

COMMITTEE ON STATE DEBT AND BUDGET REFORM

SENATE AMENDMENTS TO H.B. 2111

(Reference to House engrossed bill)

1 Page 3, between lines 17 and 18, insert:

2 "Sec. 2. Section 35-101, Arizona Revised Statutes, as amended by
3 section 1 of this act, is amended to read:

4 35-101. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Allotment" means the allocation of an appropriation or other fund
7 source over a full fiscal year within a budget program or expenditure class.

8 2. "Annual budget unit" means the following agencies:

- 9 (a) The department of education.
10 (b) The Arizona board of regents.
11 (c) Arizona state university.
12 (d) Arizona state university west campus.
13 (e) Arizona state university east campus.
14 (f) The university of Arizona.
15 (g) Northern Arizona university.
16 (h) The school facilities board.
17 (i) The department of economic security.
18 (j) The state department of corrections.
19 (k) The department of juvenile corrections.
20 (l) The Arizona health care cost containment system.
21 (m) The department of health services.
22 (n) The department of administration.
23 (o) The department of transportation.
24 (p) The judiciary, including the supreme court, the court of appeals
25 and the superior court.
26 (q) The department of child safety.

1 3. "Authorized agent" means a commercial enterprise that is contracted
2 to process transactions on behalf of a state agency.

3 4. "Biennial budget unit" means any department, commission, board,
4 institution or other agency of the state organization receiving, expending or
5 disbursing state funds or incurring obligations against the state that is not
6 an annual budget unit.

7 5. "Budget estimates" means statements with accompanying explanations,
8 as provided by this chapter, in which a budget unit states its financial
9 requirements and requests appropriations.

10 6. "Budget program" means functions and activities of a budget unit or
11 within a budget unit that are preplanned to fulfill a distinct mission.

12 7. "Budget unit" means any department, commission, board, institution
13 or other agency of the state organization receiving, expending or disbursing
14 state funds or incurring obligations against the state. Budget unit includes
15 the annual budget units and biennial budget units.

16 8. "Cardholder" means any person:

17 (a) Named on the face of a credit card to whom or for whose benefit
18 the credit card is issued by an issuer.

19 (b) In possession of a credit card with the consent of the person to
20 whom the credit card was issued.

21 9. "Claim" means a demand against the state for payment for either:

22 (a) Goods delivered or, in the case of highway construction, goods or
23 facilities to be delivered by the federal government.

24 (b) Services performed.

25 10. "Convenience fee" means an additional fee that is imposed by an
26 authorized agent on a web-based or voice response portal transaction for the
27 acceptance of a credit card that would not be charged if the same transaction
28 were completed by an alternate method of payment.

29 11. "Credit card" means:

30 (a) Any instrument or device, whether known as a credit card, charge
31 card, credit plate, courtesy card or identification card or by any other
32 name, that is issued with or without a fee by an issuer for the use of the
33 cardholder in obtaining money, goods, services or anything else of value,
34 either on credit or in possession or in consideration of an undertaking or
35 guaranty by the issuer of the payment of a check drawn by the cardholder, on

1 a promise to pay in part or in full at a future time, whether or not all or
2 any part of the indebtedness represented by this promise to make deferred
3 payment is secured or unsecured.

4 (b) Any debit card, electronic benefit transfer card or other access
5 instrument or device, other than a check that is signed by the holder or
6 other authorized signatory on the deposit account, that draws monies from a
7 deposit account in order to obtain money, goods, services or anything else of
8 value.

9 (c) Any stored value card, smart card or other instrument or device
10 that enables a person to obtain goods, services or anything else of value
11 through the use of value stored on the instrument or device.

12 (d) The number assigned to an instrument or device described in
13 subdivision (a), (b) or (c) of this paragraph even if the physical instrument
14 or device is not used or presented.

15 12. "Discount fee" means the fee that is calculated and charged by the
16 credit card issuer or a financial institution pursuant to an agreement for
17 the processing of any credit card transaction.

18 13. "Encumbrance" means an obligation in the form of any purchase
19 order, contract or other commitment that is chargeable to an appropriation or
20 any other authorized fund source and for which a part of the fund source is
21 reserved. It ceases to be an encumbrance when paid or canceled.

22 14. "Expenditure class" means one of the kinds of expenditure denoting
23 a class of services or commodities purchased or properties acquired as
24 specified in the classification of expenditures prescribed by the director of
25 the department of administration for use in expenditure accounting, in making
26 budget estimates and in the budget reports and budgets.

27 15. "Issuer" means any business organization, state agency or
28 financial institution, or its duly authorized agent, that issues a credit
29 card.

30 16. "Prepayment" means the payment of a claim before receiving the
31 goods or services.

32 17. "Processing fee" means a fee that is charged by an entity other
33 than a credit card issuer or the processing financial institution to process
34 a credit card transaction.

1 18. "Purchase order" means a document that is signed by the
2 appropriate agency authorized signatory, that requests a vendor to deliver
3 described goods or services at a specific price and that on delivery and
4 acceptance of the goods or services by this state becomes an obligation of
5 this state.

6 19. "Transaction amount" means the total amount due to the state for
7 any goods, service or license or anything else of value.

