

COMMITTEE ON LAND, AGRICULTURE & RURAL AFFAIRS
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.C.R. 1049
(Reference to Senate engrossed resolution)

1 Page 1, strike lines 1 through 8

2 Strike lines 11 and 12, insert:

3 "1. Under the power of the referendum, as vested in the Legislature,
4 the following measure, relating to taxation benefitting fire districts, is
5 enacted to become valid as a law if approved by the voters and on proclamation
6 of the Governor:

7 AN ACT

8 AMENDING TITLE 42, CHAPTER 5, ARTICLE 1, ARIZONA REVISED
9 STATUTES, BY ADDING SECTION 42-5010.02; AMENDING SECTION
10 42-5155, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER
11 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION
12 48-825; RELATING TO TAXATION BENEFITTING FIRE DISTRICTS.

13 Be it enacted by the Legislature of the State of Arizona:

14 Section 1. Title 42, chapter 5, article 1, Arizona
15 Revised Statutes, is amended by adding section 42-5010.02, to
16 read:

17 42-5010.02. Transaction privilege tax; additional rate
18 increment; fire districts

19 A. FROM AND AFTER DECEMBER 31, 2022 THROUGH DECEMBER 31,
20 2042, IN ADDITION TO THE RATES PRESCRIBED BY SECTION 42-5010,
21 SUBSECTION A AND SECTION 42-5010.01, SUBSECTION A, AN
22 ADDITIONAL RATE INCREMENT IS IMPOSED AND SHALL BE COLLECTED.
23 THE ADDITIONAL TAX RATE INCREMENT IS LEVIED AT THE RATE OF
24 ONE-TENTH OF ONE PERCENT OF THE TAX BASE OF EVERY PERSON

1 ENGAGING OR CONTINUING IN THIS STATE IN A BUSINESS
2 CLASSIFICATION LISTED IN SECTION 42-5010, SUBSECTION A,
3 PARAGRAPH 1.

4 B. THE TAXPAYER SHALL PAY TAXES PURSUANT TO THIS SECTION
5 AT THE SAME TIME AND IN THE SAME MANNER AS UNDER SECTION
6 42-5010, SUBSECTION A. NOTWITHSTANDING ANY OTHER LAW, THE
7 DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE REVENUES COLLECTED
8 WITH RESPECT TO THE RATES IMPOSED BY THIS SECTION AND SHALL
9 DEPOSIT THOSE REVENUES IN THE FIRE DISTRICT SAFETY FUND
10 ESTABLISHED BY SECTION 48-825.

11 Sec. 2. Section 42-5155, Arizona Revised Statutes, is
12 amended to read:

13 42-5155. Levy of tax; tax rate; purchaser's liability

14 A. There is levied and imposed an excise tax on the
15 storage, use or consumption in this state of tangible personal
16 property purchased from a retailer or utility business, as a
17 percentage of the sales price. A manufactured building
18 purchased outside this state and set up in this state is
19 subject to tax under this section and in this case the rate is
20 a percentage of sixty-five percent of the sales price.

21 B. The tax imposed by this section applies to any
22 purchaser that purchased tangible personal property for resale
23 but subsequently uses or consumes the property.

24 C. The tax rate shall equal the rate of tax prescribed
25 by section 42-5010, subsection A as applied to retailers and
26 utility businesses according to the respective classification
27 under articles 1 and 2 of this chapter for the same type of
28 transaction or business activity.

29 D. In addition to the rate prescribed by subsection C of
30 this section, if approved by the qualified electors voting at a
31 statewide general election, an additionadl rate increment of
32 six-tenths of one ~~per cent~~ PERCENT is imposed and shall be

1 collected through June 30, 2021. The taxpayer shall pay taxes
2 pursuant to this subsection at the same time and in the same
3 manner as under subsection C of this section. The department
4 shall separately account for the revenues collected with
5 respect to the rate imposed pursuant to this subsection, and
6 the state treasurer shall pay all of those revenues in the
7 manner prescribed by section 42-5029, subsection E.

8 E. From and after June 30, 2021 through June 30, 2041,
9 in addition to the rate prescribed by subsection C of this
10 section, an additional rate increment of six-tenths of one
11 percent is imposed and shall be collected. The taxpayer shall
12 pay taxes pursuant to this subsection at the same time and in
13 the same manner as under subsection C of this section. The
14 department shall separately account for the revenues collected
15 with respect to the rate imposed pursuant to this subsection,
16 and the state treasurer shall pay all of those revenues in the
17 manner prescribed by section 42-5029.02, subsection A.

18 F. FROM AND AFTER DECEMBER 31, 2022 THROUGH DECEMBER 31,
19 2042, IN ADDITION TO THE RATES PRESCRIBED BY SUBSECTIONS C AND
20 E OF THIS SECTION, AN ADDITIONAL RATE INCREMENT OF ONE-TENTH OF
21 ONE PERCENT IS IMPOSED AND SHALL BE COLLECTED. THE TAXPAYER
22 SHALL PAY TAXES PURSUANT TO THIS SUBSECTION AT THE SAME TIME
23 AND IN THE SAME MANNER AS UNDER SUBSECTION C OF THIS SECTION.
24 NOTWITHSTANDING ANY OTHER LAW, THE DEPARTMENT SHALL SEPARATELY
25 ACCOUNT FOR THE REVENUES COLLECTED WITH RESPECT TO THE RATE
26 IMPOSED PURSUANT TO THIS SUBSECTION AND SHALL DEPOSIT THOSE
27 REVENUES IN THE FIRE DISTRICT SAFETY FUND ESTABLISHED BY
28 SECTION 48-825.

