

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

HOUSE BILL 2617

AN ACT

AMENDING SECTION 9-481, ARIZONA REVISED STATUTES; AMENDING TITLE 11, CHAPTER 4, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-661; AMENDING SECTIONS 15-1473 AND 41-1279.07, ARIZONA REVISED STATUTES; AMENDING SECTION 42-5041, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 2015, CHAPTER 10, SECTION 7; AMENDING SECTION 42-17103, ARIZONA REVISED STATUTES; AMENDING LAWS 2015, CHAPTER 10, SECTIONS 18 AND 21; RELATING TO COUNTY AND MUNICIPAL BUDGETS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 9-481, Arizona Revised Statutes, is amended to
3 read:
4 9-481. Audits of cities and towns; posting; budget
5 A. The governing body of each incorporated city or town shall cause an
6 audit to be made by a certified public accountant or public accountant who is
7 currently licensed by the Arizona state board of accountancy and who is not
8 an employee of the city or town. Audits shall be made for each fiscal year
9 for all incorporated cities. Audits shall be made at least once for every
10 two fiscal years for all incorporated towns, and the audit shall include
11 financial transactions during both fiscal years.
12 B. The audit and the audit report shall include all of the accounts
13 and funds of the city or town, including operating, special, utility, debt,
14 trust, ~~AND~~ pension, and all other money or property for which the city or
15 town, or any department or officer of the city or town, is responsible either
16 directly or indirectly. The audits shall be made in accordance with
17 generally accepted auditing standards. The consequent audit report shall
18 contain financial statements that are in conformity with generally accepted
19 municipal accounting principles and shall set forth the financial position
20 and results of the operations for each fund and account of the city or town.
21 The audit report shall also include the following:
22 1. The professional opinion of the accountant or accountants with
23 respect to the financial statements or, if an opinion cannot be expressed, a
24 declaration of the reasons an opinion cannot be expressed.
25 2. ~~Beginning with fiscal year 2003-2004,~~ A determination as to whether
26 highway user revenue fund monies received by the city or town pursuant to
27 title 28, chapter 18, article 2 and any other dedicated state transportation
28 revenues received by the city or town are being used solely for the
29 authorized transportation purposes.
30 C. The audit shall begin as soon as possible after the close of the
31 fiscal year, although interim auditing may be performed during the year or
32 years under audit. The audit shall be completed and the final audit report
33 shall be submitted within six months after the close of the fiscal year or
34 years audited.
35 D. ~~Not less than three~~ AT LEAST FOUR copies of the audit report shall
36 be signed by the auditor and filed with the city or town. The city or town
37 shall immediately DO THE FOLLOWING:
38 1. Make one copy of the report a public record ~~which shall be~~ THAT IS
39 open to the public for inspection. ~~and~~
40 2. FILE ONE COPY OF THE REPORT WITH THE AUDITOR GENERAL PURSUANT TO
41 SECTION 41-1279.07, SUBSECTION C.
42 3. SUBMIT one copy ~~shall be deposited with the Arizona state library,~~
43 ~~archives and public records~~ OF THE REPORT TO THE SECRETARY OF STATE.

1 E. THE FINANCIAL STATEMENTS REQUIRED TO BE FILED WITH THE AUDITOR
2 GENERAL PURSUANT TO SECTION 41-1279.07, INCLUDING THE AUDIT REPORT, MUST BE
3 POSTED IN A PROMINENT LOCATION ON THE OFFICIAL WEBSITE OF THE CITY OR TOWN NO
4 LATER THAN SEVEN BUSINESS DAYS AFTER THE DATE OF FILING THE FINANCIAL
5 STATEMENTS WITH THE AUDITOR GENERAL. THE FINANCIAL STATEMENTS MUST BE
6 RETAINED AND ACCESSIBLE IN A PROMINENT LOCATION ON THE OFFICIAL WEBSITE FOR
7 AT LEAST SIXTY MONTHS. IF THE FINANCIAL STATEMENTS ARE NOT FILED PURSUANT TO
8 SECTION 41-1279.07, THE FORM AS PRESCRIBED BY SUBSECTION F OF THIS SECTION
9 SHALL BE POSTED ON THE WEBSITE OF THE CITY OR TOWN IN PLACE OF THE FINANCIAL
10 STATEMENTS UNTIL THE FINANCIAL STATEMENTS ARE FILED.

