

COURT SUBSTITUTE FLOOR AMENDMENT

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1213

I move the following SUBSTITUTE Floor Amendment to the HIGHER EDUCATION, INNOVATION AND REFORM Committee Amendment to SENATE BILL 1213 (Reference to Senate engrossed bill)

1 Page 2, line 14, after "districts" insert "THAT ARE ORGANIZED PURSUANT TO THIS
2 SECTION"

3 Line 24, before "A" insert:

4 "A."

5 Line 44, after the period, strike remainder of line; strike line 45

6 Page 3, strike lines 1 through 5, insert:

7 "6. NOTWITHSTANDING SECTION 42-17056, AFTER THE GOVERNING BOARD OF THE
8 PROVISIONAL COMMUNITY COLLEGE DISTRICT ADOPTS A RESOLUTION PURSUANT TO
9 PARAGRAPH 5 OF THIS SECTION, THE GOVERNING BOARD MAY CALL AN ELECTION ON A
10 GENERAL ELECTION DATE OF THE BOARD'S CHOICE TO SEEK VOTER APPROVAL TO
11 INCREASE THE PRIMARY PROPERTY TAX LEVY FOR THE PROVISIONAL COMMUNITY COLLEGE
12 DISTRICT. IF A MAJORITY OF THE QUALIFIED ELECTORS VOTING:

13 (a) APPROVE THE PROPOSED LEVY AMOUNT, THE LEVY APPLICABLE FOR THE
14 DISTRICT FOR THE NEXT TAX YEAR SHALL NOT EXCEED THE APPROVED AMOUNT AND THE
15 GOVERNING BOARD SHALL NOT SEEK VOTER APPROVAL TO INCREASE THE PRIMARY
16 PROPERTY TAX LEVY IN ANY SUBSEQUENT YEAR.

17 (b) DISAPPROVE THE PROPOSED LEVY AMOUNT, THE DISTRICT SHALL LEVY A
18 PRIMARY PROPERTY TAX BASED ON THE PREVIOUSLY AUTHORIZED LEVY."

19 Renumber to conform

20 Between lines 9 and 10, insert:

21 "B. A COMMUNITY COLLEGE DISTRICT ESTABLISHED PURSUANT TO THIS SECTION
22 SHALL MAINTAIN A REGIONAL ACCREDITATION AND OVERSIGHT RELATIONSHIP WITH
23 ANOTHER COMMUNITY COLLEGE DISTRICT UNTIL THE DISTRICT HAS ACHIEVED INITIAL
24 CANDIDACY STATUS FROM A REGIONAL ACCREDITING AGENCY RECOGNIZED BY THE UNITED
25 STATES DEPARTMENT OF EDUCATION OR BY THE COUNCIL ON POSTSECONDARY
26 ACCREDITATION."

27 Page 6, between lines 12 and 13, insert:

28 "Sec. 7. Section 15-1468, Arizona Revised Statutes, is amended to
29 read:

30 15-1468. Equalization aid for community college districts

31 A. Subject to legislative appropriation, any district THAT IS
32 ORGANIZED PURSUANT TO SECTION 15-1402 that has less than the amount of
33 primary assessed valuation prescribed in section 15-1402 shall be paid by
34 this state an amount equal to the following:

1 subsection E, paragraph 3 to each district in accordance with the method
2 prescribed in subsection D, paragraph 2 of this section.

3 D. Revenues authorized for community college districts in section
4 42-5029, subsection E, paragraph 3 shall be distributed by the state in the
5 following manner:

6 1. For thirteen fiscal years beginning in fiscal year 2001-2002 the
7 state treasurer shall allocate one million dollars per fiscal year for the
8 purpose of bringing this state into compliance with the matching capital
9 requirements prescribed in section 15-1463. The state treasurer shall
10 distribute the monies authorized in this subsection to each district in the
11 order in which each campus qualified for funding pursuant to section 15-1463.

