

REFERENCE TITLE: fire districts; funding; TPT increment

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

HCR 2004

Introduced by
Representative Payne

A CONCURRENT RESOLUTION

ENACTING AND ORDERING THE SUBMISSION TO THE PEOPLE OF A MEASURE RELATING
TO TAXATION BENEFITTING FIRE DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the House of Representatives of the State of Arizona,
2 the Senate concurring:

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
6 proclamation 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 BENEFITING 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
20 31, 2042, IN ADDITION TO THE RATES PRESCRIBED BY SECTION
21 42-5010, 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
25 ENGAGING OR CONTINUING IN THIS STATE IN A BUSINESS
26 CLASSIFICATION LISTED IN SECTION 42-5010, SUBSECTION A,
27 PARAGRAPH 1.

28 B. THE TAXPAYER SHALL PAY TAXES PURSUANT TO THIS
29 SECTION AT THE SAME TIME AND IN THE SAME MANNER AS UNDER
30 SECTION 42-5010, SUBSECTION A. NOTWITHSTANDING ANY OTHER LAW,
31 THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE REVENUES
32 COLLECTED WITH RESPECT TO THE RATES IMPOSED BY THIS SECTION
33 AND SHALL DEPOSIT THOSE REVENUES IN THE FIRE DISTRICT SAFETY
34 FUND ESTABLISHED BY SECTION 48-825.

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

37 42-5155. Levy of tax; tax rate; purchaser's liability

38 A. There is levied and imposed an excise tax on the
39 storage, use or consumption in this state of tangible personal
40 property purchased from a retailer or utility business, as a
41 percentage of the sales price. A manufactured building
42 purchased outside this state and set up in this state is
43 subject to tax under this section and in this case the rate is
44 a percentage of sixty-five percent of the sales price.

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

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

9 D. In addition to the rate prescribed by subsection C
10 of this section, if approved by the qualified electors voting
11 at a statewide general election, an additional rate increment
12 of six-tenths of one ~~per cent~~ PERCENT is imposed and shall be
13 collected through June 30, 2021. The taxpayer shall pay taxes
14 pursuant to this subsection at the same time and in the same
15 manner as under subsection C of this section. The department
16 shall separately account for the revenues collected with
17 respect to the rate imposed pursuant to this subsection, and
18 the state treasurer shall pay all of those revenues in the
19 manner prescribed by section 42-5029, subsection E.

20 E. From and after June 30, 2021 through June 30, 2041,
21 in addition to the rate prescribed by subsection C of this
22 section, an additional rate increment of six-tenths of one
23 percent is imposed and shall be collected. The taxpayer shall
24 pay taxes pursuant to this subsection at the same time and in
25 the same manner as under subsection C of this section. The
26 department shall separately account for the revenues collected
27 with respect to the rate imposed pursuant to this subsection,
28 and the state treasurer shall pay all of those revenues in the
29 manner prescribed by section 42-5029.02, subsection A.

30 F. FROM AND AFTER DECEMBER 31, 2022 THROUGH DECEMBER
31 31, 2042, IN ADDITION TO THE RATES PRESCRIBED BY SUBSECTIONS C
32 AND E OF THIS SECTION, AN ADDITIONAL RATE INCREMENT OF
33 ONE-TENTH OF ONE PERCENT IS IMPOSED AND SHALL BE COLLECTED.
34 THE TAXPAYER SHALL PAY TAXES PURSUANT TO THIS SUBSECTION AT
35 THE SAME TIME AND IN THE SAME MANNER AS UNDER SUBSECTION C OF
36 THIS SECTION. NOTWITHSTANDING ANY OTHER LAW, THE DEPARTMENT
37 SHALL SEPARATELY ACCOUNT FOR THE REVENUES COLLECTED WITH
38 RESPECT TO THE RATE IMPOSED PURSUANT TO THIS SUBSECTION AND
39 SHALL DEPOSIT THOSE REVENUES IN THE FIRE DISTRICT SAFETY FUND
40 ESTABLISHED BY SECTION 48-825.

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

1 PARAGRAPH 1, EXCEPT THAT A FIRE DISTRICT MAY NOT RECEIVE MORE
2 THAN THREE PERCENT OF THE TOTAL AMOUNT OF MONIES TRANSFERRED
3 TO ALL FIRE DISTRICTS EACH MONTH UNDER THIS SUBSECTION.