11 F. IF THE FINANCIAL STATEMENTS FOR A CITY OR TOWN ARE NOT COMPLETED
12 AND FILED AS PRESCRIBED BY SECTION 41-1279.07 ON OR BEFORE THE ADOPTION OF
13 THE CITY OR TOWN BUDGET IN THE SUBSEQUENT FISCAL YEAR, THE GOVERNING BODY
14 SHALL INCLUDE A FORM, AS PRESCRIBED BY THE AUDITOR GENERAL, IN THE PUBLISHED
15 BUDGET IN THE SUBSEQUENT FISCAL YEAR PURSUANT TO SECTIONS 42-17103 AND
16 42-17105 STATING THAT THE FINANCIAL STATEMENTS REQUIRED TO BE FILED WITH THE
17 AUDITOR GENERAL PURSUANT TO SECTION 41-1279.07 ARE PENDING, THE REASONS FOR
18 THE DELAY AND THE ESTIMATED DATE OF COMPLETION.

19 G. IF THE GOVERNING BODY OF A CITY OR TOWN IS REQUIRED TO COMPLETE THE
20 FORM AS PRESCRIBED BY SUBSECTION F OF THIS SECTION, THE GOVERNING BODY SHALL
21 SEND A COPY OF THE FORM TO THE AUDITOR GENERAL, THE SPEAKER OF THE HOUSE OF
22 REPRESENTATIVES AND THE PRESIDENT OF THE SENATE.

23 Sec. 2. Title 11, chapter 4, article 3, Arizona Revised Statutes, is
24 amended by adding section 11-661, to read:

25 11-661. Posting of financial statements; budget

26 A. THE FINANCIAL STATEMENTS REQUIRED TO BE FILED WITH THE AUDITOR
27 GENERAL PURSUANT TO SECTION 41-1279.07 MUST BE POSTED IN A PROMINENT LOCATION
28 ON THE OFFICIAL WEBSITE OF THE COUNTY NO LATER THAN SEVEN BUSINESS DAYS AFTER
29 THE DATE OF FILING THE FINANCIAL STATEMENTS WITH THE AUDITOR GENERAL. THE
30 FINANCIAL STATEMENTS MUST BE RETAINED AND ACCESSIBLE IN A PROMINENT LOCATION
31 ON THE OFFICIAL WEBSITE FOR AT LEAST SIXTY MONTHS. IF THE FINANCIAL
32 STATEMENTS ARE NOT FILED PURSUANT TO SECTION 41-1279.07, THE FORM AS
33 PRESCRIBED BY SUBSECTION B OF THIS SECTION SHALL BE POSTED ON THE WEBSITE OF
34 THE COUNTY IN PLACE OF THE FINANCIAL STATEMENTS UNTIL THE FINANCIAL
35 STATEMENTS ARE FILED.

36 B. IF THE FINANCIAL STATEMENTS FOR A COUNTY ARE NOT COMPLETED AND
37 FILED AS PRESCRIBED BY SECTION 41-1279.07 ON OR BEFORE THE ADOPTION OF THE
38 COUNTY BUDGET IN THE SUBSEQUENT FISCAL YEAR, THE BOARD OF SUPERVISORS MUST
39 INCLUDE A FORM, PRESCRIBED BY THE AUDITOR GENERAL, IN THE PUBLISHED BUDGET IN
40 THE SUBSEQUENT FISCAL YEAR PURSUANT TO SECTIONS 42-17103 AND 42-17105 STATING
41 THAT THE FINANCIAL STATEMENTS REQUIRED TO BE FILED WITH THE AUDITOR GENERAL
42 PURSUANT TO SECTION 41-1279.07 ARE PENDING, THE REASONS FOR THE DELAY AND THE
43 ESTIMATED DATE OF COMPLETION.

44 C. IF THE BOARD OF SUPERVISORS OF A COUNTY IS REQUIRED TO COMPLETE THE
45 FORM AS PRESCRIBED BY SUBSECTION B OF THIS SECTION, THE BOARD OF SUPERVISORS

1 SHALL SEND A COPY OF THE FORM TO THE AUDITOR GENERAL, THE SPEAKER OF THE
2 HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE.

