

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1515
(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 35-144, Arizona Revised Statutes, is amended to
3 read:

4 35-144. Budget stabilization fund; definitions

5 A. The budget stabilization fund is established consisting of
6 monies transferred from the state general fund pursuant to subsection B of
7 this section. The state treasurer shall administer the budget
8 stabilization fund, ~~and~~ invest and divest monies in the budget
9 stabilization fund as provided by sections 35-313 and 35-314.02, and
10 DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, monies earned from
11 investment ~~shall be credited to the budget stabilization fund IN THE~~
12 PUBLIC SAFETY PARITY FUND ESTABLISHED BY SECTION 41-1610.02, EXCEPT THAT
13 THE FIRST \$10,000,000 GENERATED ANNUALLY SHALL REMAIN IN THE BUDGET
14 STABILIZATION FUND. Except as provided by this section:

15 1. Monies in the budget stabilization fund are exempt from the
16 provisions of section 35-190 relating to the reversion of monies to the
17 state general fund.

18 2. The monies in the fund are separate monies to be used only for
19 the purposes of the fund.

20 3. An amount sufficient to pay claims certified by the state
21 forester pursuant to section 37-1305, subsection E, paragraph 4 is
22 continuously appropriated from the fund to the state treasurer for payment
23 of the certified claims. Not more than \$20,000,000 in unreimbursed claims
24 may be outstanding from the fund at any time from the monies appropriated
25 pursuant to this paragraph.

26 B. In a calendar year in which the annual growth rate exceeds the
27 trend growth rate, the excess growth when multiplied by total general fund
28 revenue of the fiscal year ending in the calendar year determines the
29 amount to be appropriated by the legislature to the budget stabilization
30 fund in the fiscal year in which the calendar year ends.

31 C. In a calendar year in which the annual growth rate is both less
32 than two percent and less than the trend growth rate, the difference
33 between the annual growth rate and the trend growth rate when multiplied
34 by the total general fund revenue of the fiscal year ending in the
35 calendar year determines the amount to be transferred by the legislature
36 from the budget stabilization fund to the state general fund at the end of
37 the fiscal year in which the calendar year ends. The transfer calculated
38 pursuant to this subsection shall not exceed the available balance in the
39 budget stabilization fund, nor shall the legislature transfer an amount

1 that exceeds the amount sufficient to balance the state general fund
2 budget.

3 D. The legislature shall pass a bill that contains the emergency
4 clause if the legislature either:

5 1. Reduces the amount for appropriation to the budget stabilization
6 fund under subsection B of this section.

7 2. Increases the amount for transfer to the state general fund
8 under subsection C of this section.

9 E. The annual budget recommendations of the governor and the joint
10 legislative budget committee shall include estimates of appropriations or
11 transfers required under subsection B or C of this section.

12 F. A final determination of the amount to be appropriated to or
13 transferred from the budget stabilization fund shall be made using
14 personal income and price deflator estimates as reported in the second
15 calendar quarter for the preceding calendar year. The economic estimates
16 commission shall determine the annual growth rate, the trend growth rate
17 and the required appropriation to or transfer from the budget
18 stabilization fund at its first meeting following the second calendar
19 quarter report of the United States department of commerce, but not later
20 than June 1. The commission shall certify and report its findings to the
21 governor, the state treasurer, the president of the senate, the speaker of
22 the house of representatives and the joint legislative budget committee.

23 G. The appropriation calculated pursuant to subsection B of this
24 section may be included in the general appropriations bill for that fiscal
25 year. Any additional appropriation calculated pursuant to subsection F of
26 this section shall be made by a separate act.

27 H. At the end of a fiscal year, the budget stabilization fund
28 balance shall not exceed ten percent of state general fund revenue for the
29 fiscal year. Any surplus monies above ten percent shall be transferred by
30 the state treasurer to the state general fund.

31 I. The state treasurer may temporarily divest monies in the budget
32 stabilization fund to avoid a negative cash balance in operating
33 monies. The amount divested shall not exceed the amount required to meet
34 immediate cash needs. The state treasurer may divest monies in the budget
35 stabilization fund only when the state general fund has a negative cash
36 balance.

37 J. For the purposes of this section:

38 1. "Adjusted personal income" means personal income minus transfer
39 payments, as reported by the United States department of commerce, bureau
40 of economic analysis, or its successor agency.

41 2. "Annual growth rate" means the percentage change in real
42 adjusted personal income in the calendar year ending during a fiscal year
43 as compared to real adjusted personal income for the preceding calendar
44 year. The annual growth rate shall be rounded to the nearest
45 one-hundredth of one percent.

46 3. "GDP price deflator" means the gross domestic product price
47 deflator reported by the United States department of commerce, bureau of
48 economic analysis, or its successor agency.

