

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1616

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 9-602, Arizona Revised Statutes, is amended to read:

9-602. Fund operation

A. The Arizona convention center development fund consists of monies deposited pursuant to sections 42-5029 and 42-5030.

B. The state treasurer shall administer the fund. The state treasurer shall invest and divest monies in the fund as provided by section 35-313 as needed to facilitate distributions from the fund, and monies earned from investment shall be credited to the fund.

C. On or before August 1 of each year, the state treasurer shall distribute the amounts computed in subsection D of this section to each eligible city that has filed a certificate of completion of construction pursuant to section 9-622 for each eligible project under section 9-605.

D. The amount to be distributed pursuant to subsection C of this section shall be computed by dividing the total cost of the eligible project not funded from municipal sources as identified in the certificate of completion of construction filed pursuant to section 9-622 by three hundred million and multiplying the quotient by the following amounts:

1. In ~~the first~~ fiscal year 2009-2010, five million dollars.
2. In ~~the second~~ fiscal year 2010-2011, ten million dollars.
3. In ~~the third~~ fiscal year 2011-2012, ~~fifteen million~~ ZERO dollars.
4. In ~~the fourth~~ fiscal year 2012-2013, ~~twenty million dollars~~ \$5,595,000.

5. In ~~the fifth~~ fiscal ~~year and each of the next thirty fiscal years,~~
~~the amount distributed in the preceding fiscal year plus five hundred~~
~~thousand dollars, except that the amount distributed shall not exceed thirty~~

~~million dollars in any fiscal year~~ YEARS 2013-2014, 2014-2015, 2015-2016 AND 2016-2017, \$20,449,000.

6. IN FISCAL YEAR 2017-2018, \$22,499,000.

7. IN FISCAL YEAR 2018-2019, \$22,996,250.

8. IN FISCAL YEAR 2019-2020, \$23,499,950.

9. IN FISCAL YEAR 2020-2021, \$23,997,900.

10. IN FISCAL YEAR 2021-2022, \$24,498,450.

11. IN FISCAL YEAR 2022-2023, \$24,999,400.

12. IN FISCAL YEAR 2023-2024, \$25,498,550.

13. IN FISCAL YEAR 2024-2025, \$25,998,700.

14. IN FISCAL YEAR 2025-2026, \$26,497,375.

15. IN FISCAL YEAR 2026-2027, \$26,997,100.

16. IN FISCAL YEAR 2027-2028, \$27,495,125.

17. IN FISCAL YEAR 2028-2029, \$27,998,700.

18. IN FISCAL YEAR 2029-2030, \$28,499,525.

19. IN FISCAL YEAR 2030-2031, \$28,999,575.

20. IN FISCAL YEAR 2031-2032, \$29,495,550.

21. IN FISCAL YEAR 2032-2033, \$29,999,150.

22. IN FISCAL YEAR 2033-2034, \$29,996,250.

23. IN FISCAL YEAR 2034-2035, \$29,995,775.

24. IN FISCAL YEAR 2035-2036, \$29,999,975.

25. IN FISCAL YEAR 2036-2037, \$29,995,825.

26. IN FISCAL YEAR 2037-2038, \$29,995,850.

27. IN FISCAL YEAR 2038-2039, \$29,996,750.

28. IN FISCAL YEAR 2039-2040, \$29,995,225.

29. IN FISCAL YEAR 2040-2041, \$29,997,975.

30. IN FISCAL YEAR 2041-2042, \$29,996,150.

31. IN FISCAL YEAR 2042-2043, \$29,996,175.

32. IN FISCAL YEAR 2043-2044, \$29,998,925.

E. If sufficient distributions have been made to provide for all of the uses of the fund monies pursuant to section 9-603 for an eligible project, the chief financial officer of the eligible city shall certify to the state treasurer that no additional distributions are required for the project, and on receiving the certification the state treasurer shall make no further distributions to the city for that project.

F. After the distributions required by subsection C of this section, any monies remaining in the fund on receipt of the certification of

1 satisfaction of annual obligations pursuant to section 9-623, or on the first
2 Monday in August if a certificate of completion of construction has not been
3 previously filed pursuant to section 9-622, shall be transferred to the state
4 general fund.