3 Sec. 3. Section 15-1473, Arizona Revised Statutes, is amended to read:

4 15-1473. Uniform system of accounting for community college
5 districts; duties of auditor general; posting;
6 budget

7 A. The auditor general shall determine the accounting systems,
8 accounting methods and accounting procedures for use by the community college
9 districts.

10 B. The auditor general, in conjunction with the community college
11 districts, shall prescribe a uniform system of accounting as provided in
12 section 41-1279.21 for use by all community college districts.

13 C. THE FINANCIAL STATEMENTS REQUIRED TO BE FILED WITH THE AUDITOR
14 GENERAL PURSUANT TO SECTION 41-1279.07 MUST BE POSTED IN A PROMINENT LOCATION
15 ON THE OFFICIAL WEBSITE OF THE COMMUNITY COLLEGE DISTRICT NO LATER THAN SEVEN
16 BUSINESS DAYS AFTER THE DATE OF FILING THE FINANCIAL STATEMENTS WITH THE
17 AUDITOR GENERAL. THE FINANCIAL STATEMENTS MUST BE RETAINED AND ACCESSIBLE IN
18 A PROMINENT LOCATION ON THE OFFICIAL WEBSITE FOR AT LEAST SIXTY MONTHS. IF
19 THE FINANCIAL STATEMENTS ARE NOT FILED PURSUANT TO SECTION 41-1279.07, THE
20 FORM AS PRESCRIBED BY SUBSECTION D OF THIS SECTION SHALL BE POSTED ON THE
21 WEBSITE OF THE COMMUNITY COLLEGE DISTRICT IN PLACE OF THE FINANCIAL
22 STATEMENTS UNTIL THE FINANCIAL STATEMENTS ARE FILED.

23 D. IF THE FINANCIAL STATEMENTS FOR A COMMUNITY COLLEGE DISTRICT ARE
24 NOT COMPLETED AND FILED AS PRESCRIBED BY SECTION 41-1279.07 ON OR BEFORE THE
25 ADOPTION OF THE COMMUNITY COLLEGE DISTRICT BUDGET IN THE SUBSEQUENT FISCAL
26 YEAR, THE BOARD OF DIRECTORS MUST INCLUDE A FORM, PRESCRIBED BY THE AUDITOR
27 GENERAL, IN THE PUBLISHED BUDGET IN THE SUBSEQUENT FISCAL YEAR PURSUANT TO
28 SECTION 15-1461 STATING THAT THE FINANCIAL STATEMENTS REQUIRED TO BE FILED
29 WITH THE AUDITOR GENERAL PURSUANT TO SECTION 41-1279.07 ARE PENDING, THE
30 REASONS FOR THE DELAY AND THE ESTIMATED DATE OF COMPLETION.

31 E. IF THE COMMUNITY COLLEGE DISTRICT BOARD OF DIRECTORS IS REQUIRED TO
32 COMPLETE THE FORM AS PRESCRIBED BY SUBSECTION D OF THIS SECTION, THE BOARD OF
33 DIRECTORS SHALL SEND A COPY OF THE FORM TO THE AUDITOR GENERAL, THE SPEAKER
34 OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE.

35 Sec. 4. Section 41-1279.07, Arizona Revised Statutes, is amended to
36 read:

37 41-1279.07. Uniform expenditure reporting system; reports by
38 counties, community college districts, cities and
39 towns; certification and attestation; assistance
40 by auditor general; violation; classification

