

House Engrossed Senate Bill

~~educational opportunities; children; support~~
(now: fire districts; funding; TPT increment)

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

SENATE CONCURRENT RESOLUTION 1049

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 Senate of the State of Arizona, the House of
2 Representatives 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 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
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

1 subject to tax under this section and in this case the rate is
2 a percentage of sixty-five percent of the sales price.

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

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

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

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

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

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

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

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

17 48-825. Fire district safety fund; distribution;
18 definition

19 A. THE FIRE DISTRICT SAFETY FUND IS ESTABLISHED
20 CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTION 42-5010.02
21 AND SECTION 42-5155, SUBSECTION F, PRIVATE DONATIONS AND
22 INTEREST EARNED ON THOSE MONIES. MONIES IN THE FUND ARE
23 CONTINUOUSLY APPROPRIATED. THE STATE TREASURER SHALL
24 ADMINISTER THE FUND. MONIES IN THE FUND AND ITS ACCOUNTS MAY
25 NOT BE TRANSFERRED TO ANY OTHER FUND EXCEPT AS PROVIDED IN
26 THIS SECTION AND ARE EXEMPT FROM THE PROVISIONS OF SECTION
27 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

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

30 1. THE ACTUAL REASONABLE COSTS INCURRED BY THE STATE
31 TREASURER TO ADMINISTER THE FUND.

32 2. THE ACTUAL REASONABLE COSTS INCURRED BY THE
33 DEPARTMENT OF REVENUE TO IMPOSE AND COLLECT THE ADDITIONAL TAX
34 RATE INCREMENTS ESTABLISHED BY SECTION 42-5010.02 AND SECTION
35 42-5155, SUBSECTION F.

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

39 C. THE STATE TREASURER MAY PRESCRIBE FORMS NECESSARY TO
40 MAKE TRANSFERS FROM THE FUND PURSUANT TO SUBSECTION B OF THIS
41 SECTION.

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

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

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

23 3. IN FINAL DISTRIBUTIONS OF ANY REMAINING MONIES
24 DIVIDED EQUALLY BETWEEN ALL FIRE DISTRICTS.

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

27 1. FOR A FIRE DISTRICT THAT DOES NOT PARTICIPATE IN A
28 JOINT POWERS AUTHORITY UNDER SECTION 48-805.01, MUST BE
29 DEPOSITED IN THE FIRE DISTRICT GENERAL FUND KEPT FOR THAT FIRE
30 DISTRICT BY THE COUNTY TREASURER PURSUANT TO SECTION 48-807,
31 SUBSECTION L.

32 2. FOR A FIRE DISTRICT THAT PARTICIPATES IN A JOINT
33 POWERS AUTHORITY UNDER SECTION 48-805.01, MUST BE DEPOSITED IN
34 THE JOINT POWERS AUTHORITY GENERAL FUND KEPT FOR THE JOINT
35 POWERS AUTHORITY BY THE COUNTY TREASURER.

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

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

40 F. FOR THE PURPOSES OF THIS SECTION, "FIRE DISTRICT"
41 MEANS A FIRE DISTRICT ORGANIZED UNDER THIS CHAPTER OR ITS
42 SUCCESSOR ENTITY AND INCLUDES A FIRE DISTRICT THAT

1 PARTICIPATES IN A JOINT POWERS AUTHORITY UNDER SECTION
2 48-805.01 OR ITS SUCCESSOR ENTITY.

3 Sec. 4. Standing and fee shifting; definition

4 A. This act, if approved by the voters and thereafter
5 challenged in court, shall be defended by the State of
6 Arizona. If the attorney general fails to defend or enforce
7 this act or fails to appeal an adverse judgment against its
8 validity or application, in whole or in part, any resident of
9 this state shall have standing to initiate or intervene in any
10 action or proceeding to enforce or defend this act.

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

15 C. For the purposes of this section, "fees and
16 expenses" includes the reasonable expenses of expert
17 witnesses, the reasonable cost of any study, analysis, report,
18 test or project found by the court to be necessary to prepare
19 the party's case and reasonable attorney fees.

20 Sec. 5. Intent

21 The legislature finds and declares the following:

22 1. This state is home to one hundred forty-four fire
23 districts that provide fire, emergency medical and associated
24 emergency services to more than one million five hundred
25 thousand residents and tens of millions of travelers on
26 Arizona roadways.

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

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

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

40 Sec. 6. Severability

41 If any provision of this act or its application to any
42 person or circumstance is declared invalid by a court of
43 competent jurisdiction, such invalidity does not affect other

1 provisions or applications of this act that can be given
2 effect without the invalid provision or application. The
3 invalidated provision or provisions shall be deemed reformed
4 to the extent necessary to conform to applicable law and to
5 give the maximum effect to the intent of this act and, to the
6 fullest extent possible, the provisions of this act, including
7 each portion of any section of this act containing any
8 invalidated provision that is not itself invalid, shall be
9 construed so as to give effect to the intent thereof.

10 Sec. 7. Short title

11 This act may be cited as the "Arizona Fire District
12 Safety Act".

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