5 Sec. 2. Section 28-5808, Arizona Revised Statutes, is amended to read:

6 28-5808. Vehicle license tax distribution

7 A. Except as provided in subsection D of this section, the director
8 shall distribute monies collected by the director pursuant to section
9 28-5801, except monies deposited in the state general fund, on the first and
10 fifteenth calendar day of each month as follows:

11 1. On the first calendar day, the director shall deposit, pursuant to
12 sections 35-146 and 35-147, all of the Arizona highway user revenue fund
13 monies received from the first through the fifteenth calendar day of the
14 preceding month in the Arizona highway user revenue fund, except that on the
15 first calendar day the director shall deposit, pursuant to sections 35-146
16 and 35-147, in the parity compensation fund established by section 41-1720,
17 1.51 per cent of the portion of vehicle license tax revenues that otherwise
18 would be deposited in the state highway fund from the first through the
19 fifteenth calendar day of the preceding month.

20 2. On the fifteenth calendar day, the director shall deposit, pursuant
21 to sections 35-146 and 35-147, all of the Arizona highway user revenue fund
22 monies received from the sixteenth through the last day of the preceding
23 month in the Arizona highway user revenue fund, except that on the fifteenth
24 calendar day, the director shall deposit, pursuant to sections 35-146 and
25 35-147, in the parity compensation fund established by section 41-1720, 1.51
26 per cent of the portion of vehicle license tax revenues that otherwise would
27 be deposited in the state highway fund from the sixteenth through the last
28 day of the preceding month. On the fifteenth calendar day, the director
29 shall distribute or deposit all other monies received during the entire
30 preceding month as follows:

31 (a) The county general fund monies to the county general fund.

32 (b) The county transportation monies to the state treasurer to be
33 apportioned among the counties for any purposes related to transportation, as
34 determined by the board of supervisors, on the basis that the population of
35 the unincorporated area of each county bears to the population of the
36 unincorporated areas of all counties in this state.

1 (c) The incorporated cities and towns monies to the incorporated
2 cities and towns of the county in proportion to the population of each.

3 3. The deposit of the monies in the parity compensation fund pursuant
4 to paragraphs 1 and 2 of this subsection shall not impact the distribution of
5 vehicle license tax revenues to the state general fund and to cities, towns
6 and counties pursuant to this section.

7 B. The director shall distribute monies collected by the director
8 pursuant to sections 28-5804, 28-5805, 28-5806 and 28-5810, except monies
9 deposited in the state general fund, on the first and fifteenth calendar day
10 of each month as follows:

11 1. On the first calendar day, the director shall deposit, pursuant to
12 sections 35-146 and 35-147, 37.61 per cent of all monies received from the
13 first through the fifteenth calendar day of the preceding month in the
14 highway user revenue fund.

15 2. On the fifteenth calendar day, the director shall deposit, pursuant
16 to sections 35-146 and 35-147, 37.61 per cent of all monies received from the
17 sixteenth through the last day of the preceding month in the highway user
18 revenue fund and distribute or deposit the following amounts as a percentage
19 of all monies received pursuant to sections 28-5804, 28-5805, 28-5806 and
20 28-5810 during the entire preceding month as follows:

21 (a) 20.45 per cent to the county general fund.

22 (b) 4.91 per cent to the state treasurer to be apportioned among the
23 counties for any purposes related to transportation, as determined by the
24 board of supervisors, on the basis that the population of the unincorporated
25 area of each county bears to the population of the unincorporated areas of
26 all counties in this state.

27 (c) 20.45 per cent to the incorporated cities and towns of the county
28 in proportion to the population of each.

29 (d) 1.64 per cent, pursuant to sections 35-146 and 35-147, in the
30 state highway fund established by section 28-6991.

31 (e) 4.09 per cent in the state highway fund established by section
32 28-6991.

33 (f) 10.85 per cent, pursuant to sections 35-146 and 35-147, in the
34 state general fund to aid school financial assistance.

35 C. For purposes of this section the population of a county, city or
36 town shall be determined as provided by section 28-6532 or 42-5033.01. If an

1 incorporated city or town has had no federal enumeration of population, the
2 supervisors shall both:

3 1. Appoint a qualified person to take an accurate census of the
4 incorporated city or town.

5 2. Certify the results to the county treasurer, and the incorporated
6 city or town shall share in the distribution as provided by this section.

