

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2641

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 36-1601, Arizona Revised Statutes, is amended to
3 read:

4 36-1601. Definitions

5 In this article, unless the context otherwise requires:

6 1. "CONSUMER FIREWORK" MEANS SMALL FIREWORK DEVICES THAT CONTAIN
7 RESTRICTED AMOUNTS OF PYROTECHNIC COMPOSITION DESIGNED PRIMARILY TO PRODUCE
8 VISIBLE OR AUDIBLE EFFECTS BY COMBUSTION AND THAT COMPLY WITH THE
9 CONSTRUCTION, CHEMICAL COMPOSITION AND LABELING REGULATIONS PRESCRIBED IN
10 49 CODE OF FEDERAL REGULATIONS PART 172 AND 173, REGULATIONS OF THE UNITED
11 STATES CONSUMER PRODUCT SAFETY COMMISSION AS PRESCRIBED IN 16 CODE OF FEDERAL
12 REGULATIONS PARTS 1500 AND 1507 AND THE AMERICAN PYROTECHNICS ASSOCIATION
13 STANDARD 87-1, STANDARD FOR CONSTRUCTION AND APPROVAL FOR TRANSPORTATION OF
14 FIREWORKS, NOVELTIES AND THEATRICAL PYROTECHNICS, DECEMBER 1, 2001 VERSION.

15 2. "DISPLAY FIREWORK" MEANS LARGE FIREWORK DEVICES THAT ARE EXPLOSIVE
16 MATERIALS INTENDED FOR USE IN FIREWORKS DISPLAYS AND DESIGNED TO PRODUCE
17 VISIBLE OR AUDIBLE EFFECTS BY COMBUSTION, DEFLAGRATION OR DETONATION AS
18 PRESCRIBED BY 49 CODE OF FEDERAL REGULATIONS PART 172, REGULATIONS OF THE
19 UNITED STATES CONSUMER PRODUCT SAFETY COMMISSION AS PRESCRIBED IN 16 CODE OF
20 FEDERAL REGULATIONS PARTS 1500 AND 1507 AND THE AMERICAN PYROTECHNICS
21 ASSOCIATION STANDARD 87-1, STANDARD FOR CONSTRUCTION AND APPROVAL FOR
22 TRANSPORTATION OF FIREWORKS, NOVELTIES AND THEATRICAL PYROTECHNICS, DECEMBER
23 1, 2001 VERSION.

24 ~~1.~~ 3. "Fireworks":

25 (a) Means any combustible or explosive composition, substance or
26 combination of substances, or any article prepared for the purpose of
27 producing a visible or audible effect by combustion, explosion, deflagration
28 or detonation, ~~and toy cannons in which explosives are used, the type of~~
29 ~~balloon which requires fire underneath to propel it, firecrackers, torpedoes,~~
30 ~~skyrockets, roman candles, daygo bombs, sparklers or other fireworks of like~~

1 ~~construction, fireworks containing any explosive or combustible compound, and~~
2 ~~any tablet or other device containing an explosive substance~~ THAT IS A
3 CONSUMER FIREWORK OR DISPLAY FIREWORK.

4 (b) Does not include:

5 (i) Toy pistols, toy canes, toy guns or other devices in which paper
6 caps containing not more than twenty-five hundredths grains of explosive
7 compound are used if constructed so that the hand cannot come in contact with
8 the cap when in place for the explosion.

9 (ii) Toy pistol paper caps that contain less than twenty-hundredths
10 grains of explosive mixture, or fixed ammunition or primers therefor.

11 (iii) Federally deregulated novelty items THAT ARE known as snappers,
12 snap caps, party poppers, ~~or~~ glow worms, SNAKES, TOY SMOKE DEVICES AND
13 SPARKLERS ~~that contain less than twenty-five hundredths grains of explosive~~
14 ~~compound.~~

15 ~~2.~~ 4. "Governing body" means THE board of supervisors of a county as
16 to the area within the county but without the corporate limits of an
17 incorporated city or town, ~~and~~ and means THE governing body of an incorporated
18 city or town as to the area within its corporate limits.