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

- 1 1. For counties:
- 2 (a) An annual expenditure limitation report that includes at least the
- 3 following information:
- 4 (i) The expenditure limitation established for the reporting fiscal
- 5 year by the economic estimates commission.
- 6 (ii) Total expenditures, by fund, for the reporting fiscal year.
- 7 (iii) Total exclusions from local revenues, as defined by article IX,
- 8 section 20, Constitution of Arizona, by fund, for the reporting fiscal year.
- 9 (iv) Total amounts, by fund, of 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 stated within the expenditure
- 15 limitation report.
- 16 2. For community college districts:
- 17 (a) An annual budgeted expenditure limitation report that includes at
- 18 least the following information:
- 19 (i) The expenditure limitation established for the reporting fiscal
- 20 year by the economic estimates commission.
- 21 (ii) Total budgeted expenditures, by fund, for the reporting fiscal
- 22 year.
- 23 (iii) Total exclusions from local revenues, as defined by article IX,
- 24 section 21, Constitution of Arizona, by fund, for the reporting fiscal year.
- 25 (iv) Total amounts, by fund, of budgeted 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 reported within the
- 31 expenditure limitation report.
- 32 3. For cities and towns:
- 33 (a) An annual expenditure limitation report that includes at least the
- 34 following information:
- 35 (i) The expenditure limitation established for the reporting fiscal
- 36 year by the economic estimates commission and, if applicable, the voter
- 37 approved alternative expenditure limitation.
- 38 (ii) Total expenditures, by fund, for the reporting fiscal year.
- 39 (iii) Total exclusions from local revenues, as defined by article IX,
- 40 section 20, Constitution of Arizona, by fund, for the reporting fiscal year
- 41 or, if applicable, the total exclusions from the voter approved alternative
- 42 expenditure limitation.
- 43 (iv) Total amounts, by fund, of expenditures subject to the
- 44 expenditure limitation for the reporting fiscal year.

1 (b) Financial statements prepared in accordance with generally
2 accepted accounting principles.

3 (c) A reconciliation of the total expenditures reported within the
4 financial statements to the total expenditures reported within the
5 expenditure limitation report.

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

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

23 D. The auditor general or a certified public accountant or public
24 accountant performing the annual audit required pursuant to sections
25 41-1279.21 and 9-481 shall attest to the expenditure limitation reports and
26 financial statements for counties, community college districts and cities.
27 The certified public accountant or public accountant performing the annual or
28 biennial audit required pursuant to section 9-481 shall attest to the
29 expenditure limitation reports and financial statements for towns.

30 E. Each political subdivision shall provide to the auditor general by
31 July 31 each year the name of the chief fiscal officer designated by the
32 governing board of the political subdivision to submit the current fiscal
33 year's expenditure limitation report. The political subdivision shall notify
34 the auditor general of any changes of individuals designated to file the
35 required reports. The designated chief fiscal officer shall certify to the
36 accuracy of the annual expenditure limitation report.

37 F. The auditor general shall prescribe forms for the uniform reporting
38 system and may provide assistance to individuals, certified public
39 accountants or public accountants responsible for attesting to the
40 expenditure limitation reports and financial statements.

41 G. A chief fiscal officer, designated pursuant to subsection E of this
42 section, who subsequent to July 1, 1983 refuses to file the reports required
43 by this section within the prescribed time periods or who intentionally files
44 erroneous reports is guilty of a class 1 misdemeanor. A city or town
45 exceeding the expenditure limitation prescribed or authorized pursuant to

1 article IX, section 20, Constitution of Arizona, for any fiscal year, without
2 authorization pursuant to such section, shall have the amount specified in
3 subsection H of this section of its allocations of the state income tax,
4 distributed pursuant to section 43-206, withheld and redistributed to other
5 cities and towns in the same manner as determined pursuant to that section,
6 except that the population of the city or town exceeding the expenditure
7 limitation shall not be included in the computation, and the city or town
8 exceeding the expenditure limitation shall not be entitled to share in the
9 redistribution. A community college district exceeding the expenditure
10 limitation prescribed pursuant to article IX, section 21, Constitution of
11 Arizona, for any fiscal year, without authorization pursuant to such section
12 or section 15-1471, shall have the amount specified in subsection H of this
13 section of its allocations of state aid, distributed pursuant to section
14 15-1466, withheld.

15 H. The auditor general shall hold a hearing to determine if any
16 political subdivision has exceeded the expenditure limitations prescribed
17 pursuant to article IX, sections 20 and 21, Constitution of Arizona. If a
18 county has exceeded the expenditure limitations prescribed pursuant to
19 article IX, section 20, Constitution of Arizona, without authorization
20 pursuant to that section, the auditor general shall notify the board of
21 supervisors of the county to reduce the allowable levy of primary property
22 taxes of the county pursuant to section 42-17051, subsection C. If any
23 political subdivision other than a county has exceeded the expenditure
24 limitations prescribed pursuant to article IX, sections 20 and 21,
25 Constitution of Arizona, without authorization, the auditor general shall
26 notify the state treasurer to withhold a portion of the political
27 subdivision's allocations of the revenues described in subsection G of this
28 section for the fiscal year subsequent to the auditor general's hearing as
29 follows:

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

32 2. If the excess expenditures are equal to or greater than five ~~per~~
33 ~~cent~~ PERCENT but less than ten ~~per cent~~ PERCENT of the limitation, or are
34 less than five ~~per cent~~ PERCENT of the limitation but it is at least the
35 second consecutive instance of excess expenditures, an amount equal to triple
36 the excess expenditures.

