

REFERENCE TITLE: state appropriation limit; reduction

State of Arizona
Senate
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2009

SCR 1006

Introduced by
Senators Pearce, Gorman; Representatives Court, Kavanagh; Senators Allen
S, Gould, Verschoor; Representatives Burges, Montenegro

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX,
SECTION 17, CONSTITUTION OF ARIZONA; RELATING TO STATE APPROPRIATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the Senate of the State of Arizona, the House of
2 Representatives concurring:

3 1. Article IX, section 17, Constitution of Arizona, is proposed to be
4 amended as follows if approved by the voters and on proclamation of the
5 Governor:

6 17. Economic estimates commission; appropriation
7 limitation; powers and duties of commission

8 Section 17. (1) The economic estimates commission shall
9 be established by law, with a membership of not to exceed three
10 members, and shall determine and publish prior to February 1 of
11 each year the estimated total personal income for the following
12 fiscal year. By April 1 of each year the commission shall
13 determine and publish a final estimate of the total personal
14 income for the following fiscal year, which estimate shall be
15 used in computing the appropriations limit for the legislature.
16 For the purposes of this section, "total personal income" means
17 the dollar amount that will be reported as total income by
18 persons for the state of Arizona by the ~~U.S.~~ UNITED STATES
19 department of commerce or its successor agency.

20 (2) For THE purposes of this section, "state revenues":

21 (a) Include all monies, revenues, fees, fines, penalties,
22 funds, tuitions, property and receipts of any kind whatsoever
23 received by or for the account of the state or any of its
24 agencies, departments, offices, boards, commissions,
25 authorities, councils and ~~insitutions~~ INSTITUTIONS except as
26 provided in this subsection.

27 (b) Do not include:

28 (i) Any amounts or property received from the issuance or
29 incurrence of bonds or other lawful long-term obligations issued
30 or incurred for a specific purpose. For the purpose of this
31 subdivision long-term obligations shall not include warrants
32 issued in the ordinary course of operation or registered for
33 payment by the state.

34 (ii) Any amounts or property received as payment of
35 dividends or interest.

36 (iii) Any amounts or property received by the state in
37 the capacity of trustee, custodian or agent.

38 (iv) Any amounts received from employers for deposit in
39 the unemployment compensation fund or any successor fund.

40 (v) Any amounts collected by the state for distribution
41 to counties, cities and towns without specific restrictions on
42 the use of the ~~funds~~ MONIES other than the restrictions included
43 in section 14 of this article.

1 (vi) Any amounts received as grants, aid, contributions
2 or gifts of any type, except voluntary contributions or other
3 contributions received directly or indirectly in lieu of taxes.

4 (vii) Any amounts received as the proceeds from the sale,
5 lease or redemption of property or as consideration for services
6 or the use of property.

7 (viii) Any amounts received pursuant to a transfer during
8 a fiscal year from another agency, department, office, board,
9 commission, authority, council or institution of the state which
10 were included as state revenues for such fiscal year or which
11 are excluded from state revenue under other provisions of this
12 subsection.

13 (ix) Any amounts attributable to an increase in the rates
14 of tax subsequent to July 1, 1979 on vehicle users, gasoline and
15 diesel fuel which were levied on July 1, 1979.

16 (x) Any amounts received during a fiscal year as refunds,
17 reimbursements or other recoveries of amounts appropriated which
18 were applied against the appropriation limitation for such
19 fiscal year or which were excluded from state revenues under
20 other provisions of this subsection.