12 2. After the monies have been paid each year to the eligible ~~district~~
13 **DISTRICTS** pursuant to paragraph 1 of this subsection, the state treasurer
14 shall distribute monies from the workforce development fund to each community
15 college district in the following manner:

16 (a) Each district shall receive the sum of two hundred thousand
17 dollars.

18 (b) After each district has received the payments prescribed in
19 subdivision (a), the remainder of monies in the fund shall be distributed to
20 each district according to each district's full-time equivalent student
21 enrollment percentage of the total ~~state-wide~~ **STATEWIDE** audited full-time
22 equivalent student enrollment in the preceding fiscal year prescribed in
23 section 15-1466.01. The percentage distribution under this subdivision shall
24 be adjusted annually on October 1 of each year. **FOR THE PURPOSES OF THIS**
25 **SUBDIVISION, THE FOLLOWING DISTRIBUTION PROCEDURES APPLY:**

26 (i) **IF A COMMUNITY COLLEGE DISTRICT ESTABLISHED PURSUANT TO SECTION**
27 **15-1402.01 CONTRACTS WITH ANOTHER COMMUNITY COLLEGE DISTRICT PURSUANT TO**
28 **SECTION 15-1402.01, SUBSECTION B, THE FULL-TIME EQUIVALENT STUDENT ENROLLMENT**
29 **OF THAT DISTRICT SHALL BE ADDED TO THE FULL-TIME EQUIVALENT STUDENT**
30 **ENROLLMENT OF THE OTHER COMMUNITY COLLEGE DISTRICT THAT CONTRACTS WITH THAT**
31 **DISTRICT PURSUANT TO SECTION 15-1402.01, SUBSECTION B, AND THAT PORTION OF**
32 **THE MONIES DISTRIBUTED UNDER THIS SUBDIVISION TO THE OTHER COMMUNITY COLLEGE**
33 **DISTRICT SHALL BE USED TO PROVIDE SERVICES TO STUDENTS ENROLLED IN THE**
34 **COMMUNITY COLLEGE DISTRICT ESTABLISHED PURSUANT TO SECTION 15-1402.01 AS**
35 **APPROVED BY THAT DISTRICT'S GOVERNING BOARD AS PART OF THE ANNUAL BUDGET**
36 **PROCESS PURSUANT TO SECTION 15-1461.**

37 (ii) **IF A COMMUNITY COLLEGE DISTRICT ESTABLISHED PURSUANT TO SECTION**
38 **15-1402.01 IS NO LONGER REQUIRED TO CONTRACT WITH ANOTHER COMMUNITY COLLEGE**
39 **DISTRICT PURSUANT TO SECTION 15-1402.01, SUBSECTION B, THAT COMMUNITY COLLEGE**

1 DISTRICT SHALL RECEIVE MONIES AS PROVIDED IN THIS SUBDIVISION ACCORDING TO
2 ITS FULL-TIME EQUIVALENT STUDENT ENROLLMENT.

3 E. Revenues received by community college districts shall not be used
4 by the legislature to supplant or reduce any state aid authorized in this
5 chapter or supplant any proceeds from the sale of bonds authorized in this
6 article and article 5 of this chapter.

7 F. Monies received under this section shall not be considered to be
8 local revenues for purposes of article IX, section 21, Constitution of
9 Arizona.

10 G. Each community college district shall submit a workforce
11 development plan by April 1 of each year to the department of commerce. The
12 plan shall outline the purpose and goals for which workforce development
13 monies are to be expended by the district.

14 H. Each community college district or community college that is owned,
15 operated or chartered by a qualifying Indian tribe on its own Indian
16 reservation shall submit a report once every two years of its workforce
17 development plan activities and the expenditures authorized in this section
18 to the governor, president of the senate, speaker of the house of
19 representatives, joint legislative budget committee and department of
20 commerce by December 1 of every even-numbered year. The report shall include
21 the purpose and goals for which the workforce development monies were
22 expended by each district or community college together with a general
23 accounting of the expenditures authorized in subsection B of this section. A
24 copy of the final report shall also be provided to the secretary of state ~~and~~
25 ~~the director of the Arizona state library, archives and public records.~~ For
26 the purposes of this subsection, "qualifying Indian tribe" has the same
27 meaning prescribed in section 42-5031.01."

