

REFERENCE TITLE: state parks; lottery; heritage fund.

State of Arizona
House of Representatives
Fifty-fourth Legislature
First Regular Session
2019

HB 2701

Introduced by
Representatives Osborne: Cano, Cobb, Cook, Dunn, Fernandez, Kavanagh,
Toma, Senator Kerr

AN ACT

AMENDING SECTION 5-572, ARIZONA REVISED STATUTES; AMENDING TITLE 41,
CHAPTER 3, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 1; RELATING TO THE
STATE LOTTERY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 5-572, Arizona Revised Statutes, is amended to
3 read:

4 5-572. Use of monies in state lottery fund; report

5 A. If there are any bonds or bond related obligations payable from
6 the state lottery revenue bond debt service fund, the state lottery
7 revenue bond debt service fund shall be secured by a first lien on the
8 monies in the state lottery fund after the payment of operating costs of
9 the lottery, as prescribed in section 5-555, subsection A, paragraph 1,
10 until the state lottery bond debt service fund contains sufficient monies
11 to meet all the requirements for the current period as required by the
12 bond documents. Debt service for revenue bonds issued pursuant to this
13 chapter shall be paid first from monies that would have otherwise been
14 deposited pursuant to this section in the state general fund. After the
15 requirements for the current period have been satisfied as required by the
16 bond documents, the monies in the state lottery fund shall be expended for
17 the expenses of the commission incurred in carrying out its powers and
18 duties and in the operation of the lottery.

19 B. Of the monies remaining in the state lottery fund each fiscal
20 year after appropriations and deposits authorized in subsection A of this
21 section, ~~ten million dollars~~ \$10,000,000 shall be deposited in the Arizona
22 game and fish commission heritage fund established by section 17-297.

23 C. Of the monies remaining in the state lottery fund each fiscal
24 year after appropriations and deposits authorized in subsections A and B
25 of this section, ~~five million dollars~~ \$10,000,000 SHALL BE DEPOSITED IN
26 THE ARIZONA STATE PARKS BOARD HERITAGE FUND ESTABLISHED BY SECTION 41-502,
27 \$5,000,000 shall be allocated to the department of child safety for the
28 healthy families program established by section 8-481, ~~four million~~
29 ~~dollars~~ \$4,000,000 shall be allocated to the Arizona board of regents for
30 the Arizona area health education system established by section 15-1643,
31 ~~three million dollars~~ \$3,000,000 shall be allocated to the department of
32 health services to fund the teenage pregnancy prevention programs
33 established in Laws 1995, chapter 190, sections 2 and 3, ~~two million~~
34 ~~dollars~~ \$2,000,000 shall be allocated to the department of health services
35 for the health start program established by section 36-697, ~~two million~~
36 ~~dollars~~ \$2,000,000 shall be deposited in the disease control research fund
37 established by section 36-274 and ~~one million dollars~~ \$1,000,000 shall be
38 allocated to the department of health services for the federal women,
39 infants and children food program. The allocations in this subsection
40 shall be adjusted annually according to changes in the GDP price deflator
41 as defined in section 41-563 and the allocations are exempt from the
42 provisions of section 35-190 relating to lapsing of appropriations. If
43 there are not sufficient monies available pursuant to this subsection, the
44 allocation of monies for each program shall be reduced on a pro rata
45 basis.

1 D. If the state lottery director determines that monies available
2 to the state general fund may not equal ~~eighty-four million one hundred~~
3 ~~fifty thousand dollars~~ \$84,150,000 in a fiscal year, the director shall
4 not authorize deposits to the Arizona game and fish commission heritage
5 fund OR THE ARIZONA STATE PARKS HERITAGE FUND pursuant to subsection B of
6 this section until the deposits to the state general fund equal
7 ~~eighty-four million one hundred fifty thousand dollars~~ \$84,150,000 in a
8 fiscal year.

9 E. Of the monies remaining in the state lottery fund each fiscal
10 year after appropriations and deposits authorized in subsections A through
11 D of this section, ~~one million dollars~~ \$1,000,000 or the remaining balance
12 in the fund, whichever is less, is appropriated to the department of
13 economic security for grants to nonprofit organizations, including faith
14 based organizations, for homeless emergency and transitional shelters and
15 related support services. The department of economic security shall
16 submit a report on the amounts, recipients, purposes and results of each
17 grant to the governor, the speaker of the house of representatives and the
18 president of the senate on or before December 31 of each year for the
19 prior fiscal year and shall provide a copy of this report to the secretary
20 of state.