4 2. IN SECOND DISTRIBUTIONS OF THE REMAINING MONIES TO
5 FIRE DISTRICTS THAT RECEIVED LESS THAN THREE PERCENT OF THE
6 TOTAL AMOUNT OF MONIES TRANSFERRED TO ALL FIRE DISTRICTS EACH
7 MONTH IN THEIR INITIAL DISTRIBUTIONS UNDER PARAGRAPH 1 OF THIS
8 SUBSECTION IN PROPORTION TO THOSE FIRE DISTRICTS' MOST RECENT
9 FINALLY EQUALIZED VALUATION OF ALL PROPERTY FILED WITH THE
10 PROPERTY TAX OVERSIGHT COMMISSION UNDER SECTION 42-17052,
11 SUBSECTION A, PARAGRAPH 1, EXCEPT THAT A FIRE DISTRICT'S TOTAL
12 DISTRIBUTIONS UNDER THIS PARAGRAPH AND PARAGRAPH 1 OF THIS
13 SUBSECTION MAY NOT EXCEED THREE PERCENT OF THE TOTAL AMOUNT OF
14 MONIES TRANSFERRED TO ALL FIRE DISTRICTS EACH MONTH UNDER THIS
15 SUBSECTION.

16 3. IN FINAL DISTRIBUTIONS OF ANY REMAINING MONIES
17 DIVIDED EQUALLY BETWEEN ALL FIRE DISTRICTS.

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

20 1. FOR A FIRE DISTRICT THAT DOES NOT PARTICIPATE IN A
21 JOINT POWERS AUTHORITY UNDER SECTION 48-805.01, MUST BE PLACED
22 IN THE FIRE DISTRICT GENERAL FUND KEPT FOR THAT FIRE DISTRICT
23 BY THE COUNTY TREASURER PURSUANT TO SECTION 48-807,
24 SUBSECTION L.

25 2. FOR A FIRE DISTRICT THAT PARTICIPATES IN A JOINT
26 POWERS AUTHORITY UNDER SECTION 48-805.01, MUST BE PLACED IN
27 THE JOINT POWERS AUTHORITY GENERAL FUND KEPT FOR THE JOINT
28 POWERS AUTHORITY BY THE COUNTY TREASURER.

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

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

33 F. FOR THE PURPOSES OF THIS SECTION, "FIRE DISTRICT"
34 MEANS A FIRE DISTRICT ORGANIZED UNDER THIS CHAPTER AND
35 INCLUDES A FIRE DISTRICT THAT PARTICIPATES IN A JOINT POWERS
36 AUTHORITY UNDER SECTION 48-805.01.

37 Sec. 4. Standing and fee shifting: definition

38 A. This act, if approved by the voters and thereafter
39 challenged in court, shall be defended by the State of
40 Arizona. If the attorney general fails to defend or enforce
41 this act or fails to appeal an adverse judgment against its
42 validity or application, in whole or in part, any resident of
43 this state shall have standing to initiate or intervene in any
44 action or proceeding to enforce or defend this act.

45 B. The court shall award fees and expenses to any
46 resident who initiates or intervenes in, and prevails on the

1 merits of, any action or proceeding to enforce or defend this
2 act pursuant to subsection A of this section.

3 C. For the purposes of this section, "fees and
4 expenses" includes the reasonable expenses of expert
5 witnesses, the reasonable cost of any study, analysis, report,
6 test or project found by the court to be necessary to prepare
7 the party's case and reasonable attorney fees.

8 Sec. 5. Intent

9 The legislature finds and declares the follows:

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

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

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

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

28 Sec. 6. Severability

29 If any provision of this act or its application to any
30 person or circumstance is declared invalid by a court of
31 competent jurisdiction, such invalidity does not affect other
32 provisions or applications of this act that can be given
33 effect without the invalid provision or application. The
34 invalidated provision or provisions shall be deemed reformed
35 to the extent necessary to conform to applicable law and to
36 give the maximum effect to the intent of this act and, to the
37 fullest extent possible, the provisions of this act, including
38 each portion of any section of this act containing any
39 invalidated provision that is not itself invalid, shall be
40 construed so as to give effect to the intent thereof.

41 Sec. 7. Short title

42 This act may be cited as the "Arizona Fire District
43 Safety Act".

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