

REFERENCE TITLE: severance tax; distribution; cities; towns

State of Arizona  
House of Representatives  
Fifty-fifth Legislature  
Second Regular Session  
2022

## **HB 2726**

Introduced by  
Representatives Martinez: Bowers

AN ACT

AMENDING SECTION 42-5205, ARIZONA REVISED STATUTES; RELATING TO SEVERANCE TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 42-5205, Arizona Revised Statutes, is amended to  
3 read:  
4 42-5205. Administration; allocation of revenues  
5 A. Except as otherwise provided in this section, or unless the  
6 context otherwise requires, article 1 of this chapter governs the  
7 administration of the tax imposed by this article.  
8 B. The revenue derived from eighty ~~per cent~~ PERCENT of the tax rate  
9 imposed by this chapter is designated as distribution base and shall be  
10 distributed AS FOLLOWS:  
11 1. TWO AND ONE-HALF PERCENT TO CITIES AND TOWNS WITH POPULATIONS OF  
12 LESS THAN FIFTEEN THOUSAND PERSONS THAT ARE LOCATED IN COUNTIES WITH A  
13 POPULATION OF LESS THAN NINE HUNDRED THOUSAND PERSONS IN PROPORTION TO THE  
14 CITY'S OR TOWN'S POPULATION TO BE USED FOR ANY MUNICIPAL PURPOSE.  
15 2. THE REMAINING AMOUNT, pursuant to section 42-5029, subsection D.  
16 C. The revenue derived from twenty ~~per cent~~ PERCENT of the tax rate  
17 imposed by this chapter shall be credited to the state general fund and  
18 appropriated each year for public educational purposes.  
19 Sec. 2. Effective date  
20 This act is effective from and after June 30, 2023.