## FISCAL IMPACT OF LEGISLATIVELY-REFERRED BALLOT MEASURES

A.R.S. § 19-123(D) requires the JLBC Staff to prepare a summary of 300 words or less on the fiscal impact of voter-initiated ballot measures for publication in the Secretary of State's publicity pamphlet. These fiscal impact statements can be found on our website at http://www.azleg.gov/jlbc/10ballot.htm.

Unlike voter-initiated measures, legislatively-referred ballot measures do not require a fiscal impact statement in the publicity pamphlet. Of the 9 legislatively-referred measures, 2 have a quantifiable impact:

- Proposition 301 would transfer all money from the Land Conservation Fund into the state's General Fund. This program receives its funding from a $20,000,000 per year General Fund appropriation. The enacted FY 2011 budget assumes that passage of the proposition would generate approximately $123,538,600 in revenues to the General Fund in FY 2011, including the $20,000,000 FY 2011 appropriation. Under current law, FY 2011 is the last year for the $20,000,000 appropriation, so there would be no impact in FY 2012 and beyond.

  The City of Phoenix, the City of Scottsdale, and Coconino County have applied to purchase State Trust Land for land preservation, which could result in drawing down the fund balance. These requests, if approved by the State Parks Board, could reduce the fund balance by up to $50,000,000.

- Proposition 302 would repeal the Early Childhood Health and Development Board (ECHDB) Fund and redirect its current and future share of tobacco taxes to the General Fund. The Early Childhood share of the tax is 80 cents per cigarette pack and similar amounts for other types of tobacco products. The enacted FY 2011 budget assumes that passage of the proposition would generate approximately $345,000,000 in revenues to the General Fund in FY 2011, consisting of $325,000,000 from the current ECHDB Fund balance and $20,000,000 from redirecting the 80-cent-per-pack revenues to the General Fund effective on January 1, 2011. The fund balance may potentially be greater than $325 million by December 2010, when these monies would revert to the state General Fund. The FY 2010 ending fund balance was $413 million. This amount may decline, however, due to the obligation of funds for grants and programs. The use of the fund balance is one-time in nature and would not reoccur after FY 2011.

  In terms of the redirection of annual revenue, the 80-cent tobacco tax is estimated to generate $60,000,000 from January through June 2011. Proposition 302 requires these funds to be appropriated for health and human services for children. The enacted FY 2011 budget already appropriates $40,000,000 from the General Fund to the Department of Economic Security if Proposition 302 is approved. After accounting for the $40,000,000 set aside, the redirection of annual revenue in FY 2011 would have a net gain of $20,000,000.

  Beyond FY 2011, the 80 cent tax is estimated to generate $120,000,000 in revenue. Assuming that the $40,000,000 million set-aside continues, the on-going net gain in FY 2012 and beyond would be $80,000,000.

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