

Senate Engrossed

state parks; lottery; heritage fund

State of Arizona  
Senate  
Fifty-sixth Legislature  
First Regular Session  
2023

# SENATE BILL 1224

AN ACT

AMENDING SECTIONS 5-572 AND 41-502, ARIZONA REVISED STATUTES; RELATING TO  
THE ARIZONA STATE PARKS HERITAGE FUND.

(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 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 OR  
6 C of 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~~ FAITH-BASED organizations, for homeless emergency and transitional  
15 shelters and related support services. The department of economic security  
16 shall submit a report on the amounts, recipients, purposes and results of  
17 each grant to the governor, the speaker of the house of representatives  
18 and the president of the senate on or before December 31 of each year for  
19 the prior fiscal year and shall provide a copy of this report to the  
20 secretary 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. Section 41-502, Arizona Revised Statutes, is amended to  
42 read:

43 41-502. Arizona state parks heritage fund; exemption

44 A. The Arizona state parks heritage fund is established consisting  
45 of MONIES DEPOSITED FROM THE STATE LOTTERY FUND PURSUANT TO SECTION 5-572

1 AND INTEREST EARNED ON THOSE MONIES, legislative appropriations, grants  
2 and donations.

3 B. The Arizona state parks board shall administer the fund. Monies  
4 in the fund are continuously appropriated. On notice from the Arizona  
5 state parks board, the state treasurer shall invest and divest monies in  
6 the fund as provided by section 35-313, and monies earned from investment  
7 shall be credited to the fund. Monies in the fund are exempt from the  
8 provisions of section 35-190 relating to lapsing of appropriations.

9 Sec. 3. Exemption from rulemaking

10 For the purposes of this act, the Arizona state parks board is  
11 exempt from the rulemaking requirements of title 41, chapter 6, Arizona  
12 Revised Statutes, for one year after the effective date of this act.