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**CAPTION HEADING:**

**RESOLUTION**

Resolution No. 2302

Designating the Chief Fiscal Officer for officially submitting the fiscal year 2023 expenditure limitation report to the Arizona Auditor General.



# *Resolution*

NO. 2302

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

**A RESOLUTION OF THE CITY OF SAN LUIS, ARIZONA MAYOR AND COMMON COUNCIL, DESIGNATING THE CHIEF FISCAL OFFICER FOR OFFICIALLY SUBMITTING THE FISCAL YEAR 2023 EXPENDITURE LIMITATION REPORT TO THE ARIZONA AUDITOR GENERAL.**

**RECITALS:**

**WHEREAS**, A.R.S. §41-1279.07(E) requires each county, city, town, and community college district to annually provide to the Arizona Auditor General by July 31 the name of the Chief Fiscal Officer the governing body designated to officially submit the current year's annual expenditure limitation report (AELR) on the governing body's behalf; and

**WHEREAS**, the City of San Luis Mayor and Council desires to designate Roula Jouanne de Encinas, as the City's Chief Fiscal Officer; and

**WHEREAS**, Entities must submit an updated form and documentation for any changes in the individuals designated to file the AELR.

**ENACTMENTS:**

**NOW THEREFORE BE IT RESOLVED BY THE CITY OF SAN LUIS MAYOR AND COUNCIL** as follows:

**Section 1.** The recitals above are hereby incorporated as if fully set forth herein.

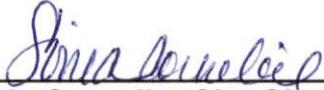
**Section 2.** **Roula Jouanne de Encinas** is hereby designated as the City's Chief Fiscal Officer for purposes of submitting the fiscal year 2023 AELR to the Arizona Auditor General on the governing body's behalf.

**PASSED and ADOPTED** by the City of San Luis, Arizona Mayor and Council, this **7<sup>th</sup>** day of **February 2024**.



**Nieves Riedel, Mayor**

**ATTEST:**



**Sonia Cornelio, City Clerk**

**REVIEWED BY:**



**Jenny Torres, Acting City Manager**

**APPROVED AS TO FORM:**



**Kay Marion Macuil, City Attorney**

Arizona Revised Statutes Annotated  
Title 41. State Government (Refs & Annos)  
Chapter 7. Legislature (Refs & Annos)  
Article 10.1. Joint Legislative Audit Committee and Auditor General (Refs & Annos)

A.R.S. § 41-1279.07

§ 41-1279.07. Uniform expenditure reporting system; reports by counties, community college districts, cities and towns; certification and attestation; assistance by auditor general; attorney general investigation; violation; classification

Effective: October 30, 2023

Currentness

A. The auditor general shall prescribe a uniform expenditure reporting system for all political subdivisions subject to the constitutional expenditure limitations prescribed by [article IX, sections 20 and 21, Constitution of Arizona](#). The system shall include:

1. For counties:

(a) An annual expenditure limitation report that includes at least the following information:

(i) The expenditure limitation established for the reporting fiscal year by the economic estimates commission.

(ii) Total expenditures, by fund, for the reporting fiscal year.

(iii) Total exclusions from local revenues, as defined by [article IX, section 20, Constitution of Arizona](#), by fund, for the reporting fiscal year.

(iv) Total amounts, by fund, of expenditures subject to the expenditure limitation for the reporting fiscal year.

(b) Annual financial statements prepared in accordance with generally accepted accounting principles.

(c) A reconciliation of the total expenditures reported within the financial statements to the total expenditures stated within the expenditure limitation report.

2. For community college districts:

(a) An annual budgeted expenditure limitation report that includes at least the following information:

(i) The expenditure limitation established for the reporting fiscal year by the economic estimates commission.

(ii) Total budgeted expenditures for the reporting fiscal year.

(iii) Total exclusions from local revenues, as defined by [article IX, section 21, Constitution of Arizona](#), for the reporting fiscal year.

(iv) Total amounts of budgeted expenditures subject to the expenditure limitation for the reporting fiscal year.

(b) Annual financial statements prepared in accordance with generally accepted accounting principles.

(c) A reconciliation of the total expenditures reported within the financial statements to the total expenditures reported within the expenditure limitation report.

3. For cities and towns:

(a) An annual expenditure limitation report that includes at least the following information:

(i) The expenditure limitation established for the reporting fiscal year by the economic estimates commission and, if applicable, the voter approved alternative expenditure limitation.

