

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HOUSE BILL 2187

AN ACT

AMENDING SECTIONS 35-131 AND 41-172, ARIZONA REVISED STATUTES; RELATING TO
STATE BUDGET ESTIMATES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-131, Arizona Revised Statutes, is amended to
3 read:

4 35-131. Accounting system; reports; notice of deficiency; forms

5 A. In accordance with generally accepted governmental accounting
6 principles, the department of administration shall develop and prescribe for
7 the use of all budget units a uniform accounting system so designed as to
8 ensure compliance with all legal and constitutional requirements including
9 those respecting the receipt and expenditure of and the accountability for
10 public monies.

11 B. The department of administration shall maintain complete, accurate
12 and current financial records relating to state monies and to other public
13 monies in the state treasury available to, encumbered by or expended by each
14 budget unit, including trust monies or other monies not subject to
15 appropriation, setting out all revenues, charges against all funds, fund and
16 appropriation balances, interfund transfers, outstanding warrants and
17 encumbrances, in a manner consistent with the uniform state accounting
18 system, for the preparation of statewide financial statements in accordance
19 with generally accepted governmental accounting principles.

20 C. Each month the department of administration shall prepare and
21 submit to the governor a report summarizing by budget unit and appropriation
22 or other fund source the above information in such form as will most clearly
23 and accurately set out the current fiscal condition of the state and shall
24 furnish to each budget unit a report of its transactions by appropriation or
25 other fund source in a form that will clearly and accurately show the fiscal
26 activity and condition of such appropriation or fund source.

27 D. The responsible official for each budget unit shall monitor reports
28 prepared pursuant to subsection C of this section to identify any projected
29 total deficiency for the budget unit fiscal year. On a determination of a
30 projected deficiency, the official shall take any action necessary to assure
31 continuing compliance with section 1-254 by notifying the governor, the
32 speaker of the house of representatives, the president of the senate and the
33 chairman of the joint legislative budget committee of the deficiency and the
34 reasons for the deficiency. The initial notification of the deficiency shall
35 be followed within ten business days by a report from the responsible budget
36 unit official that includes the following:

37 1. A complete explanation of the causes of the deficiency.

38 2. A plan that assures that the deficiency will be resolved within the
39 fiscal year without supplemental appropriation and that includes the policy
40 and programmatic implications of the deficiency and the plan.

41 3. A commitment to provide a progress report if the projected degree
42 of deficiency changes substantially. The report shall include additional
43 measures necessary to assure resolution of the deficiency within the fiscal
44 year.

1 E. On or before December 1 of each year, the director of the
2 department of administration shall submit to the governor a complete report
3 of the financial transactions of the preceding fiscal year and of the
4 financial condition of the state at the end of that year with such comments
5 and supplementary data as the director of the department of administration
6 deems necessary to make the report complete and readily understandable. The
7 report shall include all appropriated and nonappropriated monies in no less
8 detail than the state general fund.

9 F. ON OR BEFORE FEBRUARY 1 OF EACH YEAR, THE DIRECTOR OF THE
10 DEPARTMENT OF ADMINISTRATION AND THE STATE TREASURER SHALL SUBMIT TO THE
11 JOINT LEGISLATIVE BUDGET COMMITTEE A REPORT EXPLAINING ANY DIFFERENCES
12 BETWEEN THE DEPARTMENT OF ADMINISTRATION'S ESTIMATE OF THE PREVIOUS FISCAL
13 YEAR'S STATE GENERAL FUND ENDING BALANCE SUBMITTED PURSUANT TO SUBSECTION E
14 OF THIS SECTION AND THE STATE TREASURER'S ESTIMATE OF THE OPERATING GENERAL
15 FUND BALANCE AS OF JUNE 30 OF THE PREVIOUS FISCAL YEAR SUBMITTED PURSUANT TO
16 SECTION 41-172.

