earned from investment shall be credited to the
36 account. No monies in the account shall revert to or be deposited in any
37 other fund, including the state general fund. Monies in this account
38 shall supplement, not supplant, current funds in other accounts of the
39 tourism fund. Monies in this account shall be spent only to promote
40 tourism within the state and shall not be used for administrative or
41 overhead expenses.

42 5. MONIES RECEIVED IN THE FORM OF A GIFT, GRANT OR DONATION. THE
43 OFFICE OF TOURISM MAY ACCEPT AND SPEND MONIES THAT ARE RECEIVED AS GIFTS,
44 GRANTS OR DONATIONS.

1 B. Monies in the fund are exempt from the provisions of section
2 35-190 relating to lapsing of appropriations.
3 Sec. 10. Section 44-2039, Arizona Revised Statutes, is amended to
4 read:
5 44-2039. Securities regulatory and enforcement fund; purpose
6 A. The securities regulatory and enforcement fund is established
7 and shall be administered by the commission under the conditions and for
8 the purposes provided by this section. Monies in the fund are exempt from
9 the provisions of section 35-190 relating to lapsing OF APPROPRIATIONS.
10 B. Fees collected pursuant to section 44-1861, subsections A, D and
11 P and section 44-3324 shall be deposited, pursuant to sections 35-146 and
12 35-147, in the securities regulatory and enforcement fund, except as
13 provided in subsection D of this section and except that all other
14 revenues collected in each fiscal year in excess of the amount
15 appropriated from the fund by the legislature shall be deposited in the
16 state general fund.
17 C. Monies in the fund are subject to legislative appropriation.
18 The commission shall use the monies in the fund for education and
19 regulatory, investigative and enforcement operations in the securities
20 division, RAILROAD SAFETY and a part of general administrative and hearing
21 expenses of the commission.
22 D. On February 1 and June 30 of each year, monies deposited in the
23 securities regulatory and enforcement fund pursuant to section 44-3324 are
24 transferred to the state general fund.
25 Sec. 11. Retroactivity
26 Section 41-1545.05, Arizona Revised Statutes, as amended by this
27 act, applies retroactively to from and after June 29, 2026.