(ii) Total expenditures, by fund, for the reporting fiscal year.

(iii) Total exclusions from local revenues, as defined by [article IX, section 20, Constitution of Arizona](#), by fund, for the reporting fiscal year or, if applicable, the total exclusions from the voter approved alternative expenditure limitation.

(iv) Total amounts, by fund, of expenditures subject to the expenditure limitation for the reporting fiscal year.

(b) Financial statements prepared in accordance with generally accepted accounting principles.

(c) A reconciliation of the total expenditures reported within the financial statements to the total expenditures reported within the expenditure limitation report.

**B.** The auditor general shall provide detailed instructions for completion and submission of the reports described in subsection A of this section. The auditor general shall prescribe definitions for terms used in and the form of the reports described in subsection A of this section. The reports described in subsection A of this section are required of counties and community college districts beginning with fiscal year 1981-1982. The reports described in subsection A of this section are required of cities and towns beginning with the fiscal year the political subdivision is subject to the expenditure limitation. The annual reporting requirements also apply to political subdivisions subject to an alternative expenditure limitation enacted pursuant to [article IX, section 20, subsection \(9\), Constitution of Arizona](#).

**C.** The reports described in subsection A of this section must be filed with the auditor general within nine months after the close of each fiscal year.

**D.** The auditor general or a certified public accountant performing the annual audit required pursuant to [§§ 41-1279.21 and 9-481](#) shall attest to the expenditure limitation reports and financial statements for counties, community college districts and cities. The certified public accountant performing the annual or biennial audit required pursuant to [§ 9-481](#) shall attest to the expenditure limitation reports and financial statements for towns.

**E.** The governing body of each political subdivision shall provide to the auditor general by July 31 each year the name of the chief fiscal officer designated by the governing body of the political subdivision to officially submit the current fiscal year's expenditure limitation report on behalf of the governing body. The governing body of the political subdivision shall notify the auditor general of any changes of individuals designated to file the required reports. The designated chief fiscal officer shall certify to the accuracy of the annual expenditure limitation report.

**F.** The auditor general shall prescribe forms for the uniform reporting system and may provide assistance to individuals, certified public accountants or public accountants responsible for attesting to the expenditure limitation reports and financial statements.

**G.** Each political subdivision, subject to the expenditure limitations prescribed by [article IX, sections 20 and 21, Constitution of Arizona](#), shall comply with the uniform expenditure reporting system, instructions and forms prescribed by the auditor general. The auditor general may notify the committee and the attorney general if any political subdivision does not comply with the uniform expenditure reporting system, instructions or forms prescribed by the auditor general. The attorney general may file a petition for special action in any court of competent jurisdiction to compel any political subdivision to comply with this section. The attorney general may apply for injunctive relief in any court of competent jurisdiction to enjoin any political subdivision from violating this section. Injunctive and special action proceedings are in addition to all other penalties and other remedies prescribed by law.

**H.** A chief fiscal officer, designated pursuant to subsection E of this section, who subsequent to July 1, 1983 refuses to file the reports required by this section within the prescribed time periods or who intentionally files erroneous reports is guilty of a class 1 misdemeanor. A city or town exceeding the expenditure limitation prescribed or authorized pursuant to [article IX, section 20, Constitution of Arizona](#), for any fiscal year, without authorization pursuant to such section, shall have the amount specified in subsection I of this section of its allocations of the state income tax, distributed pursuant to [§ 43-206](#), withheld and redistributed to other cities and towns in the same manner as determined pursuant to that section, except that the population of the city or town exceeding the expenditure limitation shall not be included in the computation, and the city or

town exceeding the expenditure limitation shall not be entitled to share in the redistribution. A community college district exceeding the expenditure limitation prescribed pursuant to [article IX, section 21, Constitution of Arizona](#), for any fiscal year, without authorization pursuant to such section or [§ 15-1471](#), shall have the amount specified in subsection I of this section of its allocations of state aid, distributed pursuant to [§ 15-1466](#), withheld.