17 ~~F.~~ G. The director of the department of administration shall
18 prescribe uniform classifications for assets, liabilities, receipts and
19 expenditures and forms for the periodic reporting of financial accounts,
20 transactions and other matters by budget units compatible with the reports
21 required of the director of the department of administration under this
22 section. Such records and accounts shall be maintained and reconciled by
23 budget units. If required for reporting, the department of administration
24 may establish or delete funds and budget units may maintain additional
25 records for reporting to the federal government or other funding source.

26 ~~G.~~ H. Each organization that is included in the state's reporting
27 entity as defined by generally accepted accounting principles shall submit
28 all necessary financial statements or information to the department of
29 administration on a basis of accounting that is consistent with generally
30 accepted accounting principles and that is in accordance with the policies
31 and procedures of the department of administration.

32 Sec. 2. Section 41-172, Arizona Revised Statutes, is amended to read:

33 41-172. Duties; administering oaths; appointment of deputy
34 state treasurer

35 A. The state treasurer shall:

36 1. Authenticate writings and documents certified by him with the seal
37 of his office.

38 2. Receive and keep securely in his custody all monies that belong to
39 the state and that are not required to be received and kept by some other
40 person.

41 3. File and keep the documentation delivered to the treasurer when
42 monies are deposited into the treasury.

43 4. Deliver to each person depositing money into the treasury a receipt
44 showing the amount, the source from which the money accrued, and the funds
45 into which it is deposited, and shall number such receipts in order,

1 beginning with number one at the commencement of each fiscal year, and
2 deliver a duplicate thereof to the department of administration.

3 5. Pay warrants drawn by the department of administration in the order
4 in which they are presented, and take upon the back thereof the receipt of
5 the person to whom it is paid.

6 6. Keep an account of all monies received and disbursed, and keep
7 separate accounts of the different funds and appropriations of money.

8 7. Give information in writing as to the condition of the state
9 treasury, or upon any subject relating to the duties of the treasurer, at the
10 request of a member of the legislature.

11 8. Deliver to the governor and the department of administration,
12 monthly, an accurate statement of receipts and expenditures of public monies
13 for the preceding month, containing a complete exhibit of all the public
14 monies received and paid from the state treasury, showing, under separate
15 heads, on what accounts and from what sources received, and for what
16 particular object or service the monies have been paid. The treasurer shall
17 deliver to the governor a similar statement on or before November 1 each year
18 for the preceding fiscal year. **THE STATEMENT SHALL ALSO INCLUDE AN ESTIMATE**
19 **OF THE OPERATING GENERAL FUND BALANCE AS OF JUNE 30 OF THE PRECEDING FISCAL**
20 **YEAR.** The statements are public records available for inspection at the
21 office of the state treasurer.

22 9. **ON OR BEFORE FEBRUARY 1 OF EACH YEAR, IN COORDINATION WITH THE**
23 **DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION, SUBMIT TO THE JOINT LEGISLATIVE**
24 **BUDGET COMMITTEE A REPORT EXPLAINING ANY DIFFERENCES BETWEEN THE DEPARTMENT**
25 **OF ADMINISTRATION'S ESTIMATE OF THE PREVIOUS FISCAL YEAR'S STATE GENERAL FUND**
26 **ENDING BALANCE SUBMITTED PURSUANT TO SECTION 35-131 AND THE STATE TREASURER'S**
27 **ESTIMATE OF THE OPERATING GENERAL FUND BALANCE AS OF JUNE 30 OF THE PREVIOUS**
28 **FISCAL YEAR SUBMITTED PURSUANT TO PARAGRAPH 8 OF THIS SECTION.**

29 ~~9.~~ 10. Exercise those specific powers of the surveyor-general as a
30 member of the selection board established under section 37-202.

31 B. The state treasurer may administer all oaths prescribed by law in
32 matters touching the duties of the office of the state treasurer, may appoint
33 a deputy state treasurer, may qualify and select investment managers or
34 advisors pursuant to section 35-318 and shall perform other duties required
35 by other laws of the state.

36 C. The state treasurer may obtain criminal history record information
37 pursuant to section 41-1750, subsection G from the department of public
38 safety criminal identification section for the purpose of employment of
39 personnel.