29 ~~F.~~ G. Every person storing, using or consuming in this
30 state tangible personal property purchased from a retailer or
31 utility business is liable for the tax. The person's liability
32 is not extinguished until the tax has been paid to this state.

1 ~~G.~~ H. A receipt from a retailer or utility business
2 that maintains a place of business in this state or from a
3 retailer or utility business that is authorized by the
4 department to collect the tax, under such rules as it may
5 prescribe, and that is for the purposes of this article
6 regarded as a retailer or utility business maintaining a place
7 of business in this state, given to the purchaser as provided
8 in section 42-5161 is sufficient to relieve the purchaser from
9 further liability for the tax to which the receipt refers.

10 Sec. 3. Title 48, chapter 5, article 1, Arizona Revised
11 Statutes, is amended by adding section 48-825, to read:

12 48-825. Fire district safety fund; distribution;
13 definition

14 A. THE FIRE DISTRICT SAFETY FUND IS ESTABLISHED
15 CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTION 42-5010.02
16 AND SECTION 42-5155, SUBSECTION F, PRIVATE DONATIONS AND
17 INTEREST EARNED ON THOSE MONIES. MONIES IN THE FUND ARE
18 CONTINUOUSLY APPROPRIATED. THE STATE TREASURER SHALL
19 ADMINISTER THE FUND. MONIES IN THE FUND AND ITS ACCOUNTS MAY
20 NOT BE TRANSFERRED TO ANY OTHER FUND EXCEPT AS PROVIDED IN THIS
21 SECTION AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190
22 RELATING TO LAPSING OF APPROPRIATIONS.

23 B. ALL MONIES IN THE FUND MUST FIRST BE SPENT, AND THE
24 STATE TREASURER SHALL TRANSFER MONIES FROM THE FUND, TO PAY:

25 1. THE ACTUAL REASONABLE COSTS INCURRED BY THE STATE
26 TREASURER TO ADMINISTER THE FUND.

27 2. THE ACTUAL REASONABLE COSTS INCURRED BY THE
28 DEPARTMENT OF REVENUE TO IMPOSE AND COLLECT THE ADDITIONAL TAX
29 RATE INCREMENTS ESTABLISHED BY SECTION 42-5010.02 AND SECTION
30 42-5155, SUBSECTION F.

1 3. ANY OTHER MANDATORY EXPENDITURE OF STATE REVENUES
2 REQUIRED TO IMPLEMENT THIS SECTION, SECTION 42-5010.02 OR
3 SECTION 42-5155, SUBSECTION F.

4 C. THE STATE TREASURER MAY PRESCRIBE FORMS NECESSARY TO
5 MAKE TRANSFERS FROM THE FUND PURSUANT TO SUBSECTION B OF THIS
6 SECTION.

7 D. AT THE END OF EACH MONTH, THE STATE TREASURER SHALL
8 TRANSFER THE MONIES IN THE FUND IN EXCESS OF THE AMOUNTS PAID
9 PURSUANT TO SUBSECTION B OF THIS SECTION AS FOLLOWS:

10 1. IN INITIAL DISTRIBUTIONS TO FIRE DISTRICTS IN
11 PROPORTION TO EACH FIRE DISTRICT'S MOST RECENT FINALLY
12 EQUALIZED VALUATION OF ALL PROPERTY FILED WITH THE PROPERTY TAX
13 OVERSIGHT COMMISSION UNDER SECTION 42-17052, SUBSECTION A,
14 PARAGRAPH 1, EXCEPT THAT A FIRE DISTRICT MAY NOT RECEIVE MORE
15 THAN THREE PERCENT OF THE TOTAL AMOUNT OF MONIES TRANSFERRED TO
16 ALL FIRE DISTRICTS EACH MONTH UNDER THIS SUBSECTION.

17 2. IN SECOND DISTRIBUTIONS OF THE REMAINING MONIES TO
18 FIRE DISTRICTS THAT RECEIVED LESS THAN THREE PERCENT OF THE
19 TOTAL AMOUNT OF MONIES TRANSFERRED TO ALL FIRE DISTRICTS EACH
20 MONTH IN THEIR INITIAL DISTRIBUTIONS UNDER PARAGRAPH 1 OF THIS
21 SUBSECTION IN PROPORTION TO THOSE FIRE DISTRICTS' MOST RECENT
22 FINALLY EQUALIZED VALUATION OF ALL PROPERTY FILED WITH THE
23 PROPERTY TAX OVERSIGHT COMMISSION UNDER SECTION 42-17052,
24 SUBSECTION A, PARAGRAPH 1, EXCEPT THAT A FIRE DISTRICT'S TOTAL
25 DISTRIBUTIONS UNDER THIS PARAGRAPH AND PARAGRAPH 1 OF THIS
26 SUBSECTION MAY NOT EXCEED THREE PERCENT OF THE TOTAL AMOUNT OF
27 MONIES TRANSFERRED TO ALL FIRE DISTRICTS EACH MONTH UNDER THIS
28 SUBSECTION.