**I.** The auditor general shall hold a hearing to determine if any political subdivision has exceeded the expenditure limitations prescribed pursuant to [article IX, sections 20 and 21, Constitution of Arizona](#). If a county has exceeded the expenditure limitations prescribed pursuant to [article IX, section 20, Constitution of Arizona](#), without authorization pursuant to that section, the auditor general shall notify the board of supervisors of the county to reduce the allowable levy of primary property taxes of the county pursuant to [§ 42-17051, subsection C](#). If any political subdivision other than a county has exceeded the expenditure limitations prescribed pursuant to [article IX, sections 20 and 21, Constitution of Arizona](#), without authorization, the auditor general shall notify the state treasurer to withhold a portion of the political subdivision's allocations of the revenues described in subsection H of this section for the fiscal year subsequent to the auditor general's hearing as follows:

1. If the excess expenditures are less than five percent of the limitation, an amount equal to the excess expenditures.
2. If the excess expenditures are equal to or greater than five percent but less than ten percent of the limitation, or are less than five percent of the limitation but it is at least the second consecutive instance of excess expenditures, an amount equal to triple the excess expenditures.
3. If the excess expenditures are equal to or greater than ten percent of the limitation, an amount equal to five times the excess expenditures or one-third of the allocation of the revenues described in subsection H of this section, whichever is less.

**J.** A county, city or town is not deemed to have exceeded the expenditure limitation if the county, city or town makes expenditures for capital improvements from utility revenues pursuant to title 9, chapter 5, article 3<sup>1</sup> or from excise taxes levied by the county, city or town for a specific purpose and the county, city or town repays the expenditure from the proceeds of bonds or other lawful long-term obligations before the hearing required by subsection I of this section.

#### **Credits**

Added by Laws 1981, Ch. 317, § 11. Amended by Laws 1982, Ch. 264, § 2, eff. April 27, 1982; Laws 1985, Ch. 298, § 9, eff. Aug. 7, 1985; Laws 1985, Ch. 366, § 2, eff. July 1, 1986; Laws 1986, Ch. 112, § 1; Laws 1986, Ch. 322, § 4; Laws 1987, Ch. 357, § 13; Laws 1998, Ch. 1, § 120, eff. Jan. 1, 1999; Laws 2010, Ch. 69, § 1; Laws 2015, Ch. 268, § 4; Laws 2015, Ch. 323, § 4; Laws 2018, Ch. 268, § 26; Laws 2019, Ch. 209, § 1; Laws 2023, Ch. 40, § 7.

#### **Footnotes**

<sup>1</sup> Section 9-521 et seq.

**§ 41-1279.07. Uniform expenditure reporting system; reports by..., AZ ST § 41-1279.07**

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A. R. S. § 41-1279.07, AZ ST § 41-1279.07

Current through legislation of the First Regular Session of the Fifty-Sixth Legislature (2023).

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End of Document

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Notes Of Decisions

**Failure to submit reports, generally**

Governing board of a county, community college, or school district which fails to submit auditor's reports or which submits unreliable reports has not satisfied the requirements of this section relating to the uniform expenditure reporting system and statute relating to reports and audits. Op.Atty.Gen. No. I84-153, 1984 WL 61352 .

**Hearings**

A city or town's lack of substantial compliance with the mandated requirements for adoption of an alternative expenditure limitation would authorize the Auditor General to disregard the improperly adopted alternative expenditure limitation and to invoke the hearing procedure of this section to determine whether the city or town had exceeded the prescribed constitutional expenditure limitations in the absence of any alternative expenditure limitation. Op.Atty.Gen. No. I88-108, 1988 WL 249691 .

Where governing board of a county, community college, or school district fails to submit auditor's reports or submits unreliable reports, auditor general may hold a hearing to determine whether the political subdivision has exceeded its expenditure limitations as a prerequisite to withholding allocation of tax proceeds. Op.Atty.Gen. No. I84-153, 1984 WL 61352 .

Auditor general's power to hold a hearing to determine whether a political subdivision has exceeded its expenditure limitations is independent of the requirement that a subdivision file an annual expenditure limitation report, and, therefore, auditor general may hold a hearing to determine whether a county, community college district, city, or town has exceeded its expenditure limitations even if the political subdivision has refused to file an annual financial report or an annual expenditure limitation report. Op.Atty.Gen. No. I84-072, 1984 WL 61283 .

**Mandamus**

If a county or community college district officer or a city or town council fails to comply with annual financial statement or annual expenditure limitation report filings, auditor general could seek a court order compelling the officers to perform such duties. Op.Atty.Gen. No. I84-072, 1984 WL 61283 .

**Carry forward, excess expenditures**

If a political subdivision expends less in local revenues than it was authorized to expend in one year, the excess capacity may not be carried forward into future years. Op.Atty.Gen. No. I88-017, 1988 WL 249600 .

**Excess expenditures**

**Excess expenditures - Carry forward**

If a political subdivision expends less in local revenues than it was authorized to expend in one year, the excess capacity may not be carried forward into future years. Op.Atty.Gen. No. I88-017, 1988 WL 249600 .

