

COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE AND RETIREMENT

SENATE AMENDMENTS TO H.B. 2348

(Reference to House engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 35-142, Arizona Revised Statutes, is amended to  
3 read:

4 35-142. Monies kept in funds separate from state general fund;  
5 receipt and withdrawal

6 A. All monies received for and belonging to the state shall be  
7 deposited ~~in~~ WITH the state ~~treasury~~ TREASURER and credited to the state  
8 general fund except the following, which shall be placed and retained in  
9 separate funds:

10 1. The unexpendable principal of monies received from federal land  
11 grants shall be placed in separate funds and the account of each such  
12 separate fund shall bear a title indicating the source and the institution or  
13 purpose to which such fund belongs.

14 2. The interest, rentals and other expendable money received as income  
15 from federal land grants shall be placed in separate accounts, each account  
16 bearing a title indicating the source and the institution or purpose to which  
17 the fund belongs. Such expendable monies shall be expended only as  
18 authorized, regulated and controlled by the general appropriation act or  
19 other act of the legislature.

20 3. All private or quasi-private monies authorized by law to be paid to  
21 or held by the state treasurer shall be placed in separate accounts, each  
22 account bearing a title indicating the source and purpose of such fund.

23 4. All monies legally pledged to retirement of building indebtedness  
24 or bonds issued by those institutions authorized to incur such indebtedness  
25 or to issue such bonds shall be placed in separate accounts.

1           5. Monies of a multi-county water conservation district authorized by  
2 law to be paid to or held by the state treasurer shall be placed in separate  
3 accounts, each account bearing a title indicating the source and purpose of  
4 such fund.

5           6. All monies collected by the Arizona game and fish department shall  
6 be deposited in a special fund known as the state game and fish protection  
7 fund for the use of the Arizona game and fish commission in carrying out the  
8 provisions of title 17.

9           7. All federal monies that are received by the department of economic  
10 security for family assistance benefits and medical eligibility as a result  
11 of efficiencies developed by the department of economic security and that  
12 would otherwise revert to the state general fund pursuant to section 35-190  
13 shall be retained for use by the department of economic security in  
14 accordance with the terms and conditions imposed by the federal funding  
15 source in an account or accounts established or authorized by the state  
16 treasurer.

17           8. Monies designated by law as special state funds shall not be  
18 considered a part of the general fund. Unless otherwise prescribed by law,  
19 the state treasurer shall be the custodian of all such funds.

20           9. All monies received and any accounts established and maintained by  
21 the director of the Arizona state retirement system or the fund manager of  
22 the public safety personnel retirement system, the corrections officer  
23 retirement plan and the elected officials' retirement plan.

24           B. No money shall be received or held by the state treasurer except as  
25 authorized by law, and in every instance the treasurer shall issue a receipt  
26 for money received and shall record the transaction in the statewide  
27 accounting system. No money shall be withdrawn from the ~~treasury~~ STATE  
28 TREASURER except upon the PRESENTATION OF A VALID warrant or electronic funds  
29 transfer ~~voucher of~~ ISSUED BY the department of administration.

30           C. All federal monies granted and paid to the state by the federal  
31 government shall be accounted for in the accounts or funds of the state in  
32 the necessary detail to meet federal and state accounting, budgetary and

1 auditing requirements, and all appropriations for matching such federal  
2 monies shall be transferred from the general fund to such separate funds as  
3 needed, except as otherwise required by the federal government.

4 D. Nothing in this section requires the establishment of separate  
5 accounts or funds for such federal monies unless otherwise required by  
6 federal or state law. The department of administration has the authority to  
7 use the most efficient system of accounts and records, consistent with legal  
8 requirements and standard and necessary fiscal safeguards.

9 E. Nothing in this section precludes the creation by the department of  
10 administration of a clearing account or other acceptable accounting method to  
11 effect prompt payment of claims from an approved budget or appropriation.  
12 The department of administration shall report each account or fund  
13 established or cancelled to the directors of the joint legislative budget  
14 committee and the governor's office of strategic planning and budgeting.

15 F. Nothing in this section or any other section precludes the use of  
16 monies kept in funds separate from the general fund, the interest from which  
17 accrues to the general fund, for payment of claims against the general fund,  
18 provided sufficient monies remain available for payment of claims against  
19 such funds.

20 G. The department of administration may issue warrants for qualified  
21 expenditures of federal program monies before they are deposited ~~in~~ WITH the  
22 state ~~treasury~~ TREASURER. The receipt of federal monies shall be timed to  
23 coincide, as closely as administratively feasible, with the redemption of  
24 warrants by the state treasurer. The department of administration shall  
25 limit expenditures to the amount that has been made available for the use  
26 under the grant award by the federal government. The state agency initiating  
27 the expenditures is responsible for ensuring that expenditures qualify for  
28 coverage under the guidelines of the federal grant award.

