

COMMITTEE ON GOVERNMENT  
SENATE AMENDMENTS TO S.B. 1066  
(Reference to printed bill)

1 Page 1, lines 33 and 34, strike "~~within six months after the close of the fiscal~~"  
2 ~~year or years audited~~ PURSUANT TO SECTION 41-1279.07, SUBSECTION C" insert  
3 "within six months after the close of the fiscal year or years audited"  
4 Page 2, line 7, after the period insert "IF THE FINANCIAL STATEMENTS ARE NOT FILED  
5 PURSUANT TO SECTION 41-1279.07, THE FORM AS PRESCRIBED BY SUBSECTION F OF  
6 THIS SECTION SHALL BE POSTED ON THE WEBSITE OF THE CITY OR TOWN IN PLACE OF  
7 THE FINANCIAL STATEMENTS UNTIL THE FINANCIAL STATEMENTS ARE FILED."  
8 Line 8, strike "GOVERNING BODY OF A CITY OR TOWN FAILS TO FILE ITS"  
9 Line 9, after "STATEMENTS" insert "FOR A CITY OR TOWN ARE NOT COMPLETED AND  
10 FILED"; after "41-1279.07" strike remainder of line  
11 Line 10, strike "CLOSE OF THE" insert "ON OR BEFORE THE ADOPTION OF THE CITY OR  
12 TOWN BUDGET IN THE SUBSEQUENT"  
13 Line 12, strike "SECTION" insert "SECTIONS"; after "42-17103" insert "AND  
14 42-17105"; after "THE" strike remainder of line  
15 Line 13, strike "FAILED TO COMPLY WITH THE REQUIREMENTS OF" insert "FINANCIAL  
16 STATEMENTS REQUIRED TO BE FILED WITH THE AUDITOR GENERAL PURSUANT TO"; after  
17 "41-1279.07" insert "ARE PENDING, THE REASONS FOR THE DELAY AND THE ESTIMATED  
18 DATE OF COMPLETION"  
19 Line 14, after "TOWN" strike remainder of line  
20 Strike lines 15 through 18, insert "IS REQUIRED TO COMPLETE THE FORM AS  
21 PRESCRIBED BY SUBSECTION F OF THIS SECTION, THE GOVERNING BODY SHALL SEND A  
22 COPY OF THE FORM TO THE AUDITOR GENERAL, THE SPEAKER OF THE HOUSE OF  
23 REPRESENTATIVES AND THE PRESIDENT OF THE SENATE."  
24 Line 27, after the period insert "IF THE FINANCIAL STATEMENTS ARE NOT FILED  
25 PURSUANT TO SECTION 41-1279.07, THE FORM AS PRESCRIBED BY SUBSECTION B OF  
26 THIS SECTION SHALL BE POSTED ON THE WEBSITE OF THE COUNTY IN PLACE OF THE  
27 FINANCIAL STATEMENTS UNTIL THE FINANCIAL STATEMENTS ARE FILED."

1 Page 2, line 28, strike "BOARD OF SUPERVISORS OF A COUNTY FAILS TO FILE ITS"  
2 Line 29, after "STATEMENTS" insert "FOR A COUNTY ARE NOT COMPLETED AND FILED";  
3 after "41-1279.07" strike remainder of line  
4 Line 30, strike "CLOSE OF THE" insert "ON OR BEFORE THE ADOPTION OF THE COUNTY  
5 BUDGET IN THE SUBSEQUENT"  
6 Line 32, strike "SECTION" insert "SECTIONS"; after "42-17103" insert "AND  
7 42-17105"; after "THE" strike remainder of line  
8 Line 33, strike "SUPERVISORS FAILED TO COMPLY WITH THE REQUIREMENTS OF" insert  
9 "FINANCIAL STATEMENTS REQUIRED TO BE FILED WITH THE AUDITOR GENERAL PURSUANT  
10 TO"; after "41-1279.07" insert "ARE PENDING, THE REASONS FOR THE DELAY AND  
11 THE ESTIMATED DATE OF COMPLETION"  
12 Line 34, after "COUNTY" strike remainder of line  
13 Strike lines 35 through 38, insert "IS REQUIRED TO COMPLETE THE FORM AS  
14 PRESCRIBED BY SUBSECTION B OF THIS SECTION, THE BOARD OF SUPERVISORS SHALL  
15 SEND A COPY OF THE FORM TO THE AUDITOR GENERAL, THE SPEAKER OF THE HOUSE OF  
16 REPRESENTATIVES AND THE PRESIDENT OF THE SENATE."  
17 Page 3, line 9, after the period insert "IF THE FINANCIAL STATEMENTS ARE NOT FILED  
18 PURSUANT TO SECTION 41-1279.07, THE FORM AS PRESCRIBED BY SUBSECTION D OF  
19 THIS SECTION SHALL BE POSTED ON THE WEBSITE OF THE COMMUNITY COLLEGE DISTRICT  
20 IN PLACE OF THE FINANCIAL STATEMENTS UNTIL THE FINANCIAL STATEMENTS ARE  
21 FILED."  
22 Line 10, after "THE" strike remainder of line  
23 Line 11, strike "ITS"; after "STATEMENTS" insert "FOR A COMMUNITY COLLEGE  
24 DISTRICT ARE NOT COMPLETED AND FILED"; after "41-1279.07" strike remainder of  
25 line  
26 Line 12, strike "MONTHS AFTER THE CLOSE OF THE" insert "ON OR BEFORE THE  
27 ADOPTION OF THE COMMUNITY COLLEGE DISTRICT BUDGET IN THE SUBSEQUENT"  
28 Line 14, strike "BOARD"  
29 Line 15, strike "OF DIRECTORS FAILED TO COMPLY WITH THE REQUIREMENTS OF" insert  
30 "FINANCIAL STATEMENTS REQUIRED TO BE FILED WITH THE AUDITOR GENERAL PURSUANT  
31 TO"; after "41-1279.07" insert "ARE PENDING, THE REASONS FOR THE DELAY AND  
32 THE ESTIMATED DATE OF COMPLETION"