7 D. On the fifteenth calendar day of each month, the director shall
8 transfer to the state general fund from the portion of vehicle license tax
9 revenues that otherwise would be deposited in the state highway fund pursuant
10 to section 28-6538, subsection A, paragraph 1, ~~the~~ the following amounts:

11 1. An amount equal to ninety per cent of the fees collected pursuant
12 to section 28-4802, subsection A in the preceding month.

13 2. An amount equal to sixty per cent of the fees collected pursuant to
14 section 28-4802, subsection B in the preceding month.

15 E. ON THE FIFTEENTH CALENDAR DAY OF EACH MONTH, THE DIRECTOR SHALL
16 TRANSFER TO THE STATE GENERAL FUND FROM THE PORTION OF VEHICLE LICENSE TAX
17 REVENUES THAT OTHERWISE WOULD BE DEPOSITED IN THE STATE HIGHWAY FUND PURSUANT
18 TO SECTION 28-6538, SUBSECTION A, PARAGRAPH 1 THE DIFFERENCE BETWEEN THE
19 ACTUAL AMOUNT OF THE VEHICLE LICENSE TAX REVENUE COLLECTED AS A RESULT OF
20 REGISTRATION OF VEHICLES PURSUANT TO SECTION 28-2159 IN THE PRECEDING MONTH
21 FOR A FIVE-YEAR REGISTRATION PERIOD AND THE AMOUNT THAT WOULD HAVE BEEN
22 COLLECTED IF THOSE SAME VEHICLES HAD BEEN REGISTERED FOR A TWO-YEAR VEHICLE
23 REGISTRATION PERIOD.

24 Sec. 3. Title 30, chapter 4, article 1, Arizona Revised Statutes, is
25 amended by adding section 30-658, to read:

26 30-658. Radiation regulatory fee fund; exemption

27 THE RADIATION REGULATORY FEE FUND IS ESTABLISHED CONSISTING OF FEES
28 DIRECTED BY LAW TO BE DEPOSITED IN THE FUND. THE AGENCY SHALL ADMINISTER THE
29 FUND. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION. MONIES
30 IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO
31 LAPSING OF APPROPRIATIONS.

32 Sec. 4. Section 41-3907, Arizona Revised Statutes, is amended to read:

33 41-3907. Authority funds; transfer of excess monies to Arizona
34 department of housing

35 A. If the board issues bonds under this article, the board shall
36 establish such separate funds as specified in the resolution necessary to
37 secure the bonds and accomplish the objectives of a bond issue. Any fund the

1 board establishes may contain bond proceeds and other monies designated to be
2 deposited in a bond fund by this chapter.

3 B. If the board establishes a mortgage credit certificate program, the
4 board shall establish such separate funds as specified in the resolution
5 necessary to accomplish the objectives of the certificate program. The funds
6 may consist of fees and costs collected in the certificate program and any
7 other monies designated to be deposited in the fund.

8 C. The board may provide for the irrevocable transfer of surplus
9 monies in bond funds and the certificate fund to the SERIOUSLY MENTALLY ILL
10 housing trust fund established by section ~~41-3955~~ 41-3955.01 or the Arizona
11 department of housing program fund established by section 41-3957 to repay
12 any amounts previously transferred from the Arizona department of housing to
13 the authority.

14 Sec. 5. Section 41-3955, Arizona Revised Statutes, is amended to read:

15 41-3955. Housing trust fund; purpose

16 A. The housing trust fund is established, and the director shall
17 administer the fund. The fund consists of monies from unclaimed property
18 deposited in the fund pursuant to section 44-313 and investment earnings
19 RECEIVED THROUGH JULY 31, 2011 FOR FISCAL YEAR 2010-2011.

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

23 C. Fund monies shall be spent on approval of the department for
24 developing projects and programs connected with providing housing
25 opportunities for low and moderate income households and for housing
26 affordability and Arizona housing finance authority programs. Pursuant to
27 section 44-313, subsection A, a portion of fund monies shall be used
28 exclusively for housing in rural areas.

29 D. In approving the expenditure of monies, the director shall give
30 priority to funding projects that provide for operating, constructing or
31 renovating facilities for housing for low income families and that provide
32 housing and shelter to families that have children.

33 E. The director shall report annually to the legislature on the status
34 of the housing trust fund. The report shall include a summary of facilities
35 for which funding was provided during the preceding fiscal year and shall
36 show the cost and geographic location of each facility and the number of
37 individuals benefiting from the operation, construction or renovation of the

1 facility. The report shall be submitted to the president of the senate and
2 the speaker of the house of representatives no later than September 1 of each
3 year.

