

House Engrossed

State of Arizona
House of Representatives
Fiftieth Legislature
First Regular Session
2011

HOUSE BILL 2338

AN ACT

AMENDING SECTIONS 48-3903, 48-4023, 48-4023.01 AND 48-5805, ARIZONA REVISED STATUTES; RELATING TO SECONDARY PROPERTY TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-3903, Arizona Revised Statutes, is amended to
3 read:

4 48-3903. Tax levies; limitation

5 A. The board of directors, after a county free library is established,
6 ~~shall~~ MAY annually levy in the same manner and at the same time as other
7 county secondary property taxes are levied a county free library district tax
8 sufficient to establish the district and to ~~insure~~ ENSURE the payment of
9 salaries, maintenance and upkeep and other necessary expenses of the county
10 free library district.

11 B. The tax shall be levied and collected ~~upon~~ ON all property in the
12 county and ~~upon~~ ON all property within incorporated cities and towns in the
13 county.

14 C. BEGINNING IN TAX YEAR 2011, THE MAXIMUM AMOUNT OF A LEVY UNDER THIS
15 SECTION FOR ALL PURPOSES OF THE DISTRICT OTHER THAN DEBT SERVICE ON DISTRICT
16 BONDS SHALL NOT EXCEED THE AMOUNT OF THE LEVY IN THE PRECEDING TAX YEAR,
17 ADJUSTED ANNUALLY BY A PERCENTAGE EQUAL TO THE RATE OF CHANGE IN THE LEVY
18 LIMIT BETWEEN THE CURRENT YEAR AND THE PRECEDING YEAR FOR THE COUNTY IN WHICH
19 THE DISTRICT IS LOCATED AS DETERMINED PURSUANT TO SECTION 42-17051. THE
20 LIMITATION UNDER THIS SUBSECTION SHALL BE INCREASED EACH YEAR TO THE MAXIMUM
21 PERMISSIBLE LIMIT REGARDLESS OF WHETHER THE DISTRICT ACTUALLY LEVIES THAT
22 AMOUNT. FOR A DISTRICT THAT IS ESTABLISHED FROM AND AFTER DECEMBER 31, 2010,
23 THE LIMIT SHALL BE BASED ON THE INITIAL LEVY OF THE DISTRICT AS APPROVED BY
24 THE BOARD OF DIRECTORS PURSUANT TO THIS SECTION.

25 Sec. 2. Section 48-4023, Arizona Revised Statutes, is amended to read:

26 48-4023. Property tax levy; limitation

27 A. If a majority of the qualified electors voting at an election held
28 pursuant to section 48-4021 approves a county jail district ad valorem
29 property tax, on or before the third Monday in August each year the district
30 shall certify to the county board of supervisors the amount of taxes to be
31 levied for the taxable year on the taxable property in the district which,
32 together with unexpended balances carried forward from the previous fiscal
33 year and revenues from all other sources, is necessary to pay the maintenance
34 and operation expenses of the district in carrying out the objects and
35 purposes of this chapter.

36 B. The board of supervisors shall levy a secondary property tax on the
37 taxable property in the district, at the same time and in the same manner as
38 county taxes are levied, sufficient to provide the amount certified under
39 subsection A of this section, but the tax rate is limited to, and shall not
40 exceed in any event, THE LESSER OF:

41 1. Twenty cents per one hundred dollars of assessed valuation, ~~except~~
42 ~~as provided in subsection D of this section.~~

43 2. BEGINNING IN TAX YEAR 2011, THE AMOUNT OF THE LEVY IN THE PRECEDING
44 TAX YEAR, ADJUSTED ANNUALLY BY A PERCENTAGE EQUAL TO THE RATE OF CHANGE IN
45 THE LEVY LIMIT BETWEEN THE CURRENT YEAR AND THE PRECEDING YEAR FOR THE COUNTY
46 IN WHICH THE DISTRICT IS LOCATED AS DETERMINED PURSUANT TO SECTION 42-17051.

1 THE LIMITATION UNDER THIS PARAGRAPH SHALL BE INCREASED EACH YEAR TO THE
2 MAXIMUM PERMISSIBLE LIMIT REGARDLESS OF WHETHER THE DISTRICT ACTUALLY LEVIES
3 THAT AMOUNT. FOR A DISTRICT THAT IS ESTABLISHED FROM AND AFTER DECEMBER 31,
4 2010, THE LIMIT SHALL BE BASED ON THE INITIAL LEVY OF THE DISTRICT AS
5 APPROVED BY THE QUALIFIED ELECTORS PURSUANT TO SECTION 48-4021.

6 C. The tax revenues collected pursuant to this section shall be paid
7 to the district treasurer and deposited in the county jail district general
8 fund and used solely for the purposes for which they were collected.

9 ~~C.~~ D. The tax shall be levied on all of the taxable property in the
10 district.

11 ~~D. Notwithstanding subsection B of this section, for tax years 2006,~~
12 ~~2007 and 2008, the district may certify and the board of supervisors shall~~
13 ~~levy a secondary property tax on the taxable property in the district in an~~
14 ~~amount equal to the amount levied in tax year 2005.~~

15 Sec. 3. Section 48-4023.01, Arizona Revised Statutes, is amended to
16 read:

17 48-4023.01. Property tax levy for juvenile detention
18 facilities; limitation

19 A. If a majority of the qualified electors voting at an election held
20 pursuant to section 48-4021 ~~approves~~ APPROVE an ad valorem property tax for
21 the district that includes juvenile detention facilities or if a majority of
22 the qualified electors voting at an election held pursuant to section 48-4004
23 ~~approves~~ APPROVE the inclusion of juvenile detention facilities in a district
24 that was created by an election held pursuant to section 48-4021, the
25 district may impose an ad valorem property tax pursuant to this section. The
26 district shall certify to the county board of supervisors on or before the
27 third Monday in August of each year the amount of taxes to be levied in
28 addition to the levy in section 48-4023 for the taxable year on the taxable
29 property in the district. The amount certified together with unexpended
30 balances carried forward from the previous fiscal year and revenues from all
31 other sources shall be the amount necessary to pay the maintenance and
32 operation expenses of the district in carrying out this chapter in relation
33 to juvenile detention facilities.