29 H. The department of administration shall establish the policies and  
30 procedures for all state agencies for drawing federal monies. When the  
31 established method results in federal monies being held by this state, the  
32 department of administration may use the interest earned on the monies to pay

1 the federal government for any related interest liability. If an interest  
2 liability is incurred due to a state agency varying from the established  
3 policies and procedures, the department of administration shall charge the  
4 appropriate agency account or fund. Interest payment charges to agencies  
5 shall be reported by the department of administration to the joint  
6 legislative budget committee on or before March 1. Any federal interest  
7 liability owed to this state as a result of the delayed federal disbursements  
8 shall be used to offset this state's interest liability to the federal  
9 government. Any remaining interest earnings shall be deposited in the state  
10 general fund.

11 I. Any state agency or authorized agent of a state agency may accept  
12 credit cards pursuant to an agreement entered into by the state treasurer  
13 pursuant to section 35-315 for the payment of any amount due to that agency  
14 or agent or this state.

15 J. Except for the department of revenue for tax payments, agencies or  
16 authorized agents on behalf of state agencies that accept credit cards shall  
17 deduct any applicable discount fee and processing fee associated with the  
18 transaction amount before depositing the net amount in the appropriate state  
19 fund. No other reduction is permitted against the transaction amount. The  
20 net amount deposited in the appropriate state fund shall be considered as the  
21 full deposit required by law of monies received by the agency or the  
22 authorized agent. Payment of any applicable discount fee and processing fee  
23 shall be accounted for in the annual report submitted to the governor's  
24 office of strategic planning and budgeting in accordance with section  
25 41-1273. The transaction amount of any credit card transaction shall not be  
26 reduced by any discount fee or processing fee in an amount in excess of the  
27 merchant card settlement fees reflected in the state banking contract with  
28 the state treasurer's office.

29 K. Any state agency that contracts with an authorized agent for the  
30 electronic processing of transactions pursuant to title 41, chapter 23 may  
31 include a provision in the contract to allow the authorized agent to impose a

1 convenience fee. If allowed, the convenience fee shall be charged to the  
2 cardholder in addition to the transaction amount, except for the following:

3 1. Except as provided in subsection R of this section, any permits,  
4 licenses or other authorizations needed to pursue a trade or occupation in  
5 this state.

6 2. Except as provided in subsection R of this section, any permits,  
7 licenses or other authorizations needed to establish, expand or operate a  
8 business in this state.

9 3. Except as provided in subsection R of this section, any permits,  
10 licenses or other authorizations needed to register a vehicle or license a  
11 driver in this state.

12 L. Each state agency or its authorized agent shall:

13 1. Deduct the amount of the convenience fee before depositing the  
14 transaction amount or the transaction amount reduced by the discount fee or  
15 the processing fee, or both, into the appropriate state fund.

16 2. Not deduct any part of the convenience fee from the transaction  
17 amount before depositing the net amount into the appropriate state fund.

18 3. Deduct the amount of the discount fee or the processing fee, or  
19 both, from the transaction amount before depositing the net amount into the  
20 appropriate state fund.

21 M. The net amount deposited in the appropriate state fund pursuant to  
22 subsection K or subsection L of this section shall be considered as the full  
23 deposit of monies that is required by law and that is received by the agency.

24 N. Notwithstanding section 35-142.01, convenience fees received by a  
25 state agency or its authorized agent are limited to, and may be used to  
26 offset, the costs imposed by the authorized agent in processing the  
27 transactions.

28 O. When the percentage of electronic transactions first exceeds at  
29 least thirty per cent of a state agency's total transactions, the state  
30 agency shall perform a cost benefit report, including costs of convenience  
31 fees, the amount of revenue generated and any realized cost savings. The  
32 state agency shall submit the cost benefit report to the joint legislative

1 budget committee within six months after reaching the thirty per cent  
2 threshold.

3 P. State agencies shall report the number of transactions, the number  
4 of electronic transactions, the total dollar amount of transactions  
5 processed, the total dollar amount of any discount fee, the total dollar  
6 amount of any processing fee and the total dollar amount of any convenience  
7 fee charged, deducted or paid pursuant to subsections J and K of this section  
8 annually by October 1 to the governor, the government information technology  
9 agency and the joint legislative budget committee.

10 Q. Nothing in this section or any other provision of law authorizes  
11 any state agency, authorized agent of any state agency or budget unit to  
12 establish a bank account for any government monies. All monies received by  
13 or on behalf of this state shall be deposited with and in the custody of the  
14 state treasurer or in an account that is authorized by the state treasurer  
15 pursuant to this section. This subsection does not apply to monies received  
16 and any accounts established and maintained by the director of the Arizona  
17 state retirement system or the fund manager of the public safety personnel  
18 retirement system, the corrections officer retirement plan and the elected  
19 officials' retirement plan.

20 R. If a state agency provides an alternative method of payment, the  
21 convenience fee may be charged to the cardholder in addition to the  
22 transaction amount."

23 Amend title to conform

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