**Deduction of excess expenditures**

As regards the urban revenue sharing fund, which consists of an amount equal to 15% of the net proceeds of state income taxes for the fiscal year two years prior to the current year, the withholding of tax allocation to a city or town required by statute as a result of excess expenditures by the city or town may be deducted on a monthly basis, one-twelfth per month, from the monthly distribution of income tax revenues to the city or town. Op.Atty.Gen. No. I87-098, 1987 WL 121324 .

**Excess expenditures - Deduction of excess expenditures**

As regards the urban revenue sharing fund, which consists of an amount equal to 15% of the net proceeds of state income taxes for the fiscal year two years prior to the current year, the withholding of tax allocation to a city or town required by statute as a result of excess expenditures by the city or town may be deducted on a monthly basis, one-twelfth per month, from the monthly distribution of income tax revenues to the city or town. Op.Atty.Gen. No. I87-098, 1987 WL 121324 .

**Versions (6)**

**§ 41-1279.07. Uniform expenditure reporting system; reports by counties, community college districts, cities and towns; certification and attestation; assistance by auditor general; attorney general investigation; violation; classification**

**AZ ST § 41-1279.07**

**Effective October 30, 2023**

Enacted Legislation Laws 2023, Ch. 40 , § 7

**Prior Versions (5)**

**§ 41-1279.07. Uniform expenditure reporting system; reports by counties, community college districts, cities and towns; certification and attestation; assistance by auditor general; attorney general investigation; violation; classification**

**AZ ST § 41-1279.07**

**Effective August 27, 2019 to October 29, 2023**

Enacted Legislation Laws 2019, Ch. 209 , § 1

**§ 41-1279.07. Uniform expenditure reporting system; reports by counties, community college districts, cities and towns; certification and attestation; assistance by auditor general; violation; classification**

**AZ ST § 41-1279.07**

**Effective August 3, 2018 to August 26, 2019**

Enacted Legislation Laws 2018, Ch. 268 , § 26

**§ 41-1279.07. Uniform expenditure reporting system; reports by counties, community college districts, cities and towns; certification and attestation; assistance by auditor general; violation; classification**

**AZ ST § 41-1279.07**

**Effective July 3, 2015 to August 2, 2018**

Enacted Legislation Laws 2015, Ch. 323 , § 4

**§ 41-1279.07. Uniform expenditure reporting system; reports by counties, community college districts, cities and towns; certification and attestation; assistance by auditor general; violation; classification**

**AZ ST § 41-1279.07**

**Effective July 29, 2010 to July 2, 2015**

Enacted Legislation Laws 2010, Ch. 69 , § 1

**§ 41-1279.07. Uniform expenditure reporting system; reports by counties, community college districts, cities and towns; certification and attestation; assistance by auditor general; violation; classification**

**AZ ST § 41-1279.07**

**Effective [See Text Amendments] to July 28, 2010**

Enacted Legislation Laws 1998, Ch. 1, § 120, eff. Jan. 1, 1999

## Editor's and Revisor's Notes (2)

### HISTORICAL AND STATUTORY NOTES

Laws 1981, Ch. 317, § 12 provides:

#### “ Sec. 12. Report on implementation

“On or before December 31, 1981 the auditor general shall submit to the president of the senate and the speaker of the house of representatives, a report on the implementation of the uniform expenditure reporting system established by this act. The report should contain information regarding the difficulties experienced by both the auditor general and political subdivisions during the implementation process. The report shall also recommend any changes, additions, deletions or clarifications that might be made to the establishing statutes, to improve the system.”

The 1982 amendment, in subsec. G, substituted “for fiscal year 1982-1983 or any subsequent fiscal year,” for “subsequent to July 1, 1982” in three places; in the first sentence of subsec. H, inserted “Constitution of Arizona”; and made nonsubstantive changes in subssecs. A and B by substituting “alternative” for “alternate”.

Laws 1984, Ch. 335, § 7, provides:

#### “ Sec. 7. Santa Cruz county; waiver of penalties for exceeding expenditure limitation

“In the case of Santa Cruz county, the penalties prescribed by § 41-1279.07, subsections G and H, Arizona Revised Statutes, are waived for excess expenditures of local revenues in fiscal year 1982-1983.”