19 5. "PERMISSIBLE CONSUMER FIREWORKS":

20 (a) MEANS THE FOLLOWING TYPES OF CONSUMER FIREWORKS AS DEFINED BY THE
21 AMERICAN PYROTECHNICS ASSOCIATION STANDARD 87-1, STANDARD FOR CONSTRUCTION
22 AND APPROVAL FOR TRANSPORTATION OF FIREWORKS, NOVELTIES AND THEATRICAL
23 PYROTECHNICS, DECEMBER 1, 2001 VERSION:

- 24 (i) GROUND AND HAND-HELD SPARKLING DEVICES.
- 25 (ii) CYLINDRICAL FOUNTAINS.
- 26 (iii) CONE FOUNTAINS.
- 27 (iv) ILLUMINATING TORCHES.
- 28 (v) WHEELS.
- 29 (vi) GROUND SPINNERS.
- 30 (vii) FLITTER SPARKLERS.
- 31 (viii) TOY SMOKE DEVICES.
- 32 (ix) WIRE SPARKLERS OR DIPPED STICKS.

1 (x) MULTIPLE TUBE FIREWORKS DEVICES AND PYROTECHNIC ARTICLES.

2 (b) DOES NOT INCLUDE ANYTHING THAT IS DESIGNED OR INTENDED TO RISE
3 INTO THE AIR AND EXPLODE OR TO DETONATE IN THE AIR OR TO FLY ABOVE THE
4 GROUND, INCLUDING, FOR EXAMPLE, FIREWORK ITEMS COMMONLY KNOWN AS BOTTLE
5 ROCKETS, SKY ROCKETS, MISSILE-TYPE ROCKETS, HELICOPTERS, TORPEDOES, ROMAN
6 CANDLES AND JUMPING JACKS.

7 ~~3-~~ 6. "Person" includes AN individual, partnership, firm or
8 corporation.

9 Sec. 2. Section 36-1605, Arizona Revised Statutes, is amended to read:
10 36-1605. Permitted uses

11 This article ~~shall not be construed to~~ DOES NOT prohibit:

12 1. The sale at wholesale by a resident wholesaler, dealer or jobber of
13 fireworks ~~which~~ THAT are not prohibited by this article.

14 2. The sale of fireworks ~~which~~ THAT are to be and are shipped directly
15 out of the state.

16 3. The use of fireworks by railroads or other transportation agencies
17 for signal purposes or illumination.

18 4. The sale or use of explosives for blasting or other legitimate
19 industrial purposes.

20 5. The use of fireworks or explosives, or both, by farmers, ranchers
21 and their employees, and by state and federal employees who manage wildlife
22 resources, to rally, drive or otherwise disperse concentrations of wildlife
23 for the purpose of protecting property or wildlife.

24 6. THE SALE OF PERMISSIBLE CONSUMER FIREWORKS BY A RETAIL
25 ESTABLISHMENT IF THE RETAIL ESTABLISHMENT COMPLIES WITH THE RULES ADOPTED
26 PURSUANT TO SECTION 36-1609.

27 7. THE USE OF PERMISSIBLE CONSUMER FIREWORKS BY THE GENERAL PUBLIC,
28 UNLESS THE USE IS PROHIBITED BY A GOVERNING BODY OF AN INCORPORATED CITY OR
29 TOWN.

30 Sec. 3. Section 36-1606, Arizona Revised Statutes, is amended to read:

1 36-1606. Consumer fireworks regulation; state preemption;
2 further regulation of fireworks by local
3 jurisdiction

4 THE SALE AND USE OF PERMISSIBLE CONSUMER FIREWORKS ARE OF STATEWIDE
5 CONCERN. THE REGULATION OF PERMISSIBLE CONSUMER FIREWORKS PURSUANT TO THIS
6 ARTICLE AND THEIR USE IS NOT SUBJECT TO FURTHER REGULATION BY A GOVERNING
7 BODY, EXCEPT THAT AN INCORPORATED CITY OR TOWN MAY REGULATE THE USE OF
8 PERMISSIBLE CONSUMER FIREWORKS WITHIN ITS CORPORATE LIMITS AND A COUNTY MAY
9 REGULATE THE USE OF PERMISSIBLE CONSUMER FIREWORKS WITHIN THE UNINCORPORATED
10 AREAS OF THE COUNTY DURING TIMES WHEN THERE IS A REASONABLE RISK OF WILDFIRES
11 IN THE IMMEDIATE COUNTY. This article ~~shall not be construed to~~ DOES NOT
12 prohibit the imposition by ~~municipal~~ ordinance of further regulations and
13 prohibitions ~~upon~~ ON the sale, use and possession of fireworks ~~within an~~
14 ~~incorporated city or town~~ OTHER THAN PERMISSIBLE CONSUMER FIREWORKS BY A
15 GOVERNING BODY. ~~No such city or town~~ A GOVERNING BODY shall NOT permit or
16 authorize the sale, use or possession of any fireworks in violation of this
17 article.

