

COMMITTEE ON FINANCE
SENATE AMENDMENTS TO H.B. 2430
(Reference to House engrossed bill)

1 Page 1, line 35, after "2." insert "THROUGH JUNE 30, 2023,"

2 Between lines 39 and 40, insert:

3 "3. BEGINNING JULY 1, 2023, 26.00 PERCENT WITH THE STATE TREASURER
4 FOR TRANSMISSION TO THE DEPARTMENT OF ADMINISTRATION FOR DISTRIBUTION
5 PURSUANT TO SECTION 41-727."

6 Renumber to conform

7 Page 2, line 24, after "2." insert "THROUGH JUNE 30, 2023,"

8 Between lines 28 and 29, insert:

9 "3. BEGINNING JULY 1, 2023, 26.00 PERCENT WITH THE STATE TREASURER
10 FOR TRANSMISSION TO THE DEPARTMENT OF ADMINISTRATION FOR DISTRIBUTION
11 PURSUANT TO SECTION 41-727."

12 Renumber to conform

13 Page 3, line 9, after "6." insert "THROUGH JUNE 30, 2023, EITHER OF THE FOLLOWING
14 PERCENTAGES"

15 Line 26, after "10." insert "THROUGH JUNE 30, 2023,"

16 Between lines 29 and 30, insert:

17 "11. BEGINNING JULY 1, 2023, EITHER OF THE FOLLOWING PERCENTAGES TO
18 THE DEPARTMENT OF ADMINISTRATION FOR DISTRIBUTION PURSUANT TO SECTION
19 41-727:

20 (a) 21.91 PERCENT IF THE COUNTY TREASURER IS SERVING IN A COUNTY
21 WITH A POPULATION OF MORE THAN FIVE HUNDRED THOUSAND PERSONS.

22 (b) 14.09 PERCENT IF THE COUNTY TREASURER IS SERVING IN A COUNTY
23 WITH A POPULATION OF FIVE HUNDRED THOUSAND PERSONS OR LESS.

24 12. BEGINNING JULY 1, 2023, 6.00 PERCENT TO THE DEPARTMENT OF
25 ADMINISTRATION FOR DISTRIBUTION PURSUANT TO SECTION 41-727."

1 Page 5, line 1, after "3." insert "THROUGH JUNE 30, 2023, EITHER OF THE FOLLOWING
2 PERCENTAGES"

3 Line 14, after "5." insert "THROUGH JUNE 30, 2023,"

4 Between lines 17 and 18, insert:

5 "6. BEGINNING JULY 1, 2023, EITHER OF THE FOLLOWING PERCENTAGES TO
6 THE DEPARTMENT OF ADMINISTRATION FOR DISTRIBUTION PURSUANT TO SECTION
7 41-727:

8 (a) 21.91 PERCENT IF THE COUNTY TREASURER IS SERVING IN A COUNTY
9 WITH A POPULATION OF MORE THAN FIVE HUNDRED THOUSAND PERSONS.

10 (b) 14.09 PERCENT IF THE COUNTY TREASURER IS SERVING IN A COUNTY
11 WITH A POPULATION OF FIVE HUNDRED THOUSAND PERSONS OR LESS.

12 7. BEGINNING JULY 1, 2023, 6.00 PERCENT TO THE DEPARTMENT OF
13 ADMINISTRATION FOR DISTRIBUTION PURSUANT TO SECTION 41-727."

14 Between lines 33 and 34, insert:

15 "Sec. 5. Section 38-803.01, Arizona Revised Statutes, is amended to
16 read:

17 38-803.01. Qualified governmental excess benefit arrangement;
18 definitions

19 A. The board may establish a qualified governmental excess benefit
20 arrangement for the sole purpose of enabling the board to continue to apply
21 the same formula for determining benefits payable to all employees covered
22 by the plan whose benefits under the plan are limited by section 415 of the
23 internal revenue code.

24 B. The board shall administer the qualified governmental excess
25 benefit arrangement. The board has full discretionary fiduciary authority
26 to determine all questions arising in connection with the arrangement,
27 including its interpretation and any factual questions arising under the
28 arrangement.

29 C. All members and retired members of the plan are eligible to
30 participate in the qualified governmental excess benefit arrangement if
31 their benefits under the plan would exceed the limitations imposed by
32 section 415 of the internal revenue code.

1 D. On or after the effective date of the qualified governmental
2 excess benefit arrangement, the employer shall pay to each eligible member
3 of the plan who retires on or after the effective date and to each retired
4 member who retired before the effective date and that member's beneficiary,
5 if required, a supplemental pension benefit equal to the amount by which
6 the benefit that would have been payable under the plan, without regard to
7 any provisions in the plan incorporating the limitation on benefits imposed
8 by section 415 of the internal revenue code, exceeds the benefit actually
9 payable taking into account the limitation imposed on the plan by section
10 415 of the internal revenue code. The board shall compute and pay the
11 supplemental pension benefits under the same terms and conditions and to
12 the same person as the benefits payable to or on account of a retired
13 member under the plan.

