



ARIZONA STATE SENATE
Fiftieth Legislature, Second Regular Session

VETOED

FINAL AMENDED
FACT SHEET FOR S.B. 1275

state budget; appropriation limit; hearing

Purpose

Establishes Truth in Spending estimates, allows a joint legislative hearing if the Legislature proposes appropriations that exceed those estimates and outlines public notice requirements.

Background

Constitutional Appropriation Limit

Article IX, Section 17 of the Arizona Constitution establishes by law the Economic Estimates Commission (Commission). The Commission is comprised of not more than three members and determines the state's estimated total personal income for the upcoming fiscal year.

The Constitution further provides that the state Legislature shall not appropriate state revenues in excess of seven percent of the total personal income as determined by the Commission. The limitation may be exceeded upon affirmative vote of two-thirds of each house of the Legislature on each measure that appropriates amounts in excess of the limitation. Revenues subject to the appropriations limit include taxes, university collections, licenses, fees and permits.

Public Meeting Notice

Arizona Revised Statutes requires that all meetings of a public body must be public meetings where all people wishing to attend the meeting are permitted to attend and listen to all proceedings (A.R.S. § 38-431.01). Notice of public meetings must be posted to inform citizens a public meeting will take place. Currently only public bodies of cities and towns that have websites are required to post notices of public meetings online.

According to statute, public body means the Legislature, all boards and commissions of this state or political subdivisions, all multimember governing bodies of departments, agencies, institutions, and instrumentalities of the state or political subdivisions. This includes all corporations and other instrumentalities whose boards of directors are appointed or elected by the state or political subdivision. Public body also includes all quasi-judicial bodies and all standing, special or advisory committees or subcommittees of, or appointed by, such a public body (A.R.S. § 38-431).

Pursuant to A.R.S. § 38-431.08 (D) either house of the Legislature may adopt a rule or procedure pursuant to article IV, part 2, § 8 of the Arizona Constitution, to provide an exemption to notice and agenda requirements.

The statutory appropriation limit established by S.B. 1275 may have an impact on total annual apportionments subject to legislative action.

Provisions

1. Establishes Truth in Spending estimates consisting of the amount of current fiscal year state General Fund (GF) appropriations, and all appropriations from all sources each adjusted by the sum of:
 - a) the positive and negative percentage change in population for the most recent available 12 month period; and
 - b) the positive and negative percentage change in the cost of living for the most recent available 12 month period.
2. Specifies that the Joint Legislative Budget Committee (JLBC) shall determine cost of living using the GDP price deflator.
3. Requires the JLBC, beginning in the year 2013, to compute and transmit the estimates to the chair persons of the Appropriations, Finance and Ways and Means committees, by February 15th of each year.
4. Allows the Legislature, beginning in FY 2014, to hold a Joint Truth in Spending Hearing (hearing) if the Legislature proposes either GF appropriations or total appropriations that exceed the JLBC estimates, and publish a notice for the hearing on the Legislature's official website.
5. Requires the Legislature, if a hearing is held, to publish the hearing notice at least 14 days, but not more than 20 days, before the date of the hearing.
6. Specifies that the notice contain a headline in at least 18-point type and with percentage figures rounded to the nearest one tenth of a percent.
7. Allows the joint committee to issue a press release containing the notice.
8. Includes the language of the notice.
9. Stipulates that the hearing may include a roll call vote on any motion to recommend the proposed spending levels to the full Legislature.
10. Becomes effective on the general effective date.

Amendments Adopted by the House of Representatives

- Allows, instead of requires, the Legislature to hold a hearing if the Legislature proposes total appropriations that exceed the appropriation limitation.

Senate Action

APPROP	2/14/12	DP	7-6-0-0
3 rd Read	2/27/12		21-9-0-0
Final Read	5/3/12		21-7-2-0

House Action

APPROP	3/14/12	DP	9-3-0-1
3 rd Read	4/30/12		39-20-1-0

Prepared by Senate Research

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