4 F. Monies in the housing trust fund are exempt from the provisions of
5 section 35-190 relating to lapsing of appropriations.

6 G. An amount not to exceed ten per cent of the housing trust fund
7 monies may be appropriated annually by the legislature to the department for
8 administrative costs in providing services relating to the housing trust
9 fund.

10 H. For any construction project financed by the department pursuant to
11 this section, the department shall notify a city, town, county or tribal
12 government that a project is planned for its jurisdiction and, before
13 proceeding, shall seek comment from the governing body of the city, town,
14 county or tribal government or an official authorized by the governing body
15 of the city, town, county or tribal government. The department shall not
16 interfere with or attempt to override the local jurisdiction's planning,
17 zoning or land use regulations.

18 Sec. 6. Title 41, chapter 37, article 2, Arizona Revised Statutes, is
19 amended by adding section 41-3955.01, to read:

20 41-3955.01. Seriously mentally ill housing trust fund: purpose

21 A. THE SERIOUSLY MENTALLY ILL HOUSING TRUST FUND IS ESTABLISHED. THE
22 DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES SHALL ADMINISTER THE FUND. THE
23 FUND CONSISTS OF MONIES RECEIVED PURSUANT TO SECTIONS 44-313 AND 44-314 AND
24 INVESTMENT EARNINGS RECEIVED AFTER JULY 1, 2011, EXCLUDING AMOUNTS RECEIVED
25 IN JULY, 2011 FOR FISCAL YEAR 2010-2011.

26 B. ON NOTICE FROM THE DEPARTMENT OF HEALTH SERVICES, THE STATE
27 TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION
28 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

29 C. FUND MONIES SHALL BE SPENT ON APPROVAL OF THE DEPARTMENT OF HEALTH
30 SERVICES SOLELY FOR HOUSING PROJECTS FOR THE SERIOUSLY MENTALLY ILL

31 D. THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES SHALL REPORT
32 ANNUALLY TO THE LEGISLATURE ON THE STATUS OF THE SERIOUSLY MENTALLY ILL
33 HOUSING TRUST FUND. THE REPORT SHALL INCLUDE A SUMMARY OF FACILITIES FOR
34 WHICH FUNDING WAS PROVIDED DURING THE PRECEDING FISCAL YEAR AND SHALL SHOW
35 THE COST AND GEOGRAPHIC LOCATION OF EACH FACILITY AND THE NUMBER OF
36 INDIVIDUALS BENEFITING FROM THE OPERATION, CONSTRUCTION OR RENOVATION OF THE
37 FACILITY. THE REPORT SHALL BE SUBMITTED TO THE PRESIDENT OF THE SENATE AND

1 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES NO LATER THAN SEPTEMBER 1 OF EACH
2 YEAR.

3 E. MONIES IN THE SERIOUSLY MENTALLY ILL HOUSING TRUST FUND ARE EXEMPT
4 FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

5 F. AN AMOUNT NOT TO EXCEED TEN PER CENT OF THE SERIOUSLY MENTALLY ILL
6 HOUSING TRUST FUND MONIES MAY BE APPROPRIATED ANNUALLY BY THE LEGISLATURE TO
7 THE DEPARTMENT OF HEALTH SERVICES FOR ADMINISTRATIVE COSTS IN PROVIDING
8 SERVICES RELATING TO THE SERIOUSLY MENTALLY ILL HOUSING TRUST FUND.

9 G. FOR ANY CONSTRUCTION PROJECT FINANCED BY THE DEPARTMENT OF HEALTH
10 SERVICES PURSUANT TO THIS SECTION, THE DEPARTMENT OF HEALTH SERVICES SHALL
11 NOTIFY A CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT THAT A PROJECT IS PLANNED
12 FOR ITS JURISDICTION AND, BEFORE PROCEEDING, SHALL SEEK COMMENT FROM THE
13 GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT OR AN OFFICIAL
14 AUTHORIZED BY THE GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBAL
15 GOVERNMENT. THE DEPARTMENT OF HEALTH SERVICES SHALL NOT INTERFERE WITH OR
16 ATTEMPT TO OVERRIDE THE LOCAL JURISDICTION'S PLANNING, ZONING OR LAND USE
17 REGULATIONS.

