



ARIZONA HOUSE OF REPRESENTATIVES

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First Regular Session

House: WM DP 9-0-1-0 | APPROPS DPA 12-1-2-0

HB 2430: EORP; appropriations; repayment
Sponsor: Representative Livingston, LD 28
Caucus & COW

Overview

Outlines and designates repayment of the state from specified cities, towns and counties to the elected officials' retirement plan for unfunded accrued liability in fiscal year (FY) 2023. The bill also provides a supplemental appropriation of \$609,054,500 to EORP in FY23 and reduces General Fund (GF) appropriations.

History

The Public Safety Personnel Retirement System (PSPRS) was established in order to provide a consistent, uniform and equitable statewide retirement program for the public safety personnel in Arizona. Separate plans for Arizona's elected officials (EORP) and corrections officers (CORP) were established later. All three retirement plans are qualified governmental pension plans under the Internal Revenue Code. Each system is governed by a nine-member board of trustees that is tasked with the fiduciary responsibility to serve its members and protect the financial health of PSPRS, EORP and CORP. (www.psprscom)

Provisions

1. Ends the \$5,000,000 annual GF appropriation to EORP in FY23. (Sec. 1)
2. Requires that from and after June 30, 2023, through June 30, 2033, the cities, towns and counties to repay the state for the amounts paid in FY23 on the local governments' behalf to the EORP for unfunded accrued liability. (Sec. 2)
3. Outlines the procedure for billing each city, town and county. (Sec. 2)
4. Specifies that if a city, town or county fails to pay the annual repayment amount in full on or before March 15, the amount owed will be withheld from the distribution of monies to the affected city, town or county, until the entire amount of the annual repayment amount has been satisfied. (Sec. 2)
5. Designates that all monies paid or withheld by the state treasurer will be deposited in the state GF. (Sec. 2)
6. Allows a city, town or county to pay from any source of city, town or county revenue. (Sec. 2)
7. Provides a supplemental appropriation of \$609,054,500 to EORP in FY23. (Sec. 3)
8. Reduces the GF appropriation to the Department of Administration for monies that are distributed to counties, for required contributions to EORP by \$3,000,000 in FY24. (Sec. 4)
9. Reduces the GF appropriation to the Judiciary-Superior Court judges' compensation line item by \$9,488,300 in FY24. (Sec. 4)
10. Reduces the GF appropriation to the Judiciary-Court of Appeals judges' compensation line items by \$3,115,900 in FY24. (Sec. 4)

11. Reduces the GF appropriation in FY24 to the following agencies operating lump sum appropriation line item by:

a) Attorney General	(\$52,700)
b) Corporation Commission	(\$232,800)
c) Superintendent of Public Instruction	(\$49,800)
d) Office of the Governor	(\$55,600)
e) Judiciary – Supreme Court	(\$844,600)
f) Legislature – Senate	(\$421,700)
g) Legislature – House of Representatives	(\$843,400)
h) State Mine Inspector	(\$29,300)
i) Department of State – Secretary of State	(\$41,000)
j) State Treasurer	(\$41,000) (Sec. 4)

12. Contains an emergency clause. (Sec. 5)

Amendments

Committee on Appropriations

1. Designates that fees and costs for the supreme court are to be transmitted to PSPRS for distribution instead of the EORP.
2. Designates that fees and costs for the court of appeals are to be transmitted to PSPRS for distribution instead of the EORP.
3. Designates that fees and costs for the clerk of the court of appeals are to be transmitted to PSPRS for distribution instead of the EORP.
4. Designates that fees and costs for the clerk of the superior court are to be transmitted to PSPRS for distribution instead of the EORP.
5. Designates that fees and costs for justices of the peace are to be transmitted to PSPRS for distribution instead of the EORP.
6. Stipulates that the monies collected must be distributed by the PSPRS Board as follows:
 - a) Directly to the qualified governmental excess benefit arrangement; and
 - b) The board must transfer any remaining monies collected during a fiscal year to the state general fund.
7. Ends contributions to the board beginning FY24, from participating cities, counties and towns.
8. Strikes the provision that a city, town or county may pay the annual repayment amount from any source of city, town or county revenue.
9. Repeals the local government repayment schedule from and after June 30, 2034.
10. Designates that the distribution of notary bonds and fees are to be distributed to PSPRS instead of the EORP.