21 (3) THROUGH FISCAL YEAR 2010-2011, the legislature shall
22 not appropriate for any fiscal year state revenues in excess of
23 seven per cent of the total personal income of the state for
24 that fiscal year as determined by the economic estimates
25 commission. FOR FISCAL YEARS BEGINNING AFTER JUNE 30, 2011, THE
26 LEGISLATURE SHALL NOT APPROPRIATE FOR ANY FISCAL YEAR STATE
27 REVENUES IN EXCESS OF SIX AND FOUR-TENTHS PER CENT OF THE TOTAL
28 PERSONAL INCOME OF THE STATE FOR THAT FISCAL YEAR, WITHOUT ANY
29 ADJUSTMENT PURSUANT TO SUBSECTION (5) OF THIS SECTION FOR
30 TRANSFERENCE OF GOVERNMENTAL FUNCTIONS OR FUNDING
31 RESPONSIBILITIES THAT OCCURRED BEFORE FISCAL YEAR 2011-2012.
32 The limitation may be exceeded upon affirmative vote of
33 two-thirds of the membership of each house of the legislature on
34 each measure that appropriates amounts in excess of the
35 limitation. If the legislature authorizes a specific dollar
36 amount of appropriation for more than one fiscal year, for the
37 purpose of measuring such appropriation against the
38 appropriation limitation, the entire amount appropriated shall
39 be applied against the limitation in the first fiscal year
40 during which any expenditures are authorized, and in no other
41 fiscal year. ANY RESIDENT OF THIS STATE MAY BRING A CIVIL
42 ACTION IN SUPERIOR COURT ON BEHALF OF ALL TAXPAYERS IN THIS
43 STATE AGAINST THIS STATE TO ENFORCE COMPLIANCE WITH THE
44 REQUIREMENTS OF THIS SUBSECTION. THE SUPERIOR COURT SHALL HAVE
45 JURISDICTION TO ORDER COMPLIANCE WITH THIS SUBSECTION AND MAY

1 AWARD COSTS OF LITIGATION, INCLUDING REASONABLE ATTORNEY FEES,
2 TO ANY PARTY IF THE COURT DETERMINES THE AWARD IS APPROPRIATE,
3 INCLUDING THIS STATE IN THE CASE OF A FRIVOLOUS ACTION.

4 (4) IF STATE REVENUE COLLECTIONS IN ANY FISCAL YEAR
5 EXCEED THE MAXIMUM ALLOWABLE AMOUNT OF APPROPRIATIONS UNDER
6 SUBSECTION (3) OF THIS SECTION FOR THAT FISCAL YEAR, THE EXCESS
7 REVENUES SHALL BE PAID AS A REFUND TO PERSONS WHO FILED
8 INDIVIDUAL INCOME TAX RETURNS IN THAT FISCAL YEAR. REFUNDS
9 UNDER THIS SUBSECTION MUST BE PAID IN A MANNER PRESCRIBED BY LAW
10 WITHIN FOUR MONTHS AFTER THE END OF THE FISCAL YEAR. AN
11 APPROPRIATION ACT IS NOT NECESSARY TO AUTHORIZE PAYMENT OF
12 REFUNDS UNDER THIS SUBSECTION. THE LEGISLATURE MAY LIMIT
13 REFUNDS UNDER THIS SUBSECTION TO AMOUNTS OF TEN DOLLARS OR MORE.

14 ~~(4)~~ (5) In order to permit the transference of
15 governmental functions or funding responsibilities between the
16 federal and state governments and between the state government
17 and its political subdivisions without abridging the purpose of
18 this section to limit state appropriations to a percentage of
19 total personal income, the legislature shall provide for
20 adjustments of the appropriation percentage limitation
21 consistent with the following principles:

22 (a) If the federal government assumes all or any part of
23 the cost of providing a governmental function which the state
24 previously funded in whole or in part, the appropriation
25 limitation shall be commensurately decreased.

26 (b) If the federal government requires the state to
27 assume all or any part of the cost of providing a governmental
28 function the appropriation limitation shall be commensurately
29 increased.

30 (c) If the state assumes all or any part of the cost of
31 providing a governmental function and the state requires the
32 political subdivision, which previously funded all or any part
33 of the cost of the function to commensurately decrease its tax
34 revenues, the appropriation percentage limitation shall be
35 commensurately increased.

36 (d) If a political subdivision assumes all or any part of
37 the cost of providing a governmental function previously funded
38 in whole or in part by the state, the appropriation percentage
39 limitation shall be commensurately decreased.

1 Any adjustments made pursuant to this subsection shall be
2 made for the first fiscal year of the assumption of the cost.
3 Such adjustment shall remain in effect for each subsequent
4 fiscal year.

5 2. The Secretary of State shall submit this proposition to the voters
6 at the next general election as provided by article XXI, Constitution of
7 Arizona.