Laws 1985, Ch. 298, § 9 deleted commas in the second sentence of subsec. B and the first sentence of subsec. G; substituted “for any fiscal year” for “for fiscal year 1982-1983 or any subsequent fiscal year” in the second sentence and the last sentence of subsec. G; and substituted a reference to § 42-1341, subsec. C, par. 2 for a reference to § 42-1342 in the middle of the second sentence of subsec. G.

Laws 1985, Ch. 366, § 2 made the punctuation changes which were made by Laws 1985, Ch. 298; and substituted a reference to § 43-206 for a reference to § 43-244 in the middle of the third sentence of subsec. G.

This section, as amended by Laws 1985, Ch. 298, § 9, was repealed by Laws 1986, Ch. 112, § 2 and Laws 1986, Ch. 322, § 5.

Laws 1986, Ch. 112, § 4 rewrote subsec. G and the introductory paragraph of subsec. H, which provisions had read:

“ G. A chief fiscal officer, designated pursuant to subsection E of this section, who subsequent to July 1, 1983 refuses to file the reports required by this section within the prescribed time periods or who intentionally files erroneous reports is guilty of a class 1 misdemeanor. A county exceeding the expenditure limitations prescribed pursuant to [article IX, § 20, Constitution of Arizona](#), for fiscal year 1982-1983 or any subsequent fiscal year, without authorization pursuant to such section, shall have the amount specified in subsection H of this section of its subsequent year's allocation of the state transaction privilege tax, distributed pursuant to § 42-1342, withheld and redistributed to other counties in the same manner as determined pursuant to that section, except that the assessed valuation and the gross proceeds or gross income from business engaged in within the county exceeding the expenditure limitation shall not be included in the computation and the county exceeding the expenditure limitation shall not be entitled to share in the redistribution. A city or town exceeding the expenditure limitation prescribed or authorized pursuant to [article IX, § 20, Constitution of Arizona](#), for fiscal year 1982-1983 or any subsequent fiscal year, without authorization pursuant to such section, shall have the amount specified in subsection H of this section of its subsequent year's allocation of the state income tax, distributed pursuant to § 43-206, withheld and redistributed to other cities and towns in the same manner as determined pursuant to that section, except that the population of the city or town exceeding the expenditure limitation shall not be included in the computation, and the city or town exceeding the expenditure limitation shall not be entitled to share in the redistribution. A community college district exceeding the expenditure limitation prescribed pursuant to [article IX, § 21, Constitution of Arizona](#), for fiscal year 1982-1983 or any subsequent fiscal year, without authorization pursuant to such section, shall have the amount specified in subsection H of this section of its subsequent allocation of state aid, distributed pursuant to § 15-1466, withheld.

“ **H.** The auditor general shall hold a hearing to determine if any political subdivision has exceeded the expenditure limitations prescribed pursuant to **article IX, §§ 20 and 21, Constitution of Arizona** . If any political subdivision has exceeded the expenditure limitations prescribed pursuant to **article IX, §§ 20 and 21, Constitution of Arizona** , without authorization pursuant to those sections, the auditor general shall notify the state treasurer to withhold a portion of the political subdivision's allocation of the revenues described in subsection G of this section as follows:”

Laws 1986, Ch. 322, § 4, in subsec. G, twice substituted “any fiscal year” for “fiscal year 1982-1983 or any subsequent fiscal year” following “Constitution of Arizona, for”, substituted “§ 42-1341, subsection C, paragraph 2,” for “§ 42-1342” in the second sentence, and inserted “or § 15-1471” in the last sentence; and in subsec. H, deleted “pursuant to those sections” following “Constitution of Arizona, without authorization” in the introductory paragraph.

The 1986 amendments of this section by Chs. 112 and 322 each explicitly amended the 1985 amendment of this section by Ch. 366.

This section, as amended by Laws 1986, Ch. 322, § 4, was repealed by Laws 1987, Ch. 357, § 14.

The 1987 amendment deleted “pursuant to those sections” following “Constitution of Arizona, without authorization” in the introductory paragraph of subsec. H.

Laws 1987, Ch. 357, § 1, par. 7, provides:

“ **Section 1. Purpose** ”

“7. Section 41-1279.07, Arizona Revised Statutes , was amended by Laws 1986, chapter 112, § 1 and chapter 322, § 4. The chapter 322 version made, among other amendments, a conforming internal reference amendment which for blending purposes was inconsistent and incompatible with the chapter 112 version and therefore could not be blended. However, since the conforming internal reference amendment was a nonsubstantive change, in order to accomplish the intent of the 1986 enactments, in this enactment the chapter 112 version is amended to incorporate the amendments, other than the conforming internal reference amendment, made by the chapter 322 version and the chapter 322 version is repealed.”