1 Page 3, line 16, after "**DIRECTORS**" strike remainder of line

2 Strike lines 17 through 20, insert "**IS REQUIRED TO COMPLETE THE FORM AS**  
3 **PREScribed BY SUBSECTION D OF THIS SECTION, THE BOARD OF DIRECTORS SHALL SEND**  
4 **A COPY OF THE FORM TO THE AUDITOR GENERAL, THE SPEAKER OF THE HOUSE OF**  
5 **REPRESENTATIVES AND THE PRESIDENT OF THE SENATE.**"

6 Between lines 20 and 21, insert:

7 "Sec. 4. Section 41-1279.07, Arizona Revised Statutes, is amended to  
8 read:

9       **41-1279.07. Uniform expenditure reporting system; reports by**  
10      **counties, community college districts, cities and**  
11      **towns; certification and attestation; assistance**  
12      **by auditor general; violation; classification**

13       A. The auditor general shall prescribe a uniform expenditure reporting  
14      system for all political subdivisions subject to the constitutional  
15      expenditure limitations prescribed by article IX, sections 20 and 21,  
16      Constitution of Arizona. The system shall include:

17       1. For counties:

18           (a) An annual expenditure limitation report that includes at least the  
19      following information:

20           (i) The expenditure limitation established for the reporting fiscal  
21      year by the economic estimates commission.

22           (ii) Total expenditures, by fund, for the reporting fiscal year.

23           (iii) Total exclusions from local revenues, as defined by article IX,  
24      section 20, Constitution of Arizona, by fund, for the reporting fiscal year.

25           (iv) Total amounts, by fund, of expenditures subject to the  
26      expenditure limitation for the reporting fiscal year.

27           (b) Annual financial statements prepared in accordance with generally  
28      accepted accounting principles.

29           (c) A reconciliation of the total expenditures reported within the  
30      financial statements to the total expenditures stated within the expenditure  
31      limitation report.

32       2. For community college districts:

1                   (a) An annual budgeted expenditure limitation report that includes at  
2 least the following information:

3                   (i) The expenditure limitation established for the reporting fiscal  
4 year by the economic estimates commission.

5                   (ii) Total budgeted expenditures, by fund, for the reporting fiscal  
6 year.

7                   (iii) Total exclusions from local revenues, as defined by article IX,  
8 section 21, Constitution of Arizona, by fund, for the reporting fiscal year.

9                   (iv) Total amounts, by fund, of budgeted expenditures subject to the  
10 expenditure limitation for the reporting fiscal year.

11                  (b) Annual financial statements prepared in accordance with generally  
12 accepted accounting principles.

13                  (c) A reconciliation of the total expenditures reported within the  
14 financial statements to the total expenditures reported within the  
15 expenditure limitation report.

16                  3. For cities and towns:

17                  (a) An annual expenditure limitation report that includes at least the  
18 following information:

19                  (i) The expenditure limitation established for the reporting fiscal  
20 year by the economic estimates commission and, if applicable, the voter  
21 approved alternative expenditure limitation.

22                  (ii) Total expenditures, by fund, for the reporting fiscal year.

23                  (iii) Total exclusions from local revenues, as defined by article IX,  
24 section 20, Constitution of Arizona, by fund, for the reporting fiscal year  
25 or, if applicable, the total exclusions from the voter approved alternative  
26 expenditure limitation.

27                  (iv) Total amounts, by fund, of expenditures subject to the  
28 expenditure limitation for the reporting fiscal year.

29                  (b) Financial statements prepared in accordance with generally  
30 accepted accounting principles.

31                  (c) A reconciliation of the total expenditures reported within the  
32 financial statements to the total expenditures reported within the  
33 expenditure limitation report.

1           B. The auditor general shall provide detailed instructions for  
2 completion and submission of the reports described in subsection A of this  
3 section. The auditor general shall prescribe definitions for terms utilized  
4 in and the form of the reports described in subsection A of this section. The  
5 reports described in subsection A of this section are required of counties  
6 and community college districts beginning with fiscal year 1981-1982. The  
7 reports described in subsection A of this section are required of cities and  
8 towns beginning with the fiscal year the political subdivision is subject to  
9 the expenditure limitation. The annual reporting requirements also apply to  
10 political subdivisions subject to an alternative expenditure limitation  
11 enacted pursuant to article IX, section 20, subsection (9), Constitution of  
12 Arizona.