29 3. IN FINAL DISTRIBUTIONS OF ANY REMAINING MONIES
30 DIVIDED EQUALLY BETWEEN ALL FIRE DISTRICTS.

31 E. NOTWITHSTANDING ANY OTHER LAW, MONIES TRANSFERRED TO
32 A FIRE DISTRICT UNDER THIS SECTION:

1 1. FOR A FIRE DISTRICT THAT DOES NOT PARTICIPATE IN A
2 JOINT POWERS AUTHORITY UNDER SECTION 48-805.01, MUST BE
3 DEPOSITED IN THE FIRE DISTRICT GENERAL FUND KEPT FOR THAT FIRE
4 DISTRICT BY THE COUNTY TREASURER PURSUANT TO SECTION 48-807,
5 SUBSECTION L.

6 2. FOR A FIRE DISTRICT THAT PARTICIPATES IN A JOINT
7 POWERS AUTHORITY UNDER SECTION 48-805.01, MUST BE DEPOSITED IN
8 THE JOINT POWERS AUTHORITY GENERAL FUND KEPT FOR THE JOINT
9 POWERS AUTHORITY BY THE COUNTY TREASURER.

10 3. MAY BE DEPOSITED IN THE RELEVANT GOVERNMENTAL FUNDS
11 ESTABLISHED PURSUANT TO SECTION 48-807, SUBSECTION N.

12 4. MAY BE SPENT BY THAT FIRE DISTRICT TO CARRY OUT ANY
13 OF ITS DUTIES UNDER THIS CHAPTER.

14 F. FOR THE PURPOSES OF THIS SECTION, "FIRE DISTRICT"
15 MEANS A FIRE DISTRICT ORGANIZED UNDER THIS CHAPTER OR ITS
16 SUCCESSOR ENTITY AND INCLUDES A FIRE DISTRICT THAT PARTICIPATES
17 IN A JOINT POWERS AUTHORITY UNDER SECTION 48-805.01 OR ITS
18 SUCCESSOR ENTITY.

19 Sec. 4. Standing and fee shifting; definition

20 A. This act, if approved by the voters and thereafter
21 challenged in court, shall be defended by the State of
22 Arizona. If the attorney general fails to defend or enforce
23 this act or fails to appeal an adverse judgment against its
24 validity or application, in whole or in part, any resident of
25 this state shall have standing to initiate or intervene in any
26 action or proceeding to enforce or defend this act.

27 B. The court shall award fees and expenses to any
28 resident who initiates or intervenes in, and prevails on the
29 merits of, any action or proceeding to enforce or defend this
30 act pursuant to subsection A of this section.

31 C. For the purposes of this section, "fees and expenses"
32 includes the reasonable expenses of expert witnesses, the

1 reasonable cost of any study, analysis, report, test or project
2 found by the court to be necessary to prepare the party's case
3 and reasonable attorney fees.

4 Sec. 5. Intent

5 The legislature finds and declares the following:

6 1. This state is home to one hundred forty-four fire
7 districts that provide fire, emergency medical and associated
8 emergency services to more than one million five hundred
9 thousand residents and tens of millions of travelers on Arizona
10 roadways.

11 2. Many of these fire districts are located in rural
12 parts of this state, with personnel serving as first responders
13 in the event of emergencies or accidents on large stretches of
14 widely traveled highways.

15 3. Fire districts in this state are critically
16 underfunded, leading to personnel and equipment shortages and
17 extremely long response times in many areas of this state.

18 4. To ensure that fire districts can provide prompt and
19 effective emergency services throughout the state, we must
20 solve this funding crisis. This act would do so by imposing an
21 additional sales and use tax increment of one-tenth of one
22 percent, that is just one penny for every \$10.00 you spend, for
23 a period of twenty years.

24 Sec. 6. Severability

25 If any provision of this act or its application to any
26 person or circumstance is declared invalid by a court of
27 competent jurisdiction, such invalidity does not affect other
28 provisions or applications of this act that can be given effect
29 without the invalid provision or application. The invalidated
30 provision or provisions shall be deemed reformed to the extent
31 necessary to conform to applicable law and to give the maximum
32 effect to the intent of this act and, to the fullest extent

1 possible, the provisions of this act, including each portion of
2 any section of this act containing any invalidated provision
3 that is not itself invalid, shall be construed so as to give
4 effect to the intent thereof.

5 Sec. 7. Short title

6 This act may be cited as the "Arizona Fire District
7 Safety Act".

8 2. The Secretary of State shall submit this proposition to the
9 voters at the next general election as provided by article IV, part 1,
10 section 1, Constitution of Arizona."

11 Amend title to conform

And, as so amended, it do pass

TIM DUNN
CHAIRMAN

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