

REFERENCE TITLE: housing trust fund; deposit; appropriation

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

SB 1465

Introduced by
Senator Shope

AN ACT

AMENDING SECTIONS 5-572, 41-3955, 41-5302, 41-5352 AND 44-313, ARIZONA
REVISED STATUTES; RELATING TO THE HOUSING TRUST 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~~ \$5,000,000 shall be allocated to the
26 department of child safety for the healthy families program established by
27 section 8-481, ~~four million dollars~~ \$4,000,000 shall be allocated to the
28 Arizona board of regents for the Arizona area health education system
29 established by section 15-1643, ~~three million dollars~~ \$3,000,000 shall be
30 allocated to the department of health services to fund the teenage
31 pregnancy prevention programs established in Laws 1995, chapter 190,
32 sections 2 and 3, ~~two million dollars~~ \$2,000,000 shall be allocated to the
33 department of health services for the health start program established by
34 section 36-697, ~~two million dollars~~ \$2,000,000 shall be deposited in the
35 disease control research fund established by section 36-274 and ~~one~~
36 ~~million dollars~~ \$1,000,000 shall be allocated to the department of health
37 services for the federal women, infants and children food program. The
38 allocations in this subsection shall be adjusted annually according to
39 changes in the GDP price deflator as defined in section 41-563, and the
40 allocations are exempt from the provisions of section 35-190 relating to
41 lapsing of appropriations. If there are not sufficient monies available
42 pursuant to this subsection, the allocation of monies for each program
43 shall be reduced on a pro rata basis.

44 D. If the state lottery director determines that monies available
45 to the state general fund may not equal ~~eighty-four million one hundred~~

1 ~~fifty thousand dollars~~ \$84,150,000 in a fiscal year, the director shall
2 not authorize deposits to the Arizona game and fish commission heritage
3 fund pursuant to subsection B of this section until the deposits to the
4 state general fund equal ~~eighty-four million one hundred fifty thousand~~
5 ~~dollars~~ \$84,150,000 in a fiscal year.

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

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

30 G. All monies remaining in the state lottery fund after the
31 appropriations and deposits authorized in this section shall be deposited
32 in the ~~state general fund~~ HOUSING TRUST FUND ESTABLISHED BY SECTION
33 41-3955.

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

37 I. The commission shall transfer monies prescribed in this section
38 on a quarterly basis.

39 Sec. 2. Section 41-3955, Arizona Revised Statutes, is amended to
40 read:

41 41-3955. Housing trust fund; purpose; annual report

42 A. The housing trust fund is established, and the director shall
43 administer the fund. The fund consists of MONIES DEPOSITED PURSUANT TO
44 SECTION 5-572, monies from unclaimed property deposited in the fund

1 pursuant to section 44-313, monies transferred pursuant to ~~section~~
2 **SECTIONS 35-751 AND 41-5352** and investment earnings.

3 B. On notice from the department, the state treasurer shall invest
4 and divest monies in the fund as provided by section 35-313, and monies
5 earned from investment shall be credited to the fund.

6 C. Except as provided in subsection D of this section, fund monies
7 shall be spent on approval of the department for developing projects and
8 programs connected with providing housing opportunities for low and
9 moderate income households and for housing affordability programs.

10 ~~Pursuant to section 44-313, subsection A,~~ A portion of fund monies shall
11 be used exclusively for housing in rural areas.

12 D. Fund monies may be spent on constructing or renovating
13 facilities and on housing assistance, including support services, for
14 persons who have been determined to be seriously mentally ill and to be
15 chronically resistant to treatment.

16 E. For the purposes of subsection C of this section, in approving
17 the expenditure of monies, the director shall give priority to funding
18 projects that provide for operating, constructing or renovating facilities
19 for housing for low-income families and that provide housing and shelter
20 to families that have children.

21 F. The director shall report annually to the legislature on the
22 status of the housing trust fund. The report shall include a summary of
23 facilities for which funding was provided during the preceding fiscal year
24 and shall show the cost and geographic location of each facility and the
25 number of individuals benefiting from the operation, construction or
26 renovation of the facility. The report shall also include the number of
27 individuals who benefit from housing assistance pursuant to subsection D
28 of this section. The report shall be submitted to the president of the
29 senate and the speaker of the house of representatives, and a copy
30 provided to the secretary of state, not later than September 1 of each
31 year.

32 G. Monies in the housing trust fund are exempt from the provisions
33 of section 35-190 relating to lapsing of appropriations.