18 Sec. 7. Section 42-1116.01, Arizona Revised Statutes, is amended to
19 read:

20 42-1116.01. Department of revenue administrative fund

21 A. The department of revenue administrative fund is established
22 consisting of monies from unclaimed property deposited in the fund pursuant
23 to section 44-313.

24 B. The director shall administer the fund. ~~Monies in the fund are~~
25 ~~exempt from the provisions of section 35-190 relating to lapsing of~~
26 ~~appropriations.~~

27 C. Subject to legislative appropriation, the director shall use monies
28 in the fund solely for the administrative costs of the department.

29 Sec. 8. Section 44-313, Arizona Revised Statutes, is amended to read:

30 44-313. Deposit of monies

31 A. Except as otherwise provided in this section or section 44-314, the
32 department shall deposit, pursuant to sections 35-146 and 35-147, in the
33 state general fund all monies received pursuant to this chapter, including
34 the proceeds from the sale of abandoned property pursuant to section 44-312,
35 except that:

1 1. The first ~~ten~~ TWO million ~~five hundred thousand~~ dollars of the
2 monies shall be deposited each fiscal year in the SERIOUSLY MENTALLY ILL
3 housing trust fund established by section ~~41-3955~~ 41-3955.01.

4 2. THE SECOND TWO MILLION FIVE HUNDRED THOUSAND DOLLARS OF THE MONIES
5 SHALL BE DEPOSITED IN THE HOUSING TRUST FUND ESTABLISHED BY SECTION 41-3955.

6 ~~2-~~ 3. The ~~second~~ NEXT twenty-four million five hundred thousand
7 dollars of the monies shall be deposited each fiscal year in the department
8 of revenue administrative fund established by section 42-1116.01.

9 B. The department shall deposit monies from unclaimed shares and
10 dividends of any corporation incorporated under the laws of this state in the
11 permanent state school fund pursuant to article XI, section 8, Constitution
12 of Arizona.

13 C. The department shall deposit monies from unclaimed victim
14 restitution payments in the victim compensation and assistance fund
15 established by section 41-2407 for the purpose of establishing, maintaining
16 and supporting programs that compensate and assist victims of crime.

17 D. The department shall retain in a separate trust fund at least one
18 hundred thousand dollars from which the department shall pay claims.

19 E. Before making the deposit, the department shall record the name and
20 last known address of each person who appears from the holders' reports to be
21 entitled to the property and the name and last known address of each insured
22 person or annuitant and beneficiary. The department shall also record the
23 policy or contract number of each policy or contract of an insurance company
24 that is listed in the report, the name of the company and the amount due.
25 The department shall make the record available for public inspection during
26 reasonable business hours.

27 Sec. 9. Section 44-314, Arizona Revised Statutes, is amended to read:

28 44-314. Federal deposit insurance corporation trust fund;
29 temporary custody; interest

30 A. The federal deposit insurance corporation trust fund is established
31 consisting of monies the department receives from the federal deposit
32 insurance corporation under the unclaimed deposits amendments act of 1993
33 (P.L. 103-44; 107 Stat. 220; 12 United States Code section 1822(e)). The
34 department shall administer the fund. Monies in the fund are continuously
35 appropriated.

36 B. If the monies deposited in the federal deposit insurance
37 corporation trust fund are not claimed by the owner within ten years after

1 being surrendered to the department, the department shall return the monies
2 to the federal deposit insurance corporation.

3 C. This state retains all interest earned on the monies in the federal
4 deposit insurance corporation trust fund. The interest earned on the monies
5 in the federal deposit insurance corporation trust fund shall be credited as
6 follows:

7 1. Sixty-five per cent in the state general fund.

8 2. Thirty-five per cent in the SERIOUSLY MENTALLY ILL housing trust
9 fund established by section ~~41-3955~~ 41-3955.01.

10 Sec. 10. Fees for providing services; increases; intent;
11 exemption from rule making

12 A. Notwithstanding any other law, the director of each of the
13 following agencies may increase fees in fiscal year 2011-2012 for services
14 provided in fiscal year 2011-2012:

15 1. Office of pest management.

16 2. Radiation regulatory agency.

17 B. It is the intent of the legislature that the additional revenue
18 generated by the fee increases shall not exceed the amounts listed below:

19 1. Office of pest management \$525,000.

20 2. Radiation regulatory agency \$500,000.