28 Renumber to conform

29 Page 10, after line 11, insert:

30 "Sec. 12. Section 42-5029, Arizona Revised Statutes, is amended to
31 read:

32 42-5029. Remission and distribution of monies; definition

33 A. The department shall deposit, pursuant to sections 35-146 and
34 35-147, all revenues collected under this article and articles 4, 5 and 8 of
35 this chapter pursuant to section 42-1116, separately accounting for:

- 36 1. Payments of estimated tax under section 42-5014, subsection D.
- 37 2. Revenues collected pursuant to section 42-5070.

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

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

3 B. The department shall credit payments of estimated tax to an
4 estimated tax clearing account and each month shall transfer all monies in
5 the estimated tax clearing account to a fund designated as the transaction
6 privilege and severance tax clearing account. The department shall credit
7 all other payments to the transaction privilege and severance tax clearing
8 account, separately accounting for the monies designated as distribution base
9 under sections 42-5010, 42-5164, 42-5205 and 42-5353. Each month the
10 department shall report to the state treasurer the amount of monies collected
11 pursuant to this article and articles 4, 5 and 8 of this chapter.

12 C. On notification by the department, the state treasurer shall
13 distribute the monies deposited in the transaction privilege and severance
14 tax clearing account in the manner prescribed by this section and by sections
15 42-5164, 42-5205 and 42-5353, after deducting warrants drawn against the
16 account pursuant to sections 42-1118 and 42-1254.

17 D. Of the monies designated as distribution base the department shall:

18 1. Pay twenty-five per cent to the various incorporated municipalities
19 in this state in proportion to their population to be used by the
20 municipalities for any municipal purpose.

21 2. Pay 38.08 per cent to the counties in this state by averaging the
22 following proportions:

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

25 (b) The proportion that the distribution base monies collected during
26 the calendar month in each county under this article, section 42-5164,
27 subsection B, section 42-5205, subsection B and section 42-5353 bear to the
28 total distribution base monies collected under this article, section 42-5164,
29 subsection B, section 42-5205, subsection B and section 42-5353 throughout
30 the state for the calendar month.

31 3. Pay an additional 2.43 per cent to the counties in this state as
32 follows:

33 (a) Average the following proportions:

34 (i) The proportion that the assessed valuation used to determine
35 secondary property taxes of each county, after deducting that part of the
36 assessed valuation that is exempt from taxation at the beginning of the month
37 for which the amount is to be paid, bears to the total assessed valuations
38 used to determine secondary property taxes of all the counties after
39 deducting that portion of the assessed valuations that is exempt from
40 taxation at the beginning of the month for which the amount is to be paid.

1 Property of a city or town that is not within or contiguous to the municipal
2 corporate boundaries and from which water is or may be withdrawn or diverted
3 and transported for use on other property is considered to be taxable
4 property in the county for purposes of determining assessed valuation in the
5 county under this item.

6 (ii) The proportion that the distribution base monies collected during
7 the calendar month in each county under this article, section 42-5164,
8 subsection B, section 42-5205, subsection B and section 42-5353 bear to the
9 total distribution base monies collected under this article, section 42-5164,
10 subsection B, section 42-5205, subsection B and section 42-5353 throughout
11 the state for the calendar month.

12 (b) If the proportion computed under subdivision (a) of this paragraph
13 for any county is greater than the proportion computed under paragraph 2 of
14 this subsection, the department shall compute the difference between the
15 amount distributed to that county under paragraph 2 of this subsection and
16 the amount that would have been distributed under paragraph 2 of this
17 subsection using the proportion computed under subdivision (a) of this
18 paragraph and shall pay that difference to the county from the amount
19 available for distribution under this paragraph. Any monies remaining after
20 all payments under this subdivision shall be distributed among the counties
21 according to the proportions computed under paragraph 2 of this subsection.

