



ARIZONA STATE SENATE
Fiftieth Legislature, Second Regular Session

FACT SHEET FOR S.B. 1233

agricultural trust funds

Purpose

Repeals session law that, on January 1, 2013, would revert agriculture-related funds (Funds) to non-trust fund status - thereby permanently retaining all trust language and related statutory changes.

Background

Arizona Revised Statute, § 35-312 defines *trust monies* as treasury monies, other than operating monies, that are entrusted to the State Treasurer (Treasurer) for preservation and investment. Laws 2011, Chapter 281 converted the Funds into trust funds through December 31, 2012. The trust language also applies to marketing order and marketing agreement monies. The affected Funds are:

- a) Agricultural Consulting and Training Fund,
- b) Aquaculture Fund,
- c) Arizona Grain Research Fund,
- d) Arizona Protected Native Plant Fund,
- e) Citrus, Fruit and Vegetable Revolving Fund,
- f) Commercial Feed Fund,
- g) Dangerous Plants, Pests and Diseases Fund,
- h) Fertilizer Materials Fund,
- i) Livestock Custody Fund,
- j) Pesticide Fund,
- k) Seed Law Fund, and the
- l) State Egg Inspection Fund.

The Funds receive revenue by fees collected from agricultural producers, shippers, buyers and other regulated parties, depending on the fund.

Also through December 31, 2012, law specifies that the monies in the Funds are reserved for the exclusive purpose of implementing, continuing and supporting the agricultural program for which the Funds are established. Statute further requires that the Treasurer separately account for and hold monies in trust for each fund – the beneficiaries being the agricultural program for which the fees are collected. It is further stipulated that surplus fund monies do not revert to the state General Fund (GF) at the end of the fiscal year.

Per session law, effective January 1, 2013, the trust language described above is removed, restoring the statutory provisions that existed for the Funds prior to the enactment of

FACT SHEET

S.B. 1233

Page 2

Laws 2011, Chapter 281. In addition, all Funds are non-appropriated until January 1, 2013. After that date certain Funds return to appropriated status.

The fiscal impact to the state GF as a result of this legislation is unknown.

Provisions

1. Repeals session law that would revert the Funds to non-trust fund status on January 1, 2013 - thereby permanently retaining all trust language and related statutory changes.
2. Maintains the non-appropriated status of the Funds.
3. Continues to allow the Agricultural Marketing Commission and its staff to participate in the Arizona State Retirement System.
4. Becomes effective on the general effective date.

Prepared by Senate Research

January 26, 2012

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