

REFERENCE TITLE: lottery; water infrastructure finance authority

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2011

Introduced by
Representative Griffin

AN ACT

AMENDING SECTIONS 5-572, 49-1271 AND 49-1331, ARIZONA REVISED STATUTES;
RELATING TO THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA.

(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 security
13 shall submit a report on the amounts, recipients, purposes and results of
14 each grant to the governor, the speaker of the house of representatives
15 and the president of the senate on or before December 31 of each year for
16 the prior fiscal year and shall provide a copy of this report to the
17 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. OF THE MONIES REMAINING IN THE STATE LOTTERY FUND EACH FISCAL
31 YEAR AFTER APPROPRIATIONS AND DEPOSITS AUTHORIZED IN SUBSECTIONS A
32 THROUGH F OF THIS SECTION, \$50,000,000 IS APPROPRIATED TO THE WATER
33 INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA. THE WATER INFRASTRUCTURE
34 FINANCE AUTHORITY OF ARIZONA SHALL DEPOSIT \$25,000,000 IN THE WATER SUPPLY
35 DEVELOPMENT REVOLVING FUND ESTABLISHED BY SECTION 49-1271 AND \$25,000,000
36 IN THE WATER CONSERVATION GRANT FUND ESTABLISHED BY SECTION 49-1331.

37 ~~G.~~ H. All monies remaining in the state lottery fund after the
38 appropriations and deposits authorized in this section shall be deposited
39 in the state general fund.

40 ~~H.~~ I. Except for monies expended for debt service of revenue bonds
41 as provided in subsection A of this section, monies expended under
42 subsection A of this section are subject to legislative appropriation.

43 ~~I.~~ J. The commission shall transfer monies prescribed in this
44 section on a quarterly basis.

1 Sec. 2. Section 49-1271, Arizona Revised Statutes, is amended to
2 read:

3 49-1271. Water supply development revolving fund

4 A. The water supply development revolving fund is established
5 consisting of all of the following:

6 1. Monies received from the issuance and sale of water supply
7 development bonds under section 49-1278.

8 2. Monies appropriated by the legislature to the water supply
9 development revolving fund.

10 3. Monies received for water supply development purposes from the
11 United States government.

12 4. Monies received as loan repayments, interest and penalties.

13 5. Interest and other income received from investing monies in the
14 fund.

15 6. Gifts, grants and donations received for water supply
16 development purposes from any public or private source.

17 7. MONIES DEPOSITED FROM THE STATE LOTTERY FUND PURSUANT TO SECTION
18 5-572.

19 ~~7.~~ 8. Any other monies received by the authority in connection
20 with the purpose of the water supply development revolving fund.

21 B. Monies in the fund are continuously appropriated and are exempt
22 from the provisions of section 35-190 relating to lapsing of
23 appropriations.

24 C. All monies shall be deposited, pursuant to sections 35-146 and
25 35-147, in the WATER SUPPLY DEVELOPMENT REVOLVING fund and shall be held
26 in trust. On notice from the authority, the state treasurer shall invest
27 and divest monies in the WATER SUPPLY DEVELOPMENT REVOLVING fund as
28 provided in section 35-313, and monies earned from investment shall be
29 credited to the WATER SUPPLY DEVELOPMENT REVOLVING fund. The monies in
30 the WATER SUPPLY DEVELOPMENT REVOLVING fund may not be appropriated or
31 transferred by the legislature to fund the general operations of this
32 state or to otherwise meet the obligations of the state general fund
33 unless approved by a three-fourths vote of the members of each house of
34 the legislature. This subsection does not apply to any taxes or other
35 levies that are imposed pursuant to title 42 or 43.

36 D. The authority shall administer the WATER SUPPLY DEVELOPMENT
37 REVOLVING fund. The authority shall establish as many other accounts and
38 subaccounts as required to administer the fund. If any bonds are issued
39 under section 49-1278, the authority shall establish one or more bond
40 proceeds accounts and one or more bond debt service accounts as necessary
41 to accurately record and track bond proceeds and debt service revenues.

42 E. Monies and other assets in the fund shall be used solely for the
43 purposes authorized by this chapter.

44 F. Monies in the fund may be used to secure water supply
45 development bonds of the authority.

1 Sec. 3. Section 49-1331, Arizona Revised Statutes, is amended to
2 read:

3 49-1331. Water conservation grant fund; exemption;
4 administration; report

5 A. The water conservation grant fund is established to be
6 maintained in perpetuity consisting of all the following:

- 7 1. Legislative appropriations.
8 2. Monies received for water conservation purposes from the United
9 States government.
10 3. Interest and other income received from investing monies in the
11 fund.
12 4. Gifts, grants and donations received for water conservation
13 purposes from any public or private source.

14 5. MONIES DEPOSITED FROM THE STATE LOTTERY FUND PURSUANT TO SECTION
15 5-572.

16 ~~5.~~ 6. Any other monies received by the authority in connection
17 with the purpose of the WATER CONSERVATION GRANT fund.

18 B. Monies in the fund are continuously appropriated and exempt from
19 the provisions of section 35-190 relating to lapsing of appropriations.
20 On notice from the authority, the state treasurer shall invest and divest
21 monies in the fund as provided by section 35-313, and monies earned from
22 investment shall be credited to the fund.

23 C. All monies deposited in the WATER CONSERVATION GRANT fund shall
24 be held in trust. The monies in the WATER CONSERVATION GRANT fund may not
25 be appropriated or transferred by the legislature to fund the general
26 operations of this state or to otherwise meet the obligations of the state
27 general fund unless approved by a three-fourths vote of the members of
28 each house of the legislature. This subsection does not apply to any
29 taxes or other levies that are imposed pursuant to title 42 or 43.

30 D. The authority shall administer the fund and establish as many
31 other accounts and subaccounts as required to administer the fund.

32 E. Monies and other assets in the fund shall be used solely for the
33 purposes authorized by this article.

34 F. The annual report required by section 49-1204 shall include:

- 35 1. The expenditures made from the fund in the previous fiscal year.
36 2. Whether programs or projects funded by the fund in the previous
37 fiscal year did in fact:

- 38 (a) Result in long-term, sustainable reductions in water use.
39 (b) Improve water use efficiency.
40 (c) Improve water reliability.

41 3. The environmental impacts of programs or projects funded by the
42 fund in the previous fiscal year.