22 4. After any distributions required by sections 42-5030, 42-5030.01,
23 42-5031, 42-5032 and 42-5032.01, and after making any transfer to the water
24 quality assurance revolving fund as required by section 49-282, subsection B,
25 credit the remainder of the monies designated as distribution base to the
26 state general fund. From this amount:

27 (a) The legislature shall annually appropriate to:

28 (i) The department of revenue sufficient monies to administer and
29 enforce this article and articles 5 and 8 of this chapter.

30 (ii) The department of economic security monies to be used for the
31 purposes stated in title 46, chapter 1.

32 (iii) The firearms safety and ranges fund established by section
33 17-273, fifty thousand dollars derived from the taxes collected from the
34 retail classification pursuant to section 42-5061 for the current fiscal
35 year.

36 (b) Subject to separate initial legislative authorization, each year
37 the state treasurer shall transfer to the tourism fund an amount equal to the
38 sum of the following:

1 (i) Three and one-half per cent of the gross revenues derived from the
2 transient lodging classification pursuant to section 42-5070 during the
3 preceding fiscal year.

4 (ii) Three per cent of the gross revenues derived from the amusement
5 classification pursuant to section 42-5073 during the preceding fiscal year.

6 (iii) Two per cent of the gross revenues derived from the restaurant
7 classification pursuant to section 42-5074 during the preceding fiscal year.

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

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

26 2. After any transfer of monies pursuant to paragraph 1 of this
27 subsection, twelve per cent of the remaining monies collected during the
28 preceding month shall be transferred to the technology and research
29 initiative fund established by section 15-1648 to be distributed among the
30 universities for the purpose of investment in technology and research-based
31 initiatives.

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

37 4. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
38 subsection, one-twelfth of the amount a community college that is owned,
39 operated or chartered by a qualifying Indian tribe on its own Indian
40 reservation would receive pursuant to section 15-1472, subsection D,

1 paragraph 2 if it were a community college district shall be distributed each
2 month to the treasurer or other designated depository of a qualifying Indian
3 tribe. Monies distributed pursuant to this paragraph are for the exclusive
4 purpose of providing support to one or more community colleges owned,
5 operated or chartered by a qualifying Indian tribe and shall be used in a
6 manner consistent with section 15-1472, subsection B. For the purposes of
7 this paragraph, "qualifying Indian tribe" has the same meaning as defined in
8 section 42-5031.01, subsection D.

9 5. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
10 subsection, one-twelfth of the following amounts shall be transferred each
11 month to the department of education for the increased cost of basic state
12 aid under section 15-971 due to added school days and associated teacher
13 salary increases enacted in 2000:

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

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

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

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

18 (e) In fiscal year 2005-2006 and each fiscal year thereafter,
19 \$86,280,500.

20 6. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
21 subsection, seven million eight hundred thousand dollars is appropriated each
22 fiscal year, to be paid in monthly installments, to the department of
23 education to be used for school safety as provided in section 15-154 and two
24 hundred thousand dollars is appropriated each fiscal year, to be paid in
25 monthly installments to the department of education to be used for the
26 character education matching grant program as provided in section 15-154.01.

27 7. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
28 subsection, no more than seven million dollars may be appropriated by the
29 legislature each fiscal year to the department of education to be used for
30 accountability purposes as described in section 15-241 and title 15, chapter
31 9, article 8.

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

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

1 10. After the payment of monies pursuant to paragraphs 1 through 9 of
2 this subsection, the remaining monies collected during the preceding month
3 shall be transferred to the classroom site fund established by section
4 15-977. The monies shall be allocated as follows in the manner prescribed by
5 section 15-977:

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

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

10 (c) Forty per cent shall be allocated for maintenance and operation
11 purposes.