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

41 I. A county, city or town is not deemed to have exceeded the
42 expenditure limitation if the county, city or town makes expenditures for
43 capital improvements from utility revenues pursuant to title 9, chapter 5,
44 article 3 or from excise taxes levied by the county, city or town for a
45 specific purpose and the county, city or town repays the expenditure from the

1 proceeds of bonds or other lawful long-term obligations before the hearing
2 required by subsection H of this section.

3 Sec. 5. Section 42-5041, Arizona Revised Statutes, as added by Laws
4 2015, chapter 10, section 7, is amended to read:

5 42-5041. Partial assessment of costs to local governments.
6 councils and authorities

7 A. From and after June 30, 2015, the department shall assess and
8 collect fees from cities, towns, ~~and~~ counties, COUNCILS OF GOVERNMENTS AND
9 REGIONAL TRANSPORTATION AUTHORITIES as determined by the director and as
10 provided by this section to recover a portion of administrative, program and
11 other operating costs incurred in providing administrative and collection
12 services to local governments.

13 B. From and after June 30, 2015, a fee is assessed to each county,
14 city and town that receives state shared revenues pursuant to ~~sections~~
15 SECTION 42-5029 ~~and~~ OR 43-206, TO EACH COUNCIL OF GOVERNMENTS THAT RECEIVES
16 REVENUES PURSUANT TO SECTION 42-6105 AND TO EACH REGIONAL TRANSPORTATION
17 AUTHORITY LOCATED IN A COUNTY WITH A POPULATION OF MORE THAN FOUR HUNDRED
18 THOUSAND PERSONS THAT RECEIVES REVENUES PURSUANT TO SECTION 42-6106.

19 C. In fiscal year 2015-2016, a fee is assessed to each city and town
20 for which the department does not administer and collect transaction
21 privilege taxes pursuant to chapter 6, article 1 of this title.

22 D. The department shall assess the fees under this section not later
23 than July 31 each year, and the fees are payable immediately on assessment.
24 If a county, city, ~~or~~ town, COUNCIL OF GOVERNMENTS OR REGIONAL TRANSPORTATION
25 AUTHORITY fails to pay the assessment in full on or before September 30, the
26 department shall notify the state treasurer who shall withhold the delinquent
27 amount from the distribution of monies to the affected county, city or town
28 pursuant to section 42-5029, FROM THE DISTRIBUTION OF MONIES TO THE AFFECTED
29 COUNCIL OF GOVERNMENTS PURSUANT TO SECTION 42-6105 AND FROM THE DISTRIBUTION
30 OF MONIES TO THE AFFECTED REGIONAL TRANSPORTATION AUTHORITY PURSUANT TO
31 SECTION 42-6106, and continue to withhold monies until the entire amount of
32 the assessment has been satisfied.

33 E. All monies paid to the department or withheld by the state
34 treasurer for the ~~purposes prescribed in subsections A and B of this section~~
35 FEES ASSESSED PURSUANT TO SUBSECTION B OF THIS SECTION shall be credited to
36 the department of revenue administrative fund established by section
37 42-1116.01.

38 F. All monies paid to the department or withheld by the state
39 treasurer for the ~~purposes prescribed in subsection C of this section~~ FEES
40 ASSESSED PURSUANT TO SUBSECTION C OF THIS SECTION shall be credited to the
41 department of revenue IGA and ISA fund established pursuant to section
42 35-142.

43 G. Counties, cities and towns may meet their cost sharing obligation
44 from any source of county, city or town revenue designated by the appropriate
45 county, city or town. The county sources may include monies of any

1 countywide special taxing jurisdiction in which the board of supervisors
2 serves as the board of directors.

3 H. County, city and town contributions made pursuant to this section
4 are excluded from the applicable expenditure limitations.

