



ARIZONA STATE SENATE
Fifty-Fifth Legislature, First Regular Session

AMENDED

FACT SHEET FOR S.B. 1333

law enforcement; budget reduction; prohibition

Purpose

Prohibits a city or town from reducing the annual operating budget for a law enforcement agency (LEA) and outlines a process for the state to withhold state shared revenues if a city or town reduces an LEA budget.

Background

The Department of Public Safety (DPS) is responsible for creating and coordinating services for use by local LEAs in protecting the public safety. DPS must formulate plans to establish modern services for the prevention of crime, apprehension of violators, training of law enforcement personnel and promotion of public safety ([A.R.S. § 41-1711](#)).

Statute allows the State Treasurer to withhold transaction privilege and affiliated excise taxes from a city or town on notice from: 1) the Auditor General for a city or town not complying with statutory reporting requirements on construction progress reports; 2) the Arizona Department of Revenue for a city or town violating retail business tax incentives statute; and 3) the Attorney General for a city or town violating a state law or the Arizona Constitution ([A.R.S. § 42-5029](#)). The State Treasurer must withhold Urban Revenue Sharing Fund monies from a city or town on: 1) receipt of a certificate of default from the Greater Arizona Development Authority; and 2) notice from the Attorney General that the city or town has violated state law or the Arizona Constitution ([A.R.S. § 43-206](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Prohibits a city or town from reducing the annual operating budget for an LEA by any amount below the previous year's budget.
2. Requires a city or town that reduces the annual operating budget for an LEA to notify the State Treasurer of the reduction.
3. Requires the State Treasurer to withhold any state shared monies from the city or town in an amount equal to the amount of the reduction to the annual operating budget for an LEA.
4. Requires a city or town that reduces the annual operating budget for an LEA by more than 25 percent to notify the State Treasurer and requires the State Treasurer to withhold state shared monies in an amount equal to the entire LEA budget for the previous year.

5. Requires the State Treasurer to withhold state shared monies until notification from the city or town that the reduction in the LEA's budget has been restored.
6. Specifies the prohibition on a city or town reducing an LEA's budget does not apply to a city or town if:
 - a) the city or town does not have the monies to fund at the previous year level;
 - b) the decrease is an offset to an expenditure for an LEA; or
 - c) the decrease is an adjustment for health care, pension or other employee-related expenses.
7. Allows, if a peace officer can demonstrate their employment was terminated as a result of a decrease in the annual LEA budget, the county sheriff's office to make an offer of employment contingent on the peace officer's level of training.
8. Allows DPS to make an offer of employment contingent on the peace officer's level of training to the terminated peace officer if the county sheriff does not.
9. Requires a city or town that reduces an LEA's budget by more than 25 percent to notify the county sheriff of the county the city or town is located and permits that county sheriff to assume law enforcement functions for the city or town.
10. Requires, if the county sheriff assumed law enforcement functions, the city or town to notify the State Treasurer and requires the State Treasurer to transfer monies from the Budget Stabilization Fund (BSF) in an amount equal to the city's or town's LEA budget to the county sheriff's office.
11. Requires, if the county sheriff does not assume law enforcement functions, the city or town to notify DPS and requires DPS to assume law enforcement functions for the city or town.
12. Requires, if DPS assumes law enforcement functions for the city or town, the city or town to notify the State Treasurer and requires the State Treasurer to transfer monies from the BSF in an amount equal to the city's or town's LEA budget to DPS.
13. Requires the State Treasurer, if the county sheriff's office or DPS hires a peace officer from the affected city or town, to transfer monies from the BSF to the hiring entity to cover the costs of salary, equipment and other employment-related expenses.
14. Requires the State Treasurer to reimburse the BSF with the state shared revenues withheld from the affected city or town for either assuming law enforcement functions or the cost of hiring a terminated peace officer.
15. Defines *LEA* and *peace officer*.
16. Outlines a process for the State Treasurer to withhold state shared revenue from a city or town that reduces an LEA budget.
17. Prohibits the State Treasurer from withholding any amount that a city or town certifies as being necessary to make any required deposits or payments for debt service on bonds or other long-term obligations that were issued or incurred before the reduction in the LEA's budget.
18. Becomes effective on the general effective date, retroactive to January 1, 2021.

Amendments Adopted by Committee

1. Removes the Law Enforcement Support Fund and all related requirements.
2. Allows DPS, rather than requires, to make an offer of contingent employment to an affected peace officer.
3. Requires the State Treasurer to transfer monies from the BSF to cover costs to the county sheriff's office or DPS.
4. Requires the State Treasurer to reimburse the BSF with the affected city's or town's state shared revenue.
5. Makes technical and conforming changes.

Senate Action

APPROP 2/9/21 DPA 6-4-0

Prepared by Senate Research

February 11, 2021

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