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

15 G. Notwithstanding subsection D of this section, if a court of
16 competent jurisdiction finally determines that tax monies distributed under
17 this section were illegally collected under this article or articles 5 and 8
18 of this chapter and orders the monies to be refunded to the taxpayer, the
19 department shall compute the amount of such monies that was distributed to
20 each city, town and county under this section. The department shall notify
21 the state treasurer of that amount plus the proportionate share of additional
22 allocated costs required to be paid to the taxpayer. Each city's, town's and
23 county's proportionate share of the costs shall be based on the amount of the
24 original tax payment each municipality and county received. Each month the
25 state treasurer shall reduce the amount otherwise distributable to the city,
26 town and county under this section by one thirty-sixth of the total amount to
27 be recovered from the city, town or county until the total amount has been
28 recovered, but the monthly reduction for any city, town or county shall not
29 exceed ten per cent of the full monthly distribution to that entity. The
30 reduction shall begin for the first calendar month after the final
31 disposition of the case and shall continue until the total amount, including
32 interest and costs, has been recovered.

33 H. On receiving a certificate of default from the greater Arizona
34 development authority pursuant to section 41-1554.06 or 41-1554.07 and to the
35 extent not otherwise expressly prohibited by law, the state treasurer shall
36 withhold from the next succeeding distribution of monies pursuant to this
37 section due to the defaulting political subdivision the amount specified in
38 the certificate of default and immediately deposit the amount withheld in the
39 greater Arizona development authority revolving fund. The state treasurer
40 shall continue to withhold and deposit the monies until the greater Arizona

1 development authority certifies to the state treasurer that the default has
2 been cured. In no event may the state treasurer withhold any amount that the
3 defaulting political subdivision certifies to the state treasurer and the
4 authority as being necessary to make any required deposits then due for the
5 payment of principal and interest on bonds of the political subdivision that
6 were issued before the date of the loan repayment agreement or bonds and that
7 have been secured by a pledge of distributions made pursuant to this section.

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

13 J. Except as otherwise provided by this subsection, on notice from the
14 department of revenue pursuant to section 42-6010, subsection B, the state
15 treasurer shall withhold from the distribution of monies pursuant to this
16 section to the affected city or town the amount of the penalty for business
17 location municipal tax incentives provided by the city or town to a business
18 entity that locates a retail business facility in the city or town. The
19 state treasurer shall continue to withhold monies pursuant to this subsection
20 until the entire amount of the penalty has been withheld. The state
21 treasurer shall credit any monies withheld pursuant to this subsection to the
22 state general fund as provided by subsection D, paragraph 4 of this section.
23 The state treasurer shall not withhold any amount that the city or town
24 certifies to the department of revenue and the state treasurer as being
25 necessary to make any required deposits or payments for debt service on bonds
26 or other long-term obligations of the city or town that were issued or
27 incurred before the location incentives provided by the city or town.

28 K. On notice from the auditor general pursuant to section 9-626,
29 subsection D, the state treasurer shall withhold from the distribution of
30 monies pursuant to this section to the affected city the amount computed
31 pursuant to section 9-626, subsection D. The state treasurer shall continue
32 to withhold monies pursuant to this subsection until the entire amount
33 specified in the notice has been withheld. The state treasurer shall credit
34 any monies withheld pursuant to this subsection to the state general fund as
35 provided by subsection D, paragraph 4 of this section.

36 L. For the purposes of this section, "community college district"
37 means a community college district that is established pursuant to sections
38 15-1402 and 15-1403 and that is a political subdivision of this state **AND,**
39 **SUBJECT TO THE DISTRIBUTION PROCEDURES SPECIFIED IN SECTION 15-1472,**

1 SUBSECTION D, PARAGRAPH 2, SUBDIVISION (b), INCLUDES A COMMUNITY COLLEGE
2 DISTRICT ESTABLISHED PURSUANT TO SECTION 15-1402.01.

3 Sec. 13. Effective date

4 Sections 15-1472 and 42-5029, Arizona Revised Statutes, as amended by
5 this act, are effective from and after September 30, 2011."

6 Amend title to conform

STEVE COURT

1213-f3-court

4/13/11

6:24 PM

H:jmb