14 E. The employer shall not fund benefits payable under the qualified
15 governmental excess benefit arrangement. The employer shall pay benefits
16 payable under the qualified governmental excess benefit arrangement out of
17 the general assets of the employer. For administrative purposes, the
18 employer may establish a grantor trust for the benefit of eligible members.
19 The employer shall be treated as grantor of the trust for purposes of
20 section 677 of the internal revenue code. The rights of any person to
21 receive benefits under the qualified governmental excess benefit
22 arrangement are limited to those of a general creditor of the employer.

23 F. THE DEPARTMENT OF ADMINISTRATION AND THE BOARD SHALL COORDINATE
24 TO ENSURE THAT PAYMENTS AND TAX REPORTING ARE IN ACCORDANCE WITH FEDERAL
25 TAX REQUIREMENTS.

26 G. THE BOARD SHALL PROVIDE ALL NECESSARY INFORMATION TO THE
27 DEPARTMENT OF ADMINISTRATION FOR THE PURPOSES OF DISTRIBUTING MONIES
28 PURSUANT TO SECTION 41-727.

29 ~~F.~~ H. The terms and conditions contained in the plan, other than
30 those relating to the benefit limitation imposed by section 415 of the
31 internal revenue code, apply, unless the terms and conditions are

1 inconsistent with the purpose of the qualified governmental excess benefit
2 arrangement.

3 ~~C.~~ I. For the purposes of this section:

4 1. "Internal revenue code" has the same meaning prescribed in
5 section 42-1001.

6 2. "Qualified governmental excess benefit arrangement" means a
7 portion of the plan if:

8 (a) The portion is maintained solely to provide to members of the
9 plan that part of a member's annual benefit that is otherwise payable under
10 the terms of the plan and that exceeds the limitations imposed by section
11 415 of the internal revenue code.

12 (b) Under that portion, a direct or indirect election to defer
13 compensation is not provided at any time to the member.

14 (c) Excess benefits are not paid from a trust that is a part of the
15 plan unless the trust is maintained solely for the purpose of providing
16 excess benefits."

17 Renumber to conform

18 Page 6, line 3, after "B." insert "THROUGH JUNE 30, 2023,"

19 Line 6, strike the first "paragraph" insert "PARAGRAPHS"; after "6" insert
20 "AND 10"; strike the second "paragraph" insert "PARAGRAPHS"; after "3"
21 insert "AND 5"

22 Line 10, after the period strike remainder of line

23 Strike lines 11 and 12

24 Page 8, strike lines 27 through 35

25 Line 39, after the semicolon insert "intergovernmental agreements:"

26 Page 9, line 40, after the period strike remainder of line

27 Strike lines 41 and 42

28 Line 43, strike "TOWN OR COUNTY."

29 After line 44, insert:

30 "C. NOTWITHSTANDING THE REPAYMENT SCHEDULE AND BILLING PROVISIONS
31 PRESCRIBED IN SUBSECTIONS A AND B OF THIS SECTION, ON REQUEST OF A CITY,
32 TOWN OR COUNTY SPECIFIED IN SUBSECTION A OF THIS SECTION, THE STATE

1 TREASURER SHALL ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY,
2 TOWN OR COUNTY TO ESTABLISH AN ACCELERATED REPAYMENT SCHEDULE. NOT LATER
3 THAN JANUARY 15 OF EACH YEAR, THE STATE TREASURER SHALL BILL THE CITY, TOWN
4 OR COUNTY FOR THE AMOUNT PRESCRIBED IN THE INTERGOVERNMENTAL AGREEMENT AND
5 MAY NOT BILL THE CITY, TOWN OR COUNTY PURSUANT TO SUBSECTION B OF THIS
6 SECTION. THE INTERGOVERNMENTAL AGREEMENT MUST INCLUDE THE FOLLOWING:

7 1. THE TOTAL AMOUNT TO BE PAID BY THE CITY, TOWN OR COUNTY TO THIS
8 STATE, WHICH IS EQUAL TO THE AMOUNT PRESCRIBED FOR THE CITY, TOWN OR COUNTY
9 IN SUBSECTION A OF THIS SECTION MULTIPLIED BY TEN.

10 2. THE ANNUAL PAYMENT FROM THE CITY, TOWN OR COUNTY TO THIS STATE,
11 WHICH MAY NOT BE LESS THAN THE AMOUNT PRESCRIBED FOR THE CITY, TOWN OR
12 COUNTY IN SUBSECTION A OF THIS SECTION.

13 3. THE NUMBER AND AMOUNT OF ANNUAL PAYMENTS DUE UNDER THE
14 INTERGOVERNMENTAL AGREEMENT. ANNUAL PAYMENTS SHALL BEGIN FROM AND AFTER
15 JUNE 30, 2023 AND BE MADE IN CONSECUTIVE YEARS.

