

LAWS OF ARIZONA

SENATE CONCURRENT RESOLUTION 1012

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA RELATING TO PUBLIC DEBT, REVENUE AND TAXATION; LIMITING STATE APPROPRIATIONS TO A PERCENTAGE OF STATE PERSONAL INCOME; ESTABLISHING AN ECONOMIC ESTIMATES COMMISSION; PRESCRIBING POWERS AND DUTIES, AND AMENDING ARTICLE 9, CONSTITUTION OF ARIZONA, BY ADDING SECTION 17.

Be it resolved by the Senate of the State of Arizona, the House of Representatives concurring:

1. The following amendment of article 9, Constitution of Arizona, by adding section 17, is proposed, to become valid when approved by a majority of the qualified electors voting thereon and upon proclamation of the governor:

17. Appropriation limitation; economic estimates commission; powers and duties

SECTION 17. THE LEGISLATURE SHALL NOT, BY APPROPRIATION FOR ANY FISCAL YEAR, CAUSE THE EXPENDITURE OF STATE TAX REVENUES FOR THAT FISCAL YEAR TO EXCEED EIGHT AND FOUR-TENTHS PER CENT OF THE TOTAL PERSONAL INCOME OF THE STATE FOR THE FISCAL YEAR AS DETERMINED BY THE ECONOMIC ESTIMATES COMMISSION, EXCEPT UPON AFFIRMATIVE VOTE ON EACH SUCH APPROPRIATION OF TWO-THIRDS OF THE MEMBERSHIP OF EACH HOUSE OF THE LEGISLATURE.

THE ECONOMIC ESTIMATES COMMISSION SHALL BE ESTABLISHED AS PRESCRIBED BY LAW, WITH A MEMBERSHIP OF NOT TO EXCEED THREE MEMBERS, AND SHALL DETERMINE AND PUBLISH PRIOR TO

LAWS OF ARIZONA

FEBRUARY 1 OF EACH YEAR A PRELIMINARY ESTIMATE OF THE TOTAL PERSONAL INCOME FOR THE FOLLOWING FISCAL YEAR. BY APRIL 1 OF EACH YEAR THE ECONOMIC ESTIMATES COMMISSION SHALL DETERMINE AND PUBLISH A FINAL ESTIMATE OF THE TOTAL PERSONAL INCOME FOR THE FOLLOWING FISCAL YEAR, WHICH ESTIMATE SHALL BE USED IN COMPUTING THE APPROPRIATIONS LIMIT FOR THE LEGISLATURE. FOR THE PURPOSES OF THIS SECTION, "TOTAL PERSONAL INCOME" MEANS THE DOLLAR AMOUNT THAT WILL BE REPORTED AS TOTAL INCOME BY PERSONS FOR THE STATE OF ARIZONA BY THE U.S. DEPARTMENT OF COMMERCE OR ITS SUCCESSOR AGENCY. FOR PURPOSES OF THIS SECTION STATE TAX REVENUES SHALL BE DEFINED AS PROVIDED BY LAW.

IN ORDER TO PERMIT THE TRANSFERENCE OF GOVERNMENTAL FUNCTIONS BETWEEN THE FEDERAL AND STATE GOVERNMENTS AND BETWEEN THE STATE GOVERNMENT AND ITS POLITICAL SUBDIVISIONS WITHOUT ABRIDGING THE PURPOSE OF THIS SECTION TO LIMIT STATE SPENDING TO A PERCENTAGE OF TOTAL PERSONAL INCOME, THE LEGISLATURE SHALL PROVIDE FOR ADJUSTMENTS BY THE ECONOMIC ESTIMATES COMMISSION OF THE APPROPRIATION PERCENTAGE LIMITATION OF TOTAL PERSONAL INCOME CONSISTENT WITH THE FOLLOWING PRINCIPLES:

1. IF, BY ORDER OF ANY COURT, OR BY LEGISLATIVE ENACTMENT, THE COSTS OF A PROGRAM ARE TRANSFERRED FROM A POLITICAL SUBDIVISION OF THE STATE TO THE STATE, THE APPROPRIATION PERCENTAGE LIMITATION MAY BE COMMENSURATELY INCREASED PROVIDED THE TAX REVENUES OF THE AFFECTED POLITICAL SUBDIVISIONS ARE COMMENSURATELY DECREASED.

LAWS OF ARIZONA

2. IF, BY ORDER OF ANY COURT, OR BY LEGISLATIVE ENACTMENT, THE COSTS OF A PROGRAM ARE TRANSFERRED FROM THE STATE GOVERNMENT TO A POLITICAL SUBDIVISION IN THE STATE, THE APPROPRIATION PERCENTAGE LIMITATION SHALL BE COMMENSURATELY DECREASED, AND THE TAX RATES OF THE POLITICAL SUBDIVISION MAY BE COMMENSURATELY INCREASED.

3. IF FEDERAL TAXES ARE REDUCED ON CONDITION THAT THE STATE INCREASE EXPENDITURES BY AN AMOUNT EQUIVALENT TO THE FEDERAL REDUCTION, THE APPROPRIATION PERCENTAGE LIMITATION MAY BE INCREASED BY SUCH AMOUNT.

4. THE ADJUSTMENT PROVIDED FOR HEREIN SHALL BE MADE IN THE FIRST FISCAL YEAR OF TRANSFER OR OPERATION. SUCH ADJUSTMENT SHALL REMAIN IN EFFECT FOR EACH SUBSEQUENT FISCAL YEAR.

2. The proposed amendment (approved by a majority of the members elected to each house of the legislature, and entered upon the respective journals thereof, together with the ayes and nays thereon) shall be by the secretary of state submitted to the qualified electors at the next regular general election (or at a special election called for that purpose), as provided by article 21, Constitution of Arizona.

Passed the House May 10, 1974 by the following vote: 34 Ayes, 18 Nays, 8 Not Voting.

Passed the Senate May 10, 1974 by the following vote: 18 Ayes, 10 Nays, 2 Not Voting.

LAWS OF ARIZONA

Approved by the Governor—May 16, 1974

Filed in the Office of the Secretary of State—May 16, 1974