8 ~~20. "Zero-based budget" means a budget estimate that is prepared
9 without regard to any previous level of funding, services or personnel."~~

10 Renumber to conform

11 Page 3, between lines 30 and 31, insert:

12 "Sec. 4. Section 35-112, Arizona Revised Statutes, as amended by
13 section 3 of this act, is amended to read:

14 35-112. Forms for budget unit estimates; date of transmittal

15 A. The governor shall prescribe the forms to be used by the budget
16 units in submitting their budget estimates and requests for appropriations,
17 ~~including zero-based budgets,~~ in accordance with this chapter and shall
18 prepare necessary instructions for the guidance of officials in preparing the
19 budget estimates and requests, ~~including zero-based budgets.~~

20 B. On or before June 1, the governor shall transmit to the
21 administrative head of each budget unit at least three complete sets of
22 prescribed forms on which budget estimates and requests for appropriations,
23 ~~including zero-based budgets,~~ for the ensuing fiscal year are to be
24 submitted."

25 Renumber to conform

26 Page 4, between lines 5 and 6, insert:

27 "Sec. 6. Section 35-113, Arizona Revised Statutes, as amended by
28 section 5 of this act, is amended to read:

29 35-113. Submission of budget estimates

30 Every year for annual budget units and biennially in even-numbered
31 years for biennial budget units, the head of each budget unit, not later than
32 September 1 or at a later date not to exceed thirty days after September 1 if
33 approved by the director of the governor's office of strategic planning and
34 budgeting, shall submit to the governor, with five copies, estimates of the
35 financial requirements and of receipts, including appropriated and

1 nonappropriated monies in no less detail than the state general fund, of the
2 budget unit for the next two ensuing fiscal years for biennial budget units
3 and for the next fiscal year for annual budget units. The estimates shall be
4 on the forms and in the manner prescribed by the governor with explanatory
5 data that may be required, including ~~a detailed explanation of the forecasts~~
6 ~~and assumptions used to prepare the estimates for budget units that are~~
7 ~~required to prepare and submit a zero-based budget pursuant to section~~
8 ~~41-1272, and may include~~ any additional information the head of the budget
9 unit desires to submit. The governor may require biennial budget units to
10 submit budget estimates more often than every two years. The estimates so
11 submitted shall bear the approval of the administrative head of the budget
12 unit."

13 Renumber to conform

14 Page 5, between lines 20 and 21, insert:

15 "Sec. 8. Section 41-1272, Arizona Revised Statutes, as amended by
16 section 7 of this act, is amended to read:

17 41-1272. Powers and duties; finances

18 A. The joint legislative budget committee shall:

19 1. Ascertain facts and make recommendations to the legislature
20 relating to the state budget, revenues and expenditures of the state, future
21 fiscal needs, the organization and functions of state agencies or their
22 divisions and such other matters incident to these functions as may be
23 provided for by rules of the joint legislative budget committee.

24 2. Implement a system of fiscal notes to apply to those bills
25 introduced in the legislature that have a fiscal impact. These fiscal notes
26 shall also reflect the fiscal impact of legislation on cities, counties and
27 all other political subdivisions of the state.

28 3. Implement a system of fiscal notes for any rule as defined by
29 section 41-1001 that has a fiscal impact.

30 4. Analyze the state tax structure, tax burdens on individuals and
31 businesses and tax incentives for existing and prospective businesses. The
32 analyses shall include:

33 (a) Projection of the impact of industry specific tax incentive
34 proposals on the state revenue base.

1 (b) Comparison among states of relative tax burdens on existing and
2 prospective businesses.

3 (c) Determination of reliance and incidence aspects of the tax
4 structure of this state.

5 5. Implement a system of fiscal analysis that applies to those bills
6 introduced in the legislature that involve one or more proposed changes in
7 the tax laws. Unless it is unreasonable to do so, the fiscal analysis shall
8 be based on assumptions that estimate the probable behavioral response of
9 taxpayers, businesses and other citizens and shall include a statement
10 identifying those assumptions.

11 ~~6. On or before January 15 of each calendar year, select budget units~~
12 ~~that are required to prepare and submit a zero-based budget for the fiscal~~
13 ~~year beginning July 1 of the following calendar year. The joint legislative~~
14 ~~budget committee shall require each budget unit to prepare and submit a~~
15 ~~zero-based budget at least once in each ten-year period.~~

16 ~~7.~~ 6. Adopt rules.

17 B. The joint legislative budget committee may:

18 1. Make studies, conduct inquiries and investigations and hold
19 hearings.

20 2. Meet and conduct its business any place within the state during the
21 sessions of the legislature or any recess of the legislature and in the
22 period when the legislature is not in session.

23 3. Establish subcommittees from the membership of the legislature and
24 assign to such subcommittee any study, inquiry, investigation or hearing with
25 the right to call witnesses that the joint legislative budget committee has
26 authority to undertake.

27 C. The joint legislative budget committee may obtain operational and
28 maintenance assistance for any facility under the control of the committee
29 without charge from the department of administration, may obtain security
30 assistance from the department of public safety, may employ personnel to
31 discharge operational, maintenance and security functions or may contract for
32 outside services payable from joint legislative budget committee
33 appropriations.

34 D. The joint legislative budget committee shall have the powers
35 conferred by law on legislative committees.

Senate Amendments to H.B. 2111

1 E. Members of the joint legislative budget committee shall be
2 reimbursed by their respective houses in the same manner as is provided by
3 law for a member of the legislature who attends a duly called meeting of a
4 standing committee."

5 Renumber to conform

6 Page 5, line 21, strike "date" insert "dates"

7 Line 22, strike "This" insert "A. Sections 1, 3, 5 and 7 of this"; strike "is"
8 insert "are"

9 After line 22, insert:

10 "B. Sections 2, 4, 6 and 8 of this act are effective from and after
11 December 31, 2026."

12 Amend title to conform

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