

JLBC Fiscal Note

BILL # SB 1138

SPONSOR: Finchem

PREPARED BY: Micaela Andrews

TITLE: ~~automated license plate readers~~ S/E: clean elections/transportation funding

STATUS: As Amended by Senate ATT

Description

The bill amends statute to redirect all-traffic related monies collected from the additional 10% surcharge on all civil and criminal fines and penalties collected for the Citizens Clean Election Fund (CCEF) to the Highway User Revenue Fund (HURF) for distribution to all counties except Maricopa and Pima. In addition, the bill modifies statute so transfers to the General Fund occur when the fund's balance exceeds the amount on the effective date of the bill rather than when the Citizens Clean Election Commission (CCEC) determines current and projected expenses exceed the fund's expenditure limit.

Estimated Impact

We estimate that the bill would increase the amount of revenue deposited in HURF by \$4.8 million for distribution to the counties and a corresponding decrease to the CCEF of \$(4.8) million.

The General Fund would receive transfers of surplus monies when the fund balance exceeds the balance on the effective date of the bill. The balance of the fund as of March 2026 was \$23.6 million. We assume that CCEC will draw down this existing balance to pay for their expenses. As a result, we do not anticipate that the General Fund will receive any transfers.

CCEC currently expends \$8.0 million annually on average and would continue to receive \$2.2 million in non-traffic related revenue. The date by which the Commission would exhaust the reserve monies will depend on candidate participation and Commission expenditures. If the Commission maintains its average annual \$8 million in spending, the entire balance would be drawn down in approximately 4 years.

CCEC believes the bill language needs to be clarified prior to estimating the funding that would be transferred to HURF. CCEC also raised concerns about drawing down the balance in the CCEF.

Analysis

Our estimate assumes the following:

- 1) In FY 2025, the CCEF received \$6.4 million in revenue from the 10% surcharge on all civil and criminal fines and penalties. The Arizona Office of the Courts estimates that 75% of the revenue is generated from traffic-related civil and criminal cases. So, we assume that \$4.8 million (75%*6.4 million) would be diverted to HURF.
- 2) We estimate the Commission would receive \$2.2 million in annual revenue.

3/18/26