ARIZONA STATE SENATE RESEARCH STAFF



TO: MEMBERS OF THE SENATE APPROPRIATIONS COMMITTEE MIKE HANS LEGISLATIVE RESEARCH ANALYST GOVERNMENT COMMITTEE Telephone: (602) 926-3171

DATE: March 29, 2021

SUBJECT: Strike everything amendment to H.B. 2053, relating to per diem

Purpose

An emergency measure that replaces the current daily subsistence payment rates for legislators with a statutorily prescribed rate equal to 100 percent of the annual federal per-diem rate for Maricopa County as determined by the U.S. General Services Administration (annual federal per-diem rate) including lodging for legislators whose primary residence is outside of Maricopa County and excluding lodging for legislators whose primary residence is within Maricopa County.

Background

In addition to an annual salary, each member of the Legislature receives \$35 each day for subsistence during a regular or special session or for each day when a member acts on a legislative matter outside of session, on the prior approval of the presiding officer of the respective chamber. Each member whose permanent address is outside of Maricopa County receives an additional \$25 each day for subsistence. After the first 120 days of a regular session, the daily subsistence payment is reduced to \$10 per day for each legislator whose permanent residence is within Maricopa County and \$20 per day for each legislator whose permanent residence is outside of Maricopa County. To receive payment for travel expenses or subsistence, legislators must submit a claim countersigned by the presiding officer of the respective chamber (A.R.S. § 41-1104).

Under the Code of Federal Regulations, a *per diem allowance* or *subsistence allowance* is a daily payment instead of reimbursement for actual expenses for lodging, meals and related incidental expenses (<u>41 CFR § 300-3.1</u>). The U.S. General Services Administration (U.S. GSA) lodging rate for Maricopa County is \$151 per day from October 2020 to May 2021 and \$96 per day from June 2021 to August 2021. The current meals and incidentals rate for Maricopa County is \$56 per day (<u>U.S. GSA</u>).

There is no anticipated fiscal impact to the state General Fund associated with this legislation. However, there will be an impact to the Arizona State Senate and House of Representatives as a result of the increase in the daily subsistence payment rates to legislators.

Provisions

- 1. Replaces the current daily subsistence payment rates of \$35 and \$60 for legislators during a regular or special session and each day when a member acts on a legislative matter with an amount annually determined by the Director of the Arizona Department of Administration (ADOA) as follows:
 - a) for legislators whose permanent residence is within Maricopa County, 100 percent of the annual federal per-diem rate, excluding lodging; and
 - b) for legislators whose permanent residence is outside of Maricopa County, 100 percent of the annual federal per-diem rate, including lodging.

- 2. Repeals the reduced daily subsistence payment amount of \$10 and \$20 for legislators that begins after the first 120 days of a regular session.
- 3. Allows a member of the Legislature to opt out of receiving subsistence payments.
- 4. Specifies that the maximum long-term subsistence allowance set by the Director of ADOA for state employees does not apply to legislators.
- 5. Makes technical and conforming changes.
- 6. Becomes effective on signature of the Governor, if the emergency clause is enacted.