16 D. PAYMENTS MADE BY A CITY, TOWN OR COUNTY TO THIS STATE PURSUANT TO
17 AN INTERGOVERNMENTAL AGREEMENT ENTERED INTO PURSUANT TO SUBSECTION C OF
18 THIS SECTION ARE PAYMENTS REQUIRED BY A CONTRACTUAL LONG-TERM OBLIGATION
19 UNDER ARTICLE IX, SECTION 20, SUBSECTION 3, PARAGRAPH (d), SUBDIVISION (i),
20 CONSTITUTION OF ARIZONA, AND ARE EXCLUDED FROM THE CITY'S, TOWN'S OR
21 COUNTY'S EXPENDITURE LIMITATION ESTABLISHED PURSUANT TO ARTICLE IX, SECTION
22 20, CONSTITUTION OF ARIZONA.

23 E. ON ENTERING INTO AN INTERGOVERNMENTAL AGREEMENT PURSUANT TO
24 SUBSECTION C OF THIS SECTION, THE STATE TREASURER SHALL REPORT THE
25 FOLLOWING TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF
26 REPRESENTATIVES, THE CHAIRPERSONS OF THE APPROPRIATIONS COMMITTEES IN THE
27 SENATE AND THE HOUSE OF REPRESENTATIVES, THE JOINT LEGISLATIVE BUDGET
28 COMMITTEE AND THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING:

29 1. THE CITY, TOWN OR COUNTY THAT ENTERED INTO AN INTERGOVERNMENTAL
30 AGREEMENT.

1 2. THE PROVISIONS OF THE INTERGOVERNMENTAL AGREEMENT WITH THAT CITY,
2 TOWN OR COUNTY AS PRESCRIBED IN SUBSECTION C OF THIS SECTION."

3 Reletter to conform

4 Page 10, line 2, after "AMOUNT" insert "AS SPECIFIED IN SUBSECTION A OF THIS
5 SECTION OR IN THE INTERGOVERNMENTAL AGREEMENT PURSUANT TO SUBSECTION C OF
6 THIS SECTION"

7 Lines 5 and 6, strike "AMOUNT OF THE"

8 Line 29, after "6." insert "THROUGH JUNE 30, 2023,"

9 Between lines 32 and 33, insert:

10 "7. BEGINNING JULY 1, 2023, 23.79 PERCENT FOR TRANSMISSION TO THE
11 DEPARTMENT OF ADMINISTRATION FOR DISTRIBUTION PURSUANT TO SECTION 41-727."

12 Renumber to conform

13 Between lines 41 and 42, insert:

14 "Sec. 10. Title 41, chapter 4, article 3, Arizona Revised Statutes,
15 is amended by adding section 41-727, to read:

16 41-727. Court fees; distribution; definitions

17 A. BEGINNING JULY 1, 2023, THE DEPARTMENT SHALL BE CREDITED MONTHLY
18 WITH MONIES COLLECTED PURSUANT TO SECTION 12-119.01, SUBSECTION B,
19 PARAGRAPH 3, SECTION 12-120.31, SUBSECTION D, PARAGRAPH 3, SECTION
20 12-284.03, SUBSECTION A, PARAGRAPHS 11 AND 12, SECTION 22-281, SUBSECTION
21 C, PARAGRAPHS 6 AND 7 AND SECTION 41-178, PARAGRAPH 7. THE DEPARTMENT
22 SHALL SEPARATELY ACCOUNT FOR THE MONIES COLLECTED PURSUANT TO THIS
23 SUBSECTION AND SHALL DISTRIBUTE THE MONIES PURSUANT TO SUBSECTION B OF THIS
24 SECTION.

25 B. FOR FISCAL YEAR 2023-2024 AND EACH FISCAL YEAR THEREAFTER, THE
26 MONIES COLLECTED PURSUANT TO SUBSECTION A OF THIS SECTION SHALL BE
27 DISTRIBUTED AS FOLLOWS:

28 1. AS DETERMINED BY THE BOARD, IN AMOUNTS NECESSARY TO SATISFY THE
29 QUALIFIED GOVERNMENTAL EXCESS BENEFIT ARRANGEMENT ESTABLISHED PURSUANT TO
30 SECTION 38-803.01. IN DISTRIBUTING MONIES PURSUANT TO THIS PARAGRAPH, THE
31 DEPARTMENT MAY ALLOCATE MONIES TO THE BOARD OR TO EMPLOYERS IN ORDER TO
32 COMPLY WITH THE REQUIREMENTS OF SECTION 38-803.01.

1 2. AFTER DISTRIBUTING MONIES PURSUANT TO PARAGRAPH 1 OF THIS
2 SUBSECTION, ON OR BEFORE JUNE 30, THE DEPARTMENT SHALL TRANSFER ANY
3 REMAINING MONIES COLLECTED DURING A FISCAL YEAR TO THE STATE GENERAL FUND.

4 C. FOR THE PURPOSES OF THIS SECTION:

5 1. "BOARD" HAS THE SAME MEANING PRESCRIBED IN SECTION 38-801.

6 2. "EMPLOYER" HAS THE SAME MEANING PRESCRIBED IN SECTION 38-801."

7 Renumber to conform

8 Amend title to conform

2430FIN.docx
03/17/2023
02:47 PM
C: MH