21 C. Monies received from any fees pursuant to subsection A, paragraph 1
22 of this section shall be deposited in the pest management fund established by
23 section 32-2305, Arizona Revised Statutes.

24 D. Monies received from any fees pursuant to subsection A, paragraph 2
25 of this section shall be deposited in the radiation regulatory fee fund
26 established by section 38-658, Arizona Revised Statutes, as added by this
27 act.

28 E. The agencies described in subsection A of this section are exempt
29 from the rule making requirements of title 41, chapter 6, Arizona Revised
30 Statutes, for the purpose of establishing fees pursuant to this section until
31 July 1, 2012.

32 Sec. 11. County transfers; fiscal year 2011-2012; county
33 expenditure limitations

34 A. Notwithstanding any other law, in fiscal year 2011-2012, the
35 following counties shall transfer the following amounts to the state
36 treasurer for deposit in the state general fund:

37 1. Maricopa \$26,384,500

2. Mohave	1,383,700
3. Pima	6,775,700
4. Pinal	2,597,400
5. Yavapai	1,458,700

B. Notwithstanding any other law, a county may meet any statutory funding requirements of this section from any source of county revenue designated by the county, including funds of any countywide special taxing district in which the board of supervisors serves as the board of directors.

C. Contributions made pursuant to this section are excluded from the county expenditure limitations.

Sec. 12. Budget stabilization fund; exception

Notwithstanding section 35-144, Arizona Revised Statutes, for fiscal year 2011-2012, the legislature is not required to appropriate monies to or transfer monies from the budget stabilization fund.

Sec. 13. Department of transportation; distribution; state highway fund

A. Notwithstanding section 28-6538, Arizona Revised Statutes, from the revenues allocated pursuant to section 28-6538, subsection A, paragraph 1, Arizona Revised Statutes, and before the distribution required by section 28-6538, subsection B, Arizona Revised Statutes, the department of transportation shall distribute the following amounts from the state highway fund in fiscal year 2011-2012 to the following counties to be used for highway purposes:

1. Apache	\$485,900
2. Cochise	578,900
3. Coconino	686,400
4. Gila	274,000
5. Graham	176,900
6. Greenlee	58,800
7. La Paz	270,300
8. Navajo	584,900
9. Santa Cruz	213,500
10. Yuma	760,400

B. The amounts distributed pursuant to subsection A of this section are in addition to any amounts allocated pursuant to section 28-6538, subsection A, paragraph 2, Arizona Revised Statutes.

1 Sec. 14. State and county tax recovery; delayed repeal;
2 definitions

3 A. Notwithstanding title 42, chapter 1, article 3, Arizona Revised
4 Statutes, the director of the department of revenue shall establish a tax
5 recovery program as provided by this section.

6 B. If a taxpayer complies with the requirements of this section by
7 applying to the department for recovery during the recovery period and
8 complying with the applicable tax requirements in the time and manner
9 prescribed by this section, the director shall abate or waive all or part of
10 the civil penalties and impose interest at a reduced rate for tax liabilities
11 that have been or could be assessed or imposed for any taxable period during
12 the applicable liability period without the need for the taxpayer to show
13 reasonable cause or the absence of wilful neglect. For the purposes of this
14 subsection, "liability period" means:

15 1. For taxpayers filing annually, any taxable period beginning from
16 and after December 31, 2003 and ending before January 1, 2010.

17 2. For taxpayers having a 52-53 week tax year, any taxable period
18 beginning from and after January 14, 2004 and ending before January 1, 2010.

19 3. For all other taxpayers, any taxable period beginning from and
20 after December 31, 2004 and ending before January 1, 2010.

21 C. The director may grant recovery only for the taxable periods and
22 tax liabilities identified in the application and only if the taxpayer
23 satisfies all of the recovery conditions and requirements prescribed by this
24 section.

25 D. To qualify for recovery, the taxpayer must:

26 1. Submit a complete and correct application as provided by subsection
27 F of this section during the recovery period.

28 2. Pay the tax, plus any interest due pursuant to this section on or
29 before October 1, 2011.

30 E. A taxpayer does not qualify for recovery under this section if:

31 1. An audit determination has become final with respect to the taxable
32 period for which recovery is sought.

33 2. The taxpayer is a party to any criminal investigation or to any
34 criminal administrative proceeding or criminal litigation that is pending on
35 January 1, 2011 in any court of the United States or of this state for
36 failure to file or failure to pay, or for fraud with respect to, any tax

1 imposed by any law of this state and required to be collected by the
2 department.

