

## REVISED

# ARIZONA STATE SENATE RESEARCH STAFF



TO: MEMBERS OF THE SENATE  
FINANCE COMMITTEE

DATE: February 20, 2013

SUBJECT: Strike everything amendment to S.B. 1470, relating to dedicated property tax

JOSHUA SPEARS  
RESEARCH INTERN  
**BILL RITZ**  
LEGISLATIVE RESEARCH ANALYST  
FINANCE COMMITTEE  
Telephone: (602) 926 -3171  
Facsimile: (602) 926 -3833

### Purpose

Upon approval of the qualified electors, permits an incorporated town to levy a property tax dedicated to the cost of providing police, fire and emergency services to the town.

### Background

Using information from the county assessors, primary property tax rates are set by counties, cities, towns, community colleges and school districts and go toward their maintenance and operation. Secondary property tax rates are set by special districts and fire districts, and for purposes including the repayment of voter-approved bonds. The municipalities and taxing districts within the counties determine their budgets annually and use those budgets to determine their total tax levies and tax rates (A.R.S. § 42-17151).

The primary property tax rate is subject to statutory limits, and any amount of primary property taxes collected exceeding the amount of that fiscal year's budget must be placed in a fund for the purpose of lowering the primary property tax in the following year (A.R.S. § 42-17051). The Board of Supervisors of a county or the governing board of a community college district may propose a special secondary property tax, not subject to the limits on primary property tax, to the voters in the next regularly scheduled election. Statute prescribes certain rules for the ballot resolution and information that must be included on the ballot (A.R.S. §§ 42-17201, 17202).

There is no anticipated impact to the state General Fund associated with this legislation.

### Provisions

1. Permits the common council of an incorporated town that has not enacted a property tax pursuant to A.R.S. § 9-244 to, upon the approval of the electors of the town, levy and collect a property tax dedicated to the cost of providing police, fire and emergency medical services (emergency services) to the town.
2. Requires the town to prepare, print and mail to each household containing a registered voter a publicity pamphlet concerning the ballot question of whether to levy and collect a property tax dedicated to the cost of providing emergency services to the town.

3. Requires all funds collected pursuant to the adopted property tax to be placed in a segregated account and used exclusively for costs described in the publicity pamphlet.
4. Stipulates than any person liable for payment of the adopted property tax has the right to seek an injunction against the town for use of the funds for purposes other than those described in the publicity pamphlet.
5. Requires the publicity pamphlet to contain:
  - a) the date of the election;
  - b) the household's polling place;
  - c) the time the polls will be open;
  - d) a summary of the issue presented to the voters including the rate of the property tax and the projected annual revenues;
  - e) a detailed statement describing the purposes for which the tax monies may be spent as provided by law including any conditions and limitations on the use of the money;
  - f) the form of the ballot; and
  - g) arguments for the ballot measure followed by arguments against the ballot measure.
6. Stipulates that no later than 90 days before the election, a person may file an argument with the town elections director either advocating or opposing the ballot measure.
7. Stipulates that filed arguments advocating or opposing the ballot measure must:
  - a) be not more than 300 words in length;
  - b) if sponsored by one or more individuals, be signed by each sponsoring individual;
  - c) if sponsored by one or more organizations, be signed by two executive officers of each organization; and
  - d) if sponsored by one or more political committees, be signed by each committee's chairperson or treasurer.
8. Stipulates that the names of persons who have signed arguments and the names of sponsoring organizations shall appear with the argument in the pamphlet.
9. Requires the person or persons signing an argument to give their residence or post office address and a telephone number, which shall not appear in the pamphlet.
10. Requires the elections director to include specified language relating to the levy of the property tax on the official ballot.
11. Requires the election, except as otherwise provided by law, to be conducted as nearly as practicable in the manner prescribed in the general elections statutes.
12. Stipulates that the information required to be published in the publicity pamphlet can be included in a publicity pamphlet published by a county or the Secretary of State for an election that includes all voters in that town.
13. Becomes effective on the general effective date.

Revisions

1. Modifies the purpose statement.
2. Clarifies the first provision.
3. Clarifies the seventh provision.

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