21 F. Of the monies remaining in the state lottery fund each fiscal
22 year after appropriations and deposits authorized in subsections A through
23 E of this section, and after a total of at least ~~ninety-nine million six~~
24 ~~hundred forty thousand dollars~~ \$99,640,000 has been deposited in the state
25 general fund, ~~three million five hundred thousand dollars~~ \$3,500,000 shall
26 be deposited in the Arizona competes fund established by section
27 41-1545.01. The balance in the state lottery fund remaining after
28 deposits into the Arizona competes fund shall be deposited in the
29 university capital improvement lease-to-own and bond fund established by
30 section 15-1682.03, up to a maximum of eighty percent of the total annual
31 payments of lease-to-own and bond agreements entered into by the Arizona
32 board of regents.

33 G. All monies remaining in the state lottery fund after the
34 appropriations and deposits authorized in this section shall be deposited
35 in the state general fund.

36 H. Except for monies expended for debt service of revenue bonds as
37 provided in subsection A of this section, monies expended under subsection
38 A of this section are subject to legislative appropriation.

39 I. The commission shall transfer monies prescribed in this section
40 on a quarterly basis.

41 Sec. 2. Title 41, chapter 3, Arizona Revised Statutes, is amended
42 by adding article 1, to read:

43 ARTICLE 1. ARIZONA STATE PARKS HERITAGE FUND

44 41-501. Definitions

45 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1 1. "FUND" MEANS THE ARIZONA STATE PARKS HERITAGE FUND ESTABLISHED
2 BY SECTION 41-502.

3 2. "HISTORIC PRESERVATION PROJECT" MEANS A PROJECT FOR THE
4 PRESERVATION OF ARCHAEOLOGICAL OR HISTORIC PROPERTIES, ARTIFACTS, ARCHIVES
5 AND COLLECTIONS THAT REQUIRE STABILIZATION, REHABILITATION, RESTORATION
6 AND MAINTENANCE, INTERPRETATION, EDUCATION AND PROGRAM DEVELOPMENT.

7 41-502. Arizona state parks heritage fund

8 A. THE ARIZONA STATE PARKS HERITAGE FUND IS ESTABLISHED CONSISTING
9 OF MONIES DEPOSITED FROM THE STATE LOTTERY FUND PURSUANT TO SECTION 5-572
10 AND INTEREST EARNED ON THOSE MONIES, LEGISLATIVE APPROPRIATIONS, GRANTS
11 AND DONATIONS.

12 B. THE ARIZONA STATE PARKS BOARD SHALL ADMINISTER THE FUND. MONIES
13 IN THE FUND ARE CONTINUOUSLY APPROPRIATED. ON NOTICE FROM THE ARIZONA
14 STATE PARKS BOARD, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN
15 THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT
16 SHALL BE CREDITED TO THE FUND. MONIES IN THE FUND ARE EXEMPT FROM THE
17 PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

18 41-503. Expenditures from fund; purpose; amounts

19 A. THE ARIZONA STATE PARKS BOARD, IN CONSULTATION WITH THE
20 HISTORICAL ADVISORY COMMISSION, SHALL:

- 21 1. ESTABLISH CRITERIA FOR THE USE OF THE MONIES IN THE FUND.
- 22 2. ESTABLISH AND REVISE AS NECESSARY THE GRANT APPLICATION PROCESS.
- 23 3. REVIEW AND EVALUATE GRANT APPLICATIONS.

24 B. THE MONIES IN THE FUND SHALL BE USED AS FOLLOWS:

25 1. FIFTY PERCENT ON LOCAL, REGIONAL OR STATE PARKS FOR OUTDOOR
26 RECREATION AND OPEN SPACE DEVELOPMENT, RESTORATION OR RENOVATION.

27 2. THIRTY PERCENT ON LOCAL, REGIONAL AND STATE HISTORIC
28 PRESERVATION PROJECTS. THE ARIZONA STATE PARKS BOARD THROUGH THE STATE
29 HISTORIC PRESERVATION OFFICER SHALL ADMINISTER MONIES PROVIDED UNDER THIS
30 PARAGRAPH.