34 H. An amount not to exceed ten percent of the housing trust fund
35 monies may be appropriated annually by the legislature to the department
36 for administrative costs in providing services relating to the housing
37 trust fund.

38 I. For any construction project financed by the department pursuant
39 to this section, the department shall notify a city, town, county or
40 tribal government that a project is planned for its jurisdiction and,
41 before proceeding, shall seek comment from the governing body of the city,
42 town, county or tribal government or an official authorized by the
43 governing body of the city, town, county or tribal government. The
44 department shall not interfere with or attempt to override the local
45 jurisdiction's planning, zoning or land use regulations.

1 Sec. 3. Section 41-5302, Arizona Revised Statutes, is amended to
2 read:

3 41-5302. Office of economic opportunity; funds

4 A. The office of economic opportunity is established.

5 B. The director is responsible for the direction, operation and
6 control of the office.

7 C. The governor shall appoint the director of the office pursuant
8 to section 38-211 to serve at the pleasure of the governor.

9 D. The office of economic opportunity operations fund is
10 established consisting of monies deposited pursuant to sections 44-1843,
11 44-1861, 44-1892, 44-3324 and 44-3325 and as otherwise provided by law.
12 The office shall administer the fund. Monies in the fund are continuously
13 appropriated. Monies in the fund may be used in the furtherance of the
14 mission of the office and related economic development interests.

15 E. The economic development fund is established consisting of
16 monies received from the Arizona industrial development authority and ~~the~~
17 ~~Arizona finance authority~~ as otherwise provided by law. The office shall
18 administer the fund.

19 Sec. 4. Section 41-5352, Arizona Revised Statutes, is amended to
20 read:

21 41-5352. Arizona finance authority; fund

22 A. The Arizona finance authority is established in the office of
23 economic opportunity.

24 B. The governor shall appoint the director of the authority to
25 serve at the pleasure of the governor.

26 C. The Arizona finance authority operations fund is established
27 consisting of monies deposited pursuant to section 41-5355. The authority
28 shall administer the fund. Monies in the fund are continuously
29 appropriated.

30 D. At the end of the fiscal year, the authority shall transfer all
31 unencumbered monies in the fund in excess of the authority's operating
32 costs to the ~~economic development fund established by section 41-5302~~
33 ~~HOUSING TRUST FUND ESTABLISHED BY SECTION 41-3955.~~

34 Sec. 5. Section 44-313, Arizona Revised Statutes, is amended to
35 read:

36 44-313. Deposit of monies

37 A. Except as otherwise provided in this section or section 44-314,
38 the department shall deposit, pursuant to sections 35-146 and 35-147, in
39 the state general fund all monies received pursuant to this chapter,
40 including the proceeds from the sale of abandoned property pursuant to
41 section 44-312, except that:

42 1. The first ~~two million dollars~~ \$2,000,000 of the monies shall be
43 deposited each fiscal year in the seriously mentally ill housing trust
44 fund established by section 41-3955.01.

1 2. The second ~~two million five hundred thousand dollars~~ \$2,500,000
2 of the monies shall be deposited EACH FISCAL YEAR in the housing trust
3 fund established by section 41-3955.

4 3. The next ~~twenty-four million five hundred thousand dollars~~
5 \$24,500,000 of the monies shall be deposited each fiscal year in the
6 department of revenue administrative fund established by section
7 42-1116.01.

8 4. SEVENTY-FIVE PERCENT OF THE REMAINING MONIES SHALL BE DEPOSITED
9 EACH FISCAL YEAR IN THE HOUSING TRUST FUND ESTABLISHED BY SECTION 41-3955.

10 B. The department shall deposit monies from unclaimed shares and
11 dividends of any corporation incorporated under the laws of this state in
12 the permanent state school fund pursuant to article XI, section 8,
13 Constitution of Arizona.

14 C. The department shall deposit monies from unclaimed victim
15 restitution payments in the victim compensation and assistance fund
16 established by section 41-2407 for the purpose of establishing,
17 maintaining and supporting programs that compensate and assist victims of
18 crime.

19 D. The department shall retain in a separate trust fund at least
20 ~~one hundred thousand dollars~~ \$100,000 from which the department shall pay
21 claims.

22 E. Before making the deposit, the department shall record the name
23 and last known address of each person who appears from the holders'
24 reports to be entitled to the property and the name and last known address
25 of each insured person or annuitant and beneficiary. The department shall
26 also record the policy or contract number of each policy or contract of an
27 insurance company that is listed in the report, the name of the company
28 and the amount due. The department shall make the record available for
29 public inspection during reasonable business hours.