1 4. "Personal income" means the total personal income of all persons
2 in this state reported by the United States department of commerce, bureau
3 of economic analysis, or its successor agency.

4 5. "Real adjusted personal income" means an amount that is
5 determined by dividing adjusted personal income by the GDP price deflator
6 and multiplying the result by one hundred.

7 6. "Transfer payments" means that portion of personal income that
8 represents a government expenditure for which no service is rendered or
9 product is delivered, as determined by the United States department of
10 commerce, bureau of economic analysis, or its successor agency.

11 7. "Trend growth rate" means the average annual growth rate for the
12 most recent seven calendar years, rounded to the nearest one-hundredth of
13 one percent.

14 Sec. 2. Title 41, chapter 11, article 1, Arizona Revised Statutes,
15 is amended by adding section 41-1610.02, to read:

16 41-1610.02. Public safety parity fund

17 A. THE PUBLIC SAFETY PARITY FUND IS ESTABLISHED TO PROVIDE
18 RETENTION PAY AND BENEFITS FOR EMPLOYEES FROM THE DEPARTMENT OF PUBLIC
19 SAFETY AND THE STATE DEPARTMENT OF CORRECTIONS. THE FUND CONSISTS OF
20 MONIES EARNED FROM INVESTMENT FROM THE BUDGET STABILIZATION FUND
21 ESTABLISHED BY SECTION 35-144. THE STATE DEPARTMENT OF CORRECTIONS SHALL
22 ADMINISTER THE FUND. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE
23 APPROPRIATION.

24 B. BEGINNING JUNE 30, 2027 AND EACH FISCAL YEAR THEREAFTER, THE
25 STATE DEPARTMENT OF CORRECTIONS SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146
26 AND 35-147, FORTY PERCENT OF THE MONIES DEPOSITED IN THE PUBLIC SAFETY
27 PARITY FUND ESTABLISHED BY THIS SECTION IN THE PARITY COMPENSATION FUND
28 ESTABLISHED BY SECTION 41-1720.

29 C. IN DETERMINING THE AMOUNT OF THE EXPENDITURES FROM THE FUND, THE
30 STATE DEPARTMENT OF CORRECTIONS SHALL ANNUALLY ESTABLISH AND CONSIDER
31 BENCHMARKS BASED ON THE AVERAGE TOTAL COMPENSATION FOR EACH COMPARABLE
32 CORRECTIONS PERSONNEL RANK OF THE TWO LARGEST COUNTY JAILS IN THIS STATE
33 AND THE TWO LARGEST PRIVATE PRISONS IN THIS STATE.

34 D. THE STATE DEPARTMENT OF CORRECTIONS SHALL DISTRIBUTE THE MONIES
35 IN THE FUND ON JULY 1 AND DECEMBER 31 EACH YEAR. THE STATE DEPARTMENT OF
36 CORRECTIONS MAY PROVIDE A RETENTION BONUS TO DEPARTMENT EMPLOYEES OF NOT
37 MORE THAN THREE PERCENT FROM FUND MONIES.

38 Sec. 3. Section 41-1720, Arizona Revised Statutes, is amended to
39 read:

40 41-1720. Parity compensation fund

41 A. The parity compensation fund is established consisting of monies
42 deposited pursuant to ~~section~~ SECTIONS 28-5808 AND 41-1610.02 and monies
43 appropriated by the legislature. The department shall administer the fund
44 and, considering state revenues and state employee pay adjustments, ~~. The~~
45 ~~department~~ shall spend monies from the fund TO PROVIDE RETENTION PAY AND
46 BENEFITS FOR EMPLOYEES FROM THE DEPARTMENT AND for salaries and benefits
47 for law enforcement personnel that the department determines will enhance
48 the ability of the department to successfully recruit and retain qualified
49 law enforcement personnel. In determining the amount of the expenditures

1 from the fund, the department shall annually establish and consider
2 benchmarks based on the average total compensation for each comparable law
3 enforcement personnel rank of the department's three largest county or
4 municipal peer law enforcement agencies in this state. For the purposes
5 of this subsection, "total compensation" includes base salary, educational
6 incentive pay, physical performance pay, longevity pay and retirement
7 contributions made by an employer on behalf of an employee.

8 B. On notice from the department, the state treasurer shall invest
9 and divest monies in the fund as provided by section 35-313, and monies
10 earned from investment shall be credited to the fund.

11 C. Fund monies:

12 1. Do not revert to the state general fund.

13 2. Are exempt from the provisions of section 35-190 relating to
14 lapsing of appropriations.

15 3. Are subject to legislative appropriation.

16 D. THE DEPARTMENT MAY PROVIDE A RETENTION BONUS TO DEPARTMENT
17 EMPLOYEES OF NOT MORE THAN THREE PERCENT FROM MONIES DEPOSITED IN THE FUND
18 PURSUANT TO SECTION 41-1610.02."

19 Amend title to conform

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