34 B. The board of supervisors may levy a secondary property tax on the
35 taxable property in the district at the same time and in the same manner as
36 county taxes are levied in an amount that is sufficient to provide the amount
37 certified pursuant to subsection A of this section. The tax ~~rate~~ is limited
38 to THE LESSER OF:

39 1. Ten cents per one hundred dollars of assessed valuation, ~~except as~~
40 ~~provided in subsection D of this section.~~

41 2. BEGINNING IN TAX YEAR 2011, THE AMOUNT OF THE LEVY IN THE PRECEDING
42 TAX YEAR, ADJUSTED ANNUALLY BY A PERCENTAGE EQUAL TO THE RATE OF CHANGE IN
43 THE LEVY LIMIT BETWEEN THE CURRENT YEAR AND THE PRECEDING YEAR FOR THE COUNTY
44 IN WHICH THE DISTRICT IS LOCATED AS DETERMINED PURSUANT TO SECTION 42-17051.
45 THE LIMITATION UNDER THIS PARAGRAPH SHALL BE INCREASED EACH YEAR TO THE
46 MAXIMUM PERMISSIBLE LIMIT REGARDLESS OF WHETHER THE DISTRICT ACTUALLY LEVIES

1 THAT AMOUNT. FOR A DISTRICT THAT IS ESTABLISHED FROM AND AFTER DECEMBER 31,
2 2010, THE LIMIT SHALL BE BASED ON THE INITIAL LEVY OF THE DISTRICT AS
3 APPROVED BY THE QUALIFIED ELECTORS PURSUANT TO SECTION 48-4021.

4 C. The tax revenues collected pursuant to this section shall be paid
5 to the district treasurer for deposit in the county jail district general
6 fund and shall be used solely for juvenile detention facilities.

7 ~~C.~~ D. The tax shall be levied on all of the taxable property in the
8 district.

9 ~~D. Notwithstanding subsection B of this section, for tax years 2006,~~
10 ~~2007 and 2008, the district may certify and the board of supervisors shall~~
11 ~~levy a secondary property tax on the taxable property in the district in an~~
12 ~~amount equal to the amount levied in tax year 2005.~~

13 Sec. 4. Section 48-5805, Arizona Revised Statutes, is amended to read:
14 48-5805. Transaction privilege tax; property tax; limitation

15 A. The board of directors of the district by resolution may levy, and
16 if levied, the department of revenue shall collect, a transaction privilege
17 tax pursuant to this section to be used and spent for the purposes described
18 in section 48-5804. The board shall set the rate of the tax at not more than
19 two per cent of the tax rate that applies to each business in the district
20 that is subject to taxation under title 42, chapter 5, article 1. The board
21 shall levy the tax on each person engaging in the district in a business
22 taxed under title 42, chapter 5, article 1.

23 B. Each month the state treasurer shall remit to the district
24 treasurer the net revenues collected under subsection A of this section
25 during the second preceding month. The district treasurer shall deposit the
26 monies in the public health services district's accounts and shall account
27 for all expenditures.

28 C. In lieu of a transaction privilege tax pursuant to subsection A of
29 this section, the board by resolution may levy in the same manner and at the
30 same time as other county secondary property taxes are levied a public health
31 services district tax. The tax shall not exceed THE LESSER OF:

32 1. Twenty-five cents per one hundred dollars of assessed valuation and
33 shall be levied on all property in the county and on all property within
34 incorporated cities and towns in the county.

35 2. BEGINNING IN TAX YEAR 2011, THE AMOUNT OF THE LEVY IN THE PRECEDING
36 TAX YEAR, ADJUSTED ANNUALLY BY A PERCENTAGE EQUAL TO THE RATE OF CHANGE IN
37 THE LEVY LIMIT BETWEEN THE CURRENT YEAR AND THE PRECEDING YEAR FOR THE COUNTY
38 IN WHICH THE DISTRICT IS LOCATED AS DETERMINED PURSUANT TO SECTION 42-17051.
39 THE LIMITATION UNDER THIS PARAGRAPH SHALL BE INCREASED EACH YEAR TO THE
40 MAXIMUM PERMISSIBLE LIMIT REGARDLESS OF WHETHER THE DISTRICT ACTUALLY LEVIES
41 THAT AMOUNT. FOR A DISTRICT THAT IS ESTABLISHED FROM AND AFTER DECEMBER 31,
42 2010, THE LIMIT SHALL BE BASED ON THE INITIAL LEVY OF THE DISTRICT PURSUANT
43 TO PARAGRAPH 1 OF THIS SUBSECTION.

44 D. The district shall deposit all monies collected pursuant to this
45 subsection in a separate account and shall account for all expenditures.

Passed the House February 28, 2011

by the following vote: 35 Ayes,

23 Nays, 2 Not Voting

[Signature]
Speaker of the House
Pro Tempore

Cheryl Laube
Chief Clerk of the House

Passed the Senate April 11, 2011

by the following vote: 19 Ayes,

8 Nays, 3 Not Voting

[Signature]
President of the Senate

Charmain Bellington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

11 day of April, 20 11

at 2:40 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this _____ day of

VETO
at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20 _____

at _____ o'clock _____ M.

Secretary of State

H.B. 2338