The 1987 amendment of this section by Ch. 357 explicitly amended the 1986 amendment of this section by Ch. 112.

The 1998 amendment by Ch. 1 made changes in statutory references to conform to the reorganization of Title 42.

Laws 1998, Ch. 95 , §§ 1 and 2, provide:

“ **Section 1. City of Tombstone; waiver of penalties for exceeding expenditure limitation** ”

“The penalties prescribed by § 41-1279.07, subsections G and H , Arizona Revised Statutes , are waived for excess expenditures of local revenues by the city of Tombstone in fiscal year 1994-1995.”

“ **Sec. 2. Retroactivity** ”

“This act applies retroactively beginning from and after June 30, 1998.”

Laws 2001, Ch. 197 , §§ 1 and 2, provide:

“ **Section 1. City Of El Mirage; waiver of penalties for exceeding expenditure limitation** ”

“The penalties prescribed by § 41-1279.07, subsections G and H , Arizona Revised Statutes , are waived for excess expenditures of local revenues by the city of El Mirage in fiscal year 1998-1999.

“ **Sec. 2. Retroactivity** ”

“This act applies retroactively to from and after June 30, 2001.”

Laws 2001, Ch. 362, § 1 , provides:

**“Section 1. Computing municipal, county and community college expenditure limitation; fiscal years 2001-2002 and 2002-2003; penalty**

“ A. The legislature finds that the reduction in the GDP price deflator index currently used to compute city, town, county and community college district expenditure limitations has resulted in limitations that do not accurately reflect the effect of inflation on the budgets of political subdivisions.

“ B. Notwithstanding § 41-1279.07, subsections G and H , Arizona Revised Statutes , for fiscal years 2001-2002 and 2002-2003 the penalties for violating the expenditure limitations as computed pursuant to § 41-563, Arizona Revised Statutes , are one hundred dollars if the expenditures of local revenues by the city, town, county or community college district do not exceed the expenditure limitation for fiscal year 1999-2000 multiplied by the percentage change in population and multiplied by the inflation factor of 1.0609 for 2001-2002 and 1.092727 for 2002-2003.

“ C. For purposes of this section:

“1.The percentage change in population for cities, towns and counties shall be computed for 2001-2002 by dividing the 2000 population estimate by the 1998 population estimate and for 2002-2003 by dividing the 2001 population estimate by the 1998 population estimate. In this paragraph, “ population estimate ” means the population estimate computed by the department of economic security and generally used in computing the annual expenditure limitations for cities, towns and counties.

“2.The percentage change in population for community college districts shall be computed for 2001-2002 by dividing the fiscal year 2001-2002 population estimate by the fiscal year 1999-2000 population estimate and for 2002-2003 by dividing the fiscal year 2002-2003 population estimate by the fiscal year 1999-2000 population estimate. In this paragraph, “ population estimate ” means the estimate of full-time equivalent students submitted to the economic estimates commission pursuant to § 15-1425, paragraph 14, Arizona Revised Statutes .”

Laws 2003, Ch. 178, § 1 , provides:

**“ Section 1. Greenlee county; penalties for exceeding expenditure limitation**

“Notwithstanding § 41-1279.07, subsection H , Arizona Revised Statutes , the penalty for excess expenditures of local revenues by Greenlee county in fiscal years 2003-2004 and 2004-2005 shall not exceed one hundred dollars.”

Laws 2009, Ch. 59, § 2 , which related to the Town of Pima, penalties for exceeding expenditure limitation, was repealed by Laws 2011, Ch. 180, § 2, effective July 20, 2011, retroactively effective to July 1, 2009.

The 2010 amendment by Ch. 69 added subsec. I.

Laws 2010, Ch. 191, § 1 , provides:

**“ Section 1. Town of Superior; reduction of penalties for exceeding expenditure limitation**

“The penalties prescribed by section 41-1279.07, subsections G and H , Arizona Revised Statutes , for excess expenditures of local revenues by the town of Superior for fiscal year 2007-2008 shall equal one hundred dollars and is payable pursuant to section 41-1279.07, subsection G , Arizona Revised Statutes , in fiscal year 2010-2011.”

Laws 2010, Ch. 191, § 2 , provides:

**“ Sec. 2. Retroactivity**

“This act applies retroactively to from and after June 30, 2010.”