3 3. The taxpayer has been the subject of a past tax-related criminal
4 investigation, indictment or prosecution if the investigation, indictment or
5 prosecution resulted in a conviction, a guilty plea or a plea of no contest.

6 4. The taxpayer has been convicted of a crime relating to any period
7 or assessment of a tax that is the basis of the penalty or interest with
8 respect to which recovery is sought.

9 5. The taxpayer is a party to a closing agreement with the department
10 for the tax periods included in the recovery application.

11 F. An application for recovery:

12 1. Must be on an application form furnished by the department that
13 requires the applicant to identify the tax, the qualifying taxable period and
14 the tax liability for which recovery is sought and to furnish other
15 information prescribed by the director. The taxpayer shall include any
16 returns and reports, including amended returns and reports, for the tax and
17 taxable periods. Any return or report filed under this section is subject to
18 verification as provided by law. A taxpayer who has insufficient information
19 to file a full income tax return may file a gross income return and compute
20 the tax pursuant to established rate brackets based on average tax rates for
21 the applicable taxable years.

22 2. Must be filed with the department as prescribed by the director
23 during the recovery period.

24 G. An application for recovery constitutes an express and absolute
25 waiver of all administrative and judicial rights of appeal available at that
26 time that have not run or otherwise expired as of the date of application.
27 The state board of tax appeals and any court shall dismiss each such action
28 or proceeding before that body on receiving a notification from the director
29 that recovery has been granted for the taxable period for that taxpayer. If
30 the audit determination is not final, the taxpayer must withdraw from the
31 proceeding or litigation before recovery is granted. A taxpayer that files
32 an application for recovery retains all administrative and judicial rights of
33 appeal with respect to any additional tax assessed in a subsequent audit by
34 the department.

35 H. On reviewing the application and determining compliance with the
36 requirements of the recovery program under this section:

1 1. The director shall notify the taxpayer regarding the application
2 for recovery, waiving or abating the civil penalties and imposing a reduced
3 interest rate for tax liabilities that were or could have been assessed for
4 the taxable periods covered by the application.

5 2. No administrative, civil or criminal action may be brought for
6 failure to comply with the tax requirements for the taxable periods covered
7 by the application.

8 I. A grant of recovery under this section does not entitle any
9 affected taxpayer or other person to a refund or credit of any amount
10 previously paid.

11 J. The director shall deny or revoke the recovery of a person who
12 files a false or fraudulent application, return or report for purposes of
13 this section, or otherwise attempts to defeat or evade a tax through the
14 recovery program. If a person who applies for recovery fails to pay all
15 amounts due as provided by this section, any recovery granted pursuant to
16 this section is void.

17 K. The director may:

18 1. Do all things necessary to provide for the timely implementation of
19 this section.

20 2. Adopt emergency rules pursuant to section 41-1026, Arizona Revised
21 Statutes, as necessary to administer this section.

22 L. The tax revenues collected pursuant to recovery payments shall be
23 distributed by the department as provided by law on or after October 1, 2011
24 but before November 1, 2011.

25 M. On or before December 1, 2011, the department shall submit a report
26 to the governor, the speaker of the house of representatives and the
27 president of the senate. The report shall include:

28 1. The number of taxpayers that have applied for recovery under this
29 section.

30 2. The number of taxpayers that have been granted recovery.

31 3. The amount of revenue received from taxpayers for the recovery
32 period.

33 4. The amount of outstanding liability from taxpayers that have begun
34 paying.

35 N. This section is repealed from and after December 31, 2011.

36 O. For the purposes of this section:

37 1. "Recovery period" means September 1 through October 1, 2011.

1 2. "Tax" means any tax administered or collected by the department of
2 revenue on behalf of this state or a county except estate tax and ad valorem
3 property taxes.

4 3. "Tax liability" includes any payment of estimated tax, withholding
5 tax, interest and penalties required by law.

6 4. "Tax requirement" means:

7 (a) Timely filing a complete and correct tax return or report required
8 by law.

9 (b) Timely paying a tax liability.

10 Sec. 15. Retroactivity

11 Section 41-3955, Arizona Revised Statutes, as amended by this act,
12 applies retroactively to from and after June 30, 2011."

13 Amend title to conform

JOHN KAVANAGH

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