31 3. TEN PERCENT ON LOCAL, REGIONAL AND STATE NONMOTORIZED TRAILS.

32 4. TEN PERCENT ON OUTDOOR AND ENVIRONMENTAL EDUCATION.

33 C. AN ENTITY THAT RECEIVES MONIES UNDER THIS SECTION MAY NOT
34 RECEIVE MORE THAN TWENTY PERCENT OF THE MONIES AVAILABLE IN EACH CATEGORY
35 IN ANY FISCAL YEAR.

36 D. ALL MONIES EARNED AS INTEREST ON MONIES RECEIVED PURSUANT TO
37 SECTION 5-572 SHALL BE SPENT ONLY IN THE PERCENTAGES AND FOR THE PURPOSES
38 DESCRIBED IN SUBSECTION B OF THIS SECTION OR FOR THE COSTS OF
39 ADMINISTERING THE FUND IN SUCH AMOUNTS AS DETERMINED BY THE ARIZONA STATE
40 PARKS BOARD, IN CONSULTATION WITH THE HISTORICAL ADVISORY COMMISSION.

41 E. MONIES IN THE FUND MAY NOT BE USED TO ACQUIRE PROPERTY.

42 F. ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE ARIZONA STATE PARKS
43 BOARD, IN CONSULTATION WITH THE HISTORICAL ADVISORY COMMISSION, SHALL
44 SUBMIT A REPORT TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE
45 OF REPRESENTATIVES AND THE CHAIRPERSONS OF THE SENATE COMMITTEE ON NATURAL

1 RESOURCES AND ENERGY AND THE HOUSE OF REPRESENTATIVES COMMITTEE ON NATURAL
2 RESOURCES, ENERGY AND WATER, OR THEIR SUCCESSOR COMMITTEES. THE BOARD
3 SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE. THE REPORT
4 SHALL INCLUDE INFORMATION ON:

5 1. THE AMOUNT OF MONIES SPENT OR ENCUMBERED IN THE FUND DURING THE
6 PRECEDING FISCAL YEAR AND A SUMMARY OF THE PROJECTS, ACTIVITIES AND
7 EXPENDITURES RELATING TO:

8 (a) LOCAL, REGIONAL OR STATE PARKS FOR OUTDOOR RECREATION AND OPEN
9 SPACE.

10 (b) LOCAL, REGIONAL AND STATE NONMOTORIZED TRAILS.

11 (c) LOCAL, REGIONAL AND STATE HISTORIC PRESERVATION PROJECTS.

12 (d) OUTDOOR AND ENVIRONMENTAL EDUCATION.

13 2. THE AMOUNT OF MONIES SPENT FROM THE FUND DURING THE PRECEDING
14 FISCAL YEAR THAT IS ITEMIZED.

15 41-504. Performance audit

16 THE AUDITOR GENERAL SHALL CONDUCT A PERFORMANCE AUDIT, AS DEFINED IN
17 SECTION 41-1278, OF THE PROGRAMS AND EXPENDITURES OF THE FUND PURSUANT TO
18 THIS ARTICLE AT THE SAME TIME AN AGENCY PERFORMANCE AUDIT OF THE ARIZONA
19 STATE PARKS BOARD IS CONDUCTED. THE AUDITOR GENERAL SHALL SUBMIT COPIES
20 OF THE PERFORMANCE AUDIT TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF
21 THE HOUSE OF REPRESENTATIVES AND THE CHAIRPERSONS OF THE SENATE COMMITTEE
22 ON NATURAL RESOURCES AND ENERGY AND THE HOUSE OF REPRESENTATIVES COMMITTEE
23 ON NATURAL RESOURCES, ENERGY AND WATER, OR THEIR SUCCESSOR COMMITTEES.

24 Sec. 3. Legislative intent

25 The Arizona state parks heritage fund served this state well with
26 its dedication to parks, outdoor recreation, open space and nonmotorized
27 trails, outdoor and environmental education and historic preservation. It
28 is the intent of the legislature to restore the Arizona state parks
29 heritage fund after satisfying all other current encumbrances and to
30 reestablish the fund in a responsible and deliberate manner.