Laws 2011, Ch. 180 , §§ 1, 3 and 4 provide:

**“ Section 1. Town of Pima; waiver of penalties for exceeding expenditure limitation**

“The penalties prescribed by section 41-1279.07, subsections G and H , Arizona Revised Statutes , are waived for excess expenditures of local revenues by the town of Pima in fiscal year 2006-2007.”

**“ Sec. 3. City of Safford; waiver of penalties for exceeding expenditure limitation**

“The penalties prescribed by section 41-1279.07, subsections G and H , Arizona Revised Statutes , are waived for excess expenditures of local revenues by the city of Safford in fiscal years 2001-2002 and 2006-2007, except that the city of Safford shall pay a penalty of twenty thousand dollars in fiscal year 2010-2011.

**“ Sec. 4. Retroactivity**

“Sections 1 and 2 of this act are effective retroactively to from and after June 30, 2009.”

Laws 2013, Ch. 254, § 22 , provides:

**“ Sec. 22. Implementation of consolidated elections; expenditure limitations**

**“ A.** Notwithstanding any other law, in order to comply with the consolidation of election dates prescribed in Laws 2012, chapter 353, a city or town may lengthen the terms of office for its elected officials.

**“ B.** Notwithstanding [section 16-204, Arizona Revised Statutes](#) , for any city or town whose alternate expenditure limit is scheduled to expire in 2014 or 2015, the following apply:

“1. For a limitation that is scheduled to expire in the spring of 2014, the penalties prescribed in [section 41-1279.07, Arizona Revised Statutes](#) , shall not apply to that city or town in fiscal year 2015 if the city or town seeks voter approval of an alternative expenditure limit in the fall of 2014.

“2. For a limitation that is scheduled to expire in 2015 or 2016, the penalties prescribed in [section 41-1279.07, Arizona Revised Statutes](#) , shall not apply to that city or town in fiscal year 2015, 2016 or 2017 and the amount of the expenditure limitation remains at the level established before the expiration of the alternate expenditure limitation if the city or town seeks voter approval of an alternate expenditure limitation at the next eligible regular election in 2014, 2015 or 2016.”

The 2015 blended amendments by Chs. 268 and 323, rewrote subsec. C; and made nonsubstantive changes. Subsection C had read:

**“ C.** The reports described in subsection A of this section must be filed with the auditor general within four months after the close of each fiscal year. Upon written request, the auditor general may grant up to a one hundred twenty day extension, if extenuating circumstances exist that prevent submission of the reports within the required four month period.”

Laws 2018, Ch. 325, § 1, retroactively effective to July 1, 2013 , provides:

**“ Section 1. County of La Paz; waiver of penalties for exceeding expenditure limitation; report; hearing; prohibition**

**“ A.** The penalties prescribed by section 41-1279.07, subsection H , Arizona Revised Statutes , are waived for excess expenditures of local revenues by the county of La Paz in fiscal years 2013-2014, 2014-2015, 2015-2016, 2016-2017 and 2017-2018.

**“ B.** In fiscal years 2018-2019, 2019-2020, 2020-2021, 2021-2022 and 2022-2023, within ten months after the close of each fiscal year, the county of La Paz shall provide the speaker of the house of representatives, the president of the senate, the chairperson of the senate finance committee, or its successor committee, and the chairperson of the house of representatives ways and means committee, or its successor committee, a copy of all of the following:

“1. The expenditure report as prescribed in [section 41-1279.07, Arizona Revised Statutes](#) .

“2. The financial and compliance audit as prescribed in [section 41-1279.21, Arizona Revised Statutes](#) .

“3. If applicable, for each fiscal year in which the financial statements for the county were not completed and filed as prescribed by [section 41-1279.07, Arizona Revised Statutes](#) , on or before the adoption of the county budget in the subsequent fiscal year, the notice of pending financial statement filing included in the published budget as prescribed in [section 11-661, Arizona Revised Statutes](#) .

“ C. The chairperson of the senate finance committee or the chairperson of the house of representatives ways and means committee, or their successor committees, shall hold a hearing to determine compliance with subsection B of this section if the speaker of the house of representatives, the president of the senate, the chairperson of the senate finance committee, or its successor committee, or the chairperson of the house of representatives ways and means committee, or its successor committee, determines that such a hearing is necessary.

“ D. The county of La Paz may not seek a legislative waiver of penalties for excess expenditures of local revenues for a minimum of five years from and after the effective date of this act.”

Laws 2018, Ch. 325, § 2 , provides:

“ **Sec. 2. Retroactivity**

“This act is effective retroactively to from and after June 30, 2013.”