5 Sec. 6. Section 42-17103, Arizona Revised Statutes, is amended to
6 read:

7 42-17103. Public access to estimates of revenues and expenses;
8 notice of public hearing; access to adopted budget

9 A. The governing body of each county, city or town shall publish the
10 estimates of revenues and expenses, or a summary of the estimates of revenues
11 and expenses, and a notice of a public hearing of the governing body to hear
12 taxpayers and make tax levies at designated times and places. The summary
13 shall set forth the total estimated revenues and expenditures by fund type,
14 truth in taxation calculations and primary and secondary property tax levies
15 for all districts. A complete copy of the estimates of revenues and expenses
16 shall be made available at the city, town or county libraries and city, town
17 or county administrative offices and shall be posted in a prominent location
18 on the official ~~websites, or on a website of an association of cities and~~
19 ~~towns for cities and towns that do not have official websites,~~ WEBSITE OF THE
20 CITY, TOWN OR COUNTY no later than seven business days after the estimates of
21 revenues and expenses are initially presented before the governing body. A
22 complete copy of the budget finally adopted under section 42-17105 shall be
23 posted in a prominent location on the official websites no later than seven
24 business days after final adoption.

25 B. Beginning with fiscal year 2011-2012, both the estimates of
26 revenues and expenses initially presented before the governing body and the
27 budget finally adopted under section 42-17105 shall be retained and
28 accessible in a prominent location on the official ~~websites, or on a website~~
29 ~~of an association of cities and towns for cities and towns that do not have~~
30 ~~official websites,~~ WEBSITE OF THE CITY, TOWN OR COUNTY for at least sixty
31 months.

32 C. The summary of estimates and notice, together with the library
33 addresses and websites where the complete copy of estimates may be found,
34 shall be published once a week for at least two consecutive weeks after the
35 estimates are tentatively adopted in the official newspaper of the county,
36 city or town, if there is one, and, if not, in a newspaper of general
37 circulation in the county, city or town.

38 D. If a truth in taxation notice and hearing is required under section
39 42-17107, the governing body may combine the notice under this section with
40 the truth in taxation notice.

41 Sec. 7. Laws 2015, chapter 10, section 18 is amended to read:

42 Sec. 18. County fiscal obligations; report

43 A. Notwithstanding any other law, for fiscal year 2015-2016, a county
44 with a population of less than two hundred thousand persons according to the
45 2010 United States decennial census may meet any county fiscal obligation

1 from any source of county revenue designated by the county, including monies
2 of any countywide special taxing jurisdiction in which the board of
3 supervisors serves as the board of directors.

4 B. On or before October 1, 2015, all counties with a population of
5 less than two hundred thousand persons according to the 2010 United States
6 decennial census shall report to the director of the joint legislative budget
7 committee ~~whether~~ IF the county used a revenue source FOR PURPOSES OTHER THAN
8 THE PURPOSES OF THE REVENUE SOURCE to meet a county fiscal obligation
9 pursuant to subsection A of this section and, if so, the specific source and
10 amount of revenues that the county intends to use in fiscal year 2015-2016.

11 C. NOTWITHSTANDING ANY OTHER LAW, FOR FISCAL YEAR 2015-2016, A COUNTY
12 WITH A POPULATION OF MORE THAN TWO HUNDRED THOUSAND PERSONS BUT LESS THAN
13 NINE HUNDRED THOUSAND PERSONS ACCORDING TO THE 2010 UNITED STATES DECENNIAL
14 CENSUS MAY MEET ANY COUNTY FISCAL OBLIGATION FROM ANY SOURCE OF COUNTY
15 REVENUE DESIGNATED BY THE COUNTY, INCLUDING MONIES OF ANY COUNTYWIDE SPECIAL
16 TAXING JURISDICTION IN WHICH THE BOARD OF SUPERVISORS SERVES AS THE BOARD OF
17 DIRECTORS. UNDER THE AUTHORITY PROVIDED IN THIS SUBSECTION, A COUNTY MAY NOT
18 USE MORE THAN \$1,000,000 FOR PURPOSES OTHER THAN THE PURPOSES OF THE REVENUE
19 SOURCE.

