

REFERENCE TITLE: government lending programs; auditor general

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

SB 1262

Introduced by
Senator Livingston

AN ACT

AMENDING TITLE 35, CHAPTER 1, ARTICLE 2, ARIZONA REVISED STATUTES, BY
ADDING SECTION 35-126; RELATING TO BUDGET PREPARATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 35, chapter 1, article 2, Arizona Revised
3 Statutes, is amended by adding section 35-126, to read:

4 35-126. Auditor general; lending programs and credit support
5 programs; reports; definitions

6 A. ON OR BEFORE JUNE 30 OF EACH YEAR, THE AUDITOR GENERAL SHALL
7 ISSUE A REPORT THAT IS SPECIFIED BY PROGRAM ON STATE LENDING PROGRAMS AND
8 CREDIT SUPPORT PROGRAMS AND INCLUDES THE FOLLOWING:

9 1. A LIST OF ALL STATE LENDING PROGRAMS AND CREDIT SUPPORT PROGRAMS
10 IN A SINGLE DOCUMENT, INCLUDING A CITATION FOR THEIR AUTHORITY TO OPERATE.

11 2. THE TOTAL AMOUNT OF ALL STATE LENDING PROGRAMS AND THE TOTAL
12 AMOUNT OF THE DEBT SUPPORTED BY ALL CREDIT SUPPORT PROGRAMS.

13 3. REASONABLE ESTIMATES OF THE PROJECTED DEFAULTS OF THE STATE
14 LENDING PROGRAMS AND CREDIT SUPPORT PROGRAMS USING PRIVATE-SECTOR
15 ACCOUNTING STANDARDS FOR CREDIT LOSSES.

16 B. BASED ON THE AUDITOR GENERAL'S MOST RECENT ESTIMATES, THE
17 GOVERNOR AND LEGISLATURE SHALL INCLUDE THE FOLLOWING INFORMATION IN THEIR
18 BUDGET PROPOSALS:

19 1. CHANGES IN RETURNS OR PROJECTED DEFAULTS OF STATE LENDING
20 PROGRAMS AND CREDIT SUPPORT PROGRAMS IN THE PREVIOUS FISCAL YEAR,
21 INCLUDING NEW EXPENSES OR NEW REVENUES.

22 2. CHANGES IN EXPENSES OR REVENUES OF STATE LENDING PROGRAMS AND
23 CREDIT SUPPORT PROGRAMS IN THE PREVIOUS FISCAL YEAR, WHICH SHALL BE
24 INCLUDED AS EXPENSES OR REVENUES FOR THE PURPOSES OF CALCULATING A
25 BALANCED BUDGET.

26 3. PROJECTED EXPENSES FROM DEFAULTS OF ANY NEW STATE LENDING
27 PROGRAM OR CREDIT SUPPORT PROGRAM ESTABLISHED DURING THE FISCAL YEAR USING
28 PRIVATE-SECTOR ACCOUNTING STANDARDS FOR THE PURPOSES OF CALCULATING A
29 BALANCED BUDGET.

30 C. FOR THE PURPOSES OF THIS SECTION:

31 1. "CREDIT SUPPORT PROGRAM" MEANS ANY STATE PROGRAM THAT GUARANTEES
32 OR PROVIDES CREDIT ENHANCEMENTS, SUCH AS STATE SUPPORT FOR INTEREST OR
33 PRINCIPAL PAYMENTS, TO THE DEBT OF PRIVATE PARTIES OR POLITICAL
34 SUBDIVISIONS OF THIS STATE, UNDER WHICH THIS STATE WOULD BE REQUIRED TO
35 PROVIDE MONIES IF THE BORROWER FAILED TO PAY.

36 2. "STATE LENDING PROGRAM" MEANS ANY STATE PROGRAM THAT OFFERS
37 MONIES TO PRIVATE PARTIES OR POLITICAL SUBDIVISIONS OF THIS STATE THAT
38 COMES WITH THE EXPECTATION OF REPAYMENT.

39 Sec. 2. Short title

40 Section 35-126, Arizona Revised Statutes, as added by this act, may
41 be cited as the "Government Lending Transparency Act".

42 Sec. 3. Effective date

43 This act is effective from and after June 30, 2023.