

HOUSE FLOOR AMENDMENT EXPLANATION



Bill Number: **HB 2722**

Carter N Floor Amendment

The floor amendment in Rep. N. Carter's name dated February, 18, 2025 at 4:04 PM creates specific exclusions from what is included as a Public Entity.

Amendment explanation prepared by Vince Perez

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2/24/2025

CARTER N FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2722
(Reference to printed bill)

Amendment instruction key:

[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.

[Green underlining in brackets] indicates text added to new session law or text restoring existing law.

[~~GREEN STRIKEOUT IN BRACKETS~~] indicates new text removed from statute or previously enacted session law.

[~~Green strikeout in brackets~~] indicates text removed from existing statute, previously enacted session law or new session law.

<<Green carets>> indicate a section added to the bill.

<<~~Green strikeout in carets~~>> indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 Section 1. Heading change

3 The chapter heading of title 1, chapter 5, Arizona Revised Statutes,
4 is changed from "PUBLIC PROGRAMS" to "PUBLIC RESOURCES".

5 Sec. 2. Title 1, chapter 5, Arizona Revised Statutes, is amended by
6 adding article 2, to read:

7 ARTICLE 2. LIMIT ON PUBLIC ENTITY EXPENDITURES

8 1-551. Definitions

9 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

10 1. "CONSIDERATION":

11 (a) MEANS AN EXCHANGE FOR GOODS, SERVICES OR MONEY THAT IS
12 PROPORTIONAL, DIRECT, ASCERTAINABLE AND CONTRACTUALLY OBLIGATORY.

13 (b) DOES NOT INCLUDE INDIRECT BENEFITS THAT ARE SPECULATIVE OR
14 ANTICIPATORY.

15 2. "CONTROL" MEANS THAT THE PUBLIC ENTITY MAINTAINS STRICT AND
16 CONTINUING AUTHORITY OVER THE PUBLIC EXPENDITURE, LOAN OR USE OF PUBLIC
17 RESOURCES TO ENSURE THAT THE PUBLIC PURPOSE OF THE EXPENDITURE, LOAN OR
18 USE OF PUBLIC RESOURCES IS ACCOMPLISHED.

19 3. "PUBLIC ENTITY" [~~INCLUDES~~] [:

20 (a) MEANS] THIS STATE, ANY AGENCY OR UNIT OF STATE GOVERNMENT AND
21 ANY CITY, TOWN, COUNTY, SCHOOL DISTRICT OR OTHER POLITICAL SUBDIVISION OF
22 THIS STATE AND SHALL BE BROADLY CONSTRUED.

23 [(b) DOES NOT INCLUDE IRRIGATION, POWER, ELECTRICAL, AGRICULTURAL
24 IMPROVEMENT, DRAINAGE AND FLOOD CONTROL DISTRICTS AND TAX LEVYING PUBLIC
25 IMPROVEMENT DISTRICTS THAT ARE EXEMPT FROM ARTICLE IX, SECTION 7,
26 CONSTITUTION OF ARIZONA.]

27 4. "PUBLIC PURPOSE":

1 (a) MEANS AN ACTIVITY THAT IS DIRECTLY RELATED TO A FUNCTION OF
2 GOVERNMENT AND FOR WHICH THE PRIMARY BENEFICIARY IS THE PUBLIC AS A WHOLE
3 AND NOT A PRIVATE ENTITY.

4 (b) DOES NOT INCLUDE PROVIDING SUBSIDIES, GRANTS, LOANS OR OTHER
5 AID TO PRIVATE BUSINESSES, INDIVIDUALS OR ENTITIES FOR THE PURPOSES OF
6 ECONOMIC DEVELOPMENT.

7 5. "PUBLIC RESOURCES" INCLUDES ALL REVENUE, REAL PROPERTY AND OTHER
8 ASSETS OWNED AND CONTROLLED BY A PUBLIC ENTITY AND SHALL BE BROADLY
9 CONSTRUED.

10 1-552. Limit on public entity expenditures

11 A PUBLIC ENTITY MAY NOT SPEND, LOAN OR ALLOW THE USE OF PUBLIC
12 RESOURCES OR USE THE PUBLIC ENTITY'S TAXING POWER IN AID OF ANY
13 INDIVIDUAL, ASSOCIATION, CORPORATION OR OTHER PRIVATE PARTY UNLESS THE
14 EXPENDITURE, LOAN OR USE OF PUBLIC RESOURCES IS FOR A PUBLIC PURPOSE, IS
15 SUPPORTED BY CONSIDERATION AND THE PUBLIC ENTITY EXERCISES CONTINUING
16 CONTROL OVER THE EXPENDITURE, LOAN OR USE OF PUBLIC RESOURCES.

17 1-553. Enforcement

18 A. THE ATTORNEY GENERAL OR A TAXPAYER IN THIS STATE MAY FILE AN
19 ACTION IN A COURT OF GENERAL JURISDICTION TO CHALLENGE AN EXPENDITURE,
20 LOAN OR USE OF PUBLIC RESOURCES.

21 B. IN AN ACTION FILED PURSUANT TO SUBSECTION A OF THIS SECTION, THE
22 PLAINTIFF SHALL PREVAIL IF THE COURT FINDS BY A PREPONDERANCE OF EVIDENCE
23 THAT ANY OF THE FOLLOWING APPLIES:

24 1. THE CHALLENGED EXPENDITURE, LOAN OR USE OF PUBLIC RESOURCES DOES
25 NOT ADVANCE A PUBLIC PURPOSE.

26 2. THE CHALLENGED EXPENDITURE, LOAN OR USE OF PUBLIC RESOURCES IS
27 NOT SUPPORTED BY CONSIDERATION.

28 3. THE PUBLIC ENTITY FAILED TO MAINTAIN CONTROL OVER THE
29 EXPENDITURE, LOAN OR USE OF PUBLIC RESOURCES.

30 Sec. 3. Short title

31 This act may be cited as the "Taxpayer Protection Act".

Enroll and engross to conform

Amend title to conform

NEAL CARTER

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02/18/2025

4:04 PM

C: ED