20 D. ON OR BEFORE OCTOBER 1, 2015, ALL COUNTIES WITH A POPULATION OF
21 MORE THAN TWO HUNDRED THOUSAND PERSONS BUT LESS THAN NINE HUNDRED THOUSAND
22 PERSONS ACCORDING TO THE 2010 UNITED STATES DECENNIAL CENSUS SHALL REPORT TO
23 THE DIRECTOR OF THE JOINT LEGISLATIVE BUDGET COMMITTEE IF THE COUNTY USED A
24 REVENUE SOURCE FOR PURPOSES OTHER THAN THE PURPOSES OF THE REVENUE SOURCE TO
25 MEET A COUNTY FISCAL OBLIGATION PURSUANT TO SUBSECTION C OF THIS SECTION AND,
26 IF SO, THE SPECIFIC SOURCE AND AMOUNT OF REVENUES THAT THE COUNTY INTENDS TO
27 USE IN FISCAL YEAR 2015-2016.

28 Sec. 8. Laws 2015, chapter 10, section 21 is amended to read:

29 Sec. 21. Legislative intent

30 A. It is the intent of the legislature that the fees prescribed in
31 section 42-5041, subsection B, Arizona Revised Statutes, be assessed and
32 collected pursuant to the following guidelines:

33 1. The total fees for all counties, cities, ~~and~~ towns, COUNCILS OF
34 GOVERNMENTS AND REGIONAL TRANSPORTATION AUTHORITIES may not exceed
35 \$20,755,835 in any fiscal year.

36 2. The share of fees assessed to all counties pursuant to paragraph 1
37 of this subsection shall be in proportion to the aggregate amount of monies
38 distributed to counties ~~in~~ FOR the FISCAL YEAR TWO YEARS preceding ~~two~~ THE
39 CURRENT fiscal ~~years~~ YEAR pursuant to ~~title 42, chapter 6, article 3, Arizona~~
40 ~~Revised Statutes, and section~~ SECTIONS 42-5029, 42-6103, 42-6107, 42-6108,
41 42-6108.01, 42-6109, 42-6109.01, 42-6110, 42-6111 AND 42-6112, Arizona
42 Revised Statutes, as a percentage of aggregate distributions to all counties,
43 cities, ~~and~~ towns, COUNCILS OF GOVERNMENTS AND REGIONAL TRANSPORTATION
44 AUTHORITIES LOCATED IN A COUNTY WITH A POPULATION OF MORE THAN FOUR HUNDRED
45 THOUSAND PERSONS ~~in~~ FOR the FISCAL YEAR TWO YEARS preceding ~~two~~ THE CURRENT

1 fiscal years YEAR pursuant to ~~title 42, chapter 6, article 3, Arizona Revised~~
2 ~~Statutes, and~~ sections 42-5029, 42-6001, 42-6103, 42-6105, 42-6106, 42-6107,
3 42-6108, 42-6108.01, 42-6109, 42-6109.01, 42-6110, 42-6111, 42-6112 and
4 43-206, Arizona Revised Statutes.

5 3. The share of fees assessed to all cities and towns pursuant to
6 paragraph 1 of this subsection shall be in proportion to the aggregate amount
7 of monies distributed to cities and towns ~~in~~ FOR the FISCAL YEAR TWO YEARS
8 preceding ~~two~~ THE CURRENT fiscal years YEAR pursuant to ~~title 42, chapter 6,~~
9 ~~article 3, Arizona Revised Statutes, and section~~ SECTIONS 42-5029, 42-6001
10 AND 43-206, Arizona Revised Statutes, as a percentage of aggregate
11 distributions to all counties, cities, ~~and~~ towns, COUNCILS OF GOVERNMENTS AND
12 REGIONAL TRANSPORTATION AUTHORITIES LOCATED IN A COUNTY WITH A POPULATION OF
13 MORE THAN FOUR HUNDRED THOUSAND PERSONS ~~in~~ FOR the FISCAL YEAR TWO YEARS
14 preceding ~~two~~ THE CURRENT fiscal years YEAR pursuant to ~~title 42, chapter 6,~~
15 ~~article 3, Arizona Revised Statutes, and~~ sections 42-5029, 42-6001, 42-6103,
16 42-6105, 42-6106, 42-6107, 42-6108, 42-6108.01, 42-6109, 42-6109.01, 42-6110,
17 42-6111, 42-6112 and 43-206, Arizona Revised Statutes.