13           C. The reports described in subsection A of this section must be filed  
14 with the auditor general within ~~four~~ NINE months after the close of each  
15 fiscal year. ~~Upon written request, the auditor general may grant up to a one~~  
~~hundred twenty day extension, if extenuating circumstances exist that prevent~~  
~~submission of the reports within the required four month period.~~

16           D. The auditor general or a certified public accountant or public  
17 accountant performing the annual audit required pursuant to sections  
18 41-1279.21 and 9-481 shall attest to the expenditure limitation reports and  
19 financial statements for counties, community college districts and cities.  
20 The certified public accountant or public accountant performing the annual or  
21 biennial audit required pursuant to section 9-481 shall attest to the  
22 expenditure limitation reports and financial statements for towns.

23           E. Each political subdivision shall provide to the auditor general by  
24 July 31 each year the name of the chief fiscal officer designated by the  
25 governing board of the political subdivision to submit the current fiscal  
26 year's expenditure limitation report. The political subdivision shall notify  
27 the auditor general of any changes of individuals designated to file the  
28 required reports. The designated chief fiscal officer shall certify to the  
29 accuracy of the annual expenditure limitation report.

30           F. The auditor general shall prescribe forms for the uniform reporting  
31 system and may provide assistance to individuals, certified public

1 accountants or public accountants responsible for attesting to the  
2 expenditure limitation reports and financial statements.

3 G. A chief fiscal officer, designated pursuant to subsection E of this  
4 section, who subsequent to July 1, 1983 refuses to file the reports required  
5 by this section within the prescribed time periods or who intentionally files  
6 erroneous reports is guilty of a class 1 misdemeanor. A city or town  
7 exceeding the expenditure limitation prescribed or authorized pursuant to  
8 article IX, section 20, Constitution of Arizona, for any fiscal year, without  
9 authorization pursuant to such section, shall have the amount specified in  
10 subsection H of this section of its allocations of the state income tax,  
11 distributed pursuant to section 43-206, withheld and redistributed to other  
12 cities and towns in the same manner as determined pursuant to that section,  
13 except that the population of the city or town exceeding the expenditure  
14 limitation shall not be included in the computation, and the city or town  
15 exceeding the expenditure limitation shall not be entitled to share in the  
16 redistribution. A community college district exceeding the expenditure  
17 limitation prescribed pursuant to article IX, section 21, Constitution of  
18 Arizona, for any fiscal year, without authorization pursuant to such section  
19 or section 15-1471, shall have the amount specified in subsection H of this  
20 section of its allocations of state aid, distributed pursuant to section  
21 15-1466, withheld.

22 H. The auditor general shall hold a hearing to determine if any  
23 political subdivision has exceeded the expenditure limitations prescribed  
24 pursuant to article IX, sections 20 and 21, Constitution of Arizona. If a  
25 county has exceeded the expenditure limitations prescribed pursuant to  
26 article IX, section 20, Constitution of Arizona, without authorization  
27 pursuant to that section, the auditor general shall notify the board of  
28 supervisors of the county to reduce the allowable levy of primary property  
29 taxes of the county pursuant to section 42-17051, subsection C. If any  
30 political subdivision other than a county has exceeded the expenditure  
31 limitations prescribed pursuant to article IX, sections 20 and 21,  
32 Constitution of Arizona, without authorization, the auditor general shall  
33 notify the state treasurer to withhold a portion of the political

1 subdivision's allocations of the revenues described in subsection G of this  
2 section for the fiscal year subsequent to the auditor general's hearing as  
3 follows:

4       1. If the excess expenditures are less than five ~~per cent~~ PERCENT of  
5 the limitation, an amount equal to the excess expenditures.

6       2. If the excess expenditures are equal to or greater than five ~~per~~  
7 ~~cent~~ PERCENT but less than ten ~~per cent~~ PERCENT of the limitation, or are  
8 less than five ~~per cent~~ PERCENT of the limitation but it is at least the  
9 second consecutive instance of excess expenditures, an amount equal to triple  
10 the excess expenditures.

11       3. If the excess expenditures are equal to or greater than ten ~~per~~  
12 ~~cent~~ PERCENT of the limitation, an amount equal to five times the excess  
13 expenditures or one-third of the allocation of the revenues described in  
14 subsection G of this section, whichever is less.

15       I. A county, city or town is not deemed to have exceeded the  
16 expenditure limitation if the county, city or town makes expenditures for  
17 capital improvements from utility revenues pursuant to title 9, chapter 5,  
18 article 3 or from excise taxes levied by the county, city or town for a  
19 specific purpose and the county, city or town repays the expenditure from the  
20 proceeds of bonds or other lawful long-term obligations before the hearing  
21 required by subsection H of this section."

22       Renumber to conform

23       Amend title to conform

1066 jk  
02/03/2015  
1:00 PM  
C: LD