Laws 2018, Ch. 268 , deleted “or public accountant” after “certified public accountant” twice in subsec. D.

Laws 2019, Ch. 209 , substituted “terms used” for “terms utilized” in the second sentence of subsec. B; rewrote subsec. E; inserted a new subsec. G; redesignated existing subsecs. G to I as H to J, accordingly; and made conforming changes to internal references. Subsec. E had read:

“ E. Each political subdivision shall provide to the auditor general by July 31 each year the name of the chief fiscal officer designated by the governing board of the political subdivision to submit the current fiscal year's expenditure limitation report. The political subdivision shall notify the auditor general of any changes of individuals designated to file the required reports. The designated chief fiscal officer shall certify to the accuracy of the annual expenditure limitation report.”

Laws 2021, Ch. 421, § 1 , provides:

“ **Section 1. Community college districts; expenditure limitations; penalty; retroactivity**

“ A. Notwithstanding section 41-1279.07, Arizona Revised Statutes , for fiscal year 2021--2022, if a community college district exceeds its expenditure limitation prescribed in article IX, section 21, Constitution of Arizona , and pursuant to section 41-563, Arizona Revised Statutes , the community college district shall have state aid pursuant to section 15-1466, Arizona Revised Statutes , withheld as follows:

“1. If the excess expenditures are less than five percent of the limitation, an amount equal to \$5,000.

“2. If the excess expenditures are equal to or greater than five percent, but less than ten percent of the limitation, an amount equal to \$15,000.

“3. If the excess expenditures are equal to or greater than ten percent, but less than twelve percent of the limitation, an amount equal to \$20,000.

“4. If the excess expenditures are equal to or greater than twelve percent of the limitation, the amount shall be calculated according to section 41-1279.07, Arizona Revised Statutes .

“ B. Subsection A of this section applies retroactively to from and after June 30, 2020.”

Laws 2023, Ch. 40 , amended the section as follows:

“ A. The auditor general shall prescribe a uniform expenditure reporting system for all political subdivisions subject to the constitutional expenditure limitations prescribed by article IX, sections 20 and 21, Constitution of Arizona . The system shall include:”

\* \* \*

“2. For community college districts:

“(a) An annual budgeted expenditure limitation report that includes at least the following information:”

\* \* \*

“(ii) Total budgeted expenditures ~~, by fund,~~ for the reporting fiscal year.

“(iii) Total exclusions from local revenues, as defined by [article IX, section 21, Constitution of Arizona](#) , ~~by fund,~~ for the reporting fiscal year.

“(iv) Total amounts ~~, by fund,~~ of budgeted expenditures subject to the expenditure limitation for the reporting fiscal year.”

\* \* \*

**Reviser's Notes:**

**1981 Note.** The amendment of this section by Laws 1981, chapter 317, section 11 was not specified in the title of the act as required by [Constitution of Arizona, Art. IV, part 2, sec. 13](#) . Pursuant to authority of § 41-1304.02, quotation marks surrounding “local revenues” were removed in subsection A, paragraph 1, subdivision (a), item (iii), subsection A, paragraph 2, subdivision (a), item (iii) and subsection A, paragraph 3, subdivision (a), item (iii). Additionally, in subsection B, the word “completions” was made singular as the correction of a manifest clerical error.

**1985 Note.** Laws 1985, Ch. 366, sec. 2 incorrectly identified this section as § 42-1279.07 when amending it. The identification of § 41-1279.07 was correctly reflected in the title to this act. The independent and valid amendment of this section by Laws 1985, Ch. 298, § 9 and Ch. 366, § 2 could not be blended because of the delayed effective date of Ch. 366.

**1986 Note.** The amendment made by Laws 1986, Ch. 322, § 4 was inconsistent and incompatible with Laws 1986, Ch. 112, § 1 and therefore could not be blended.

**2015 Note.** Prior to the 2018 amendment, this section contained the amendments made by [Laws 2015, Ch. 268](#) , sec. 4 and Ch. 323, sec. 4 that were blended together pursuant to authority of section 41-1304.03.

**Context and Analysis (5)**

**Cross References (5)**

Audits of cities and towns, posting, budget, see § 9-481.

Consolidated elections, alternative expenditure limitation, see § 16-204.02.

Counties, posting of financial statements, budget, see § 11-661.

Posting of financial statements, budget, see § 11-661.

Uniform system of accounting for community college districts, duties of auditor general, posting, budget, see § 15-1473.

**Validity**

There are no Validity results for this citation.