18 4. THE SHARE OF FEES ASSESSED TO ALL COUNCILS OF GOVERNMENTS PURSUANT
19 TO PARAGRAPH 1 OF THIS SUBSECTION SHALL BE IN PROPORTION TO THE AGGREGATE
20 AMOUNT OF MONIES DISTRIBUTED TO ALL COUNCILS OF GOVERNMENTS FOR THE FISCAL
21 YEAR TWO YEARS PRECEDING THE CURRENT FISCAL YEAR PURSUANT TO SECTION 42-6105,
22 ARIZONA REVISED STATUTES, AS A PERCENTAGE OF AGGREGATE DISTRIBUTIONS TO ALL
23 COUNTIES, CITIES, TOWNS, COUNCILS OF GOVERNMENTS AND REGIONAL TRANSPORTATION
24 AUTHORITIES LOCATED IN A COUNTY WITH A POPULATION OF MORE THAN FOUR HUNDRED
25 THOUSAND PERSONS FOR THE FISCAL YEAR TWO YEARS PRECEDING THE CURRENT FISCAL
26 YEAR PURSUANT TO SECTIONS 42-5029, 42-6001, 42-6103, 42-6105, 42-6106,
27 42-6107, 42-6108, 42-6108.01, 42-6109, 42-6109.01, 42-6110, 42-6111, 42-6112
28 AND 43-206, ARIZONA REVISED STATUTES.

29 5. THE SHARE OF FEES ASSESSED TO ALL REGIONAL TRANSPORTATION
30 AUTHORITIES LOCATED IN A COUNTY WITH A POPULATION OF MORE THAN FOUR HUNDRED
31 THOUSAND PERSONS PURSUANT TO PARAGRAPH 1 OF THIS SUBSECTION SHALL BE IN
32 PROPORTION TO THE AGGREGATE AMOUNT OF MONIES DISTRIBUTED TO ALL REGIONAL
33 TRANSPORTATION AUTHORITIES LOCATED IN A COUNTY WITH A POPULATION OF MORE THAN
34 FOUR HUNDRED THOUSAND PERSONS FOR THE FISCAL YEAR TWO YEARS PRECEDING THE
35 CURRENT FISCAL YEAR PURSUANT TO SECTION 42-6106, ARIZONA REVISED STATUTES, AS
36 A PERCENTAGE OF AGGREGATE DISTRIBUTIONS TO ALL COUNTIES, CITIES, TOWNS,
37 COUNCILS OF GOVERNMENTS AND REGIONAL TRANSPORTATION AUTHORITIES LOCATED IN A
38 COUNTY WITH A POPULATION OF MORE THAN FOUR HUNDRED THOUSAND PERSONS FOR THE
39 FISCAL YEAR TWO YEARS PRECEDING THE CURRENT FISCAL YEAR PURSUANT TO SECTIONS
40 42-5029, 42-6001, 42-6103, 42-6105, 42-6106, 42-6107, 42-6108, 42-6108.01,
41 42-6109, 42-6109.01, 42-6110, 42-6111, 42-6112 AND 43-206, ARIZONA REVISED
42 STATUTES.

43 ~~4.~~ 6. Except as provided by sections 42-5033 and 42-5033.01, Arizona
44 Revised Statutes, the population of a county as determined by the most recent
45 United States decennial census plus any revision to the decennial census

1 certified by the United States census bureau shall be used as the basis for
2 apportioning monies pursuant to paragraph 2 of this subsection.

3 ~~5-~~ 7. Except as provided by sections 42-5033 and 42-5033.01, Arizona
4 Revised Statutes, the population of a city or town as determined by the most
5 recent United States decennial census plus any revision to the decennial
6 census certified by the United States census bureau shall be used as the
7 basis for apportioning monies pursuant to paragraph 3 of this subsection.

8 B. It is the intent of the legislature that the fees prescribed in
9 section 42-5041, subsection C, Arizona Revised Statutes, be payable in an
10 amount equal to seventy-six cents multiplied by the population of the city or
11 town used for the purposes of computing state ~~share~~ SHARED revenues pursuant
12 to sections 42-5029 and 43-206, Arizona Revised Statutes.