18 Sec. 4. Title 36, chapter 13, article 1, Arizona Revised Statutes, is
19 amended by adding sections 36-1609 and 36-1610, to read:

20 36-1609. State fire marshal; adoption of code; sale of
21 permissible consumer fireworks

22 A. THE STATE FIRE MARSHAL SHALL ADOPT RULES PURSUANT TO TITLE 41,
23 CHAPTER 6 TO CARRY OUT THIS ARTICLE, INCLUDING A RULE THAT ADOPTS THE
24 NATIONAL FIRE PROTECTION ASSOCIATION CODE FOR THE MANUFACTURE,
25 TRANSPORTATION, STORAGE AND RETAIL SALES OF FIREWORKS AND PYROTECHNIC
26 ARTICLES, 2006 EDITION. A PERSON WHO SELLS PERMISSIBLE CONSUMER FIREWORKS TO
27 THE PUBLIC SHALL COMPLY WITH THOSE RULES RELATING TO THE STORAGE OF CONSUMER
28 FIREWORKS AND RELATING TO THE RETAIL SALES OF CONSUMER FIREWORKS BEFORE
29 SELLING PERMISSIBLE CONSUMER FIREWORKS TO THE PUBLIC.

30 B. A PERSON SHALL NOT SELL OR PERMIT OR AUTHORIZE THE SALE OF
31 PERMISSIBLE CONSUMER FIREWORKS TO A PERSON WHO IS UNDER SIXTEEN YEARS OF AGE.

1 equipment and other fire suppression resources to provide for enhanced
2 initial attack on wildland fires. The state forester shall not incur
3 nonreimbursable liabilities for support of nonfire all risk activities. The
4 governor shall determine when periods of extreme fire danger exist and must
5 approve any expenditure for pre-positioning activities.

6 2. If the funding authorization in paragraph 1 of this subsection is
7 exhausted, or if the nonreimbursable liabilities incurred exceed the cash
8 balance of the fire suppression revolving fund, the state forester shall not
9 incur additional liabilities without the consent of a majority of the state
10 emergency council as authorized by section 35-192.

11 E. The state forester shall process and pay claims for reimbursement
12 for wildland fire suppression services as follows:

13 1. Except as provided by paragraph 2 of this subsection, within thirty
14 days after receiving a complete and correct claim for wildland fire
15 suppression services, the state forester shall pay the claim from available
16 monies that have not been committed to the payment of other wildfire
17 expenses.

18 2. Within thirty days after receiving a complete and correct claim for
19 wildland fire suppression services on federal lands, the state forester shall
20 complete the processing of the claim and forward the claim to the appropriate
21 federal agency.

22 3. For any valid claim other than for federal reimbursement, if there
23 is insufficient funding in the fire suppression revolving fund, the holder of
24 the unpaid claim shall be issued a certificate pursuant to section 35-189.

25 F. No later than December 31 of each year the state forester shall
26 submit a report to the joint legislative budget committee and the governor
27 detailing the specific uses of all monies authorized to be expended from the
28 fire suppression revolving fund and any additional monies authorized by the
29 governor to prepare for periods of extreme fire danger and pre-position
30 equipment and other fire suppression resources to provide for enhanced
31 initial attack on wildland fires.

1 G. Monies received for suppressing wildland fires, pre-positioning
2 equipment and firefighting resources and other unplanned all risk activities
3 may be used for the purposes of section 37-623 and this section.

4 H. The state forester shall adopt rules for administering the wildland
5 fire suppression monies authorized under this section, subject to approval of
6 the governor.

7 I. The state forester may require reimbursement from cities and other
8 political subdivisions of this state and state and federal agencies for costs
9 incurred in the suppression of wildland fires, pre-suppression or unplanned
10 all risk activities. Reimbursement shall be based on the terms and
11 conditions in cooperative agreements, land ownership or negligence. The
12 state forester may require reimbursement from individuals or businesses only
13 for costs incurred in the suppression of wildland fires or unplanned all risk
14 activities caused by their negligence or criminal acts.

15 J. ~~A-~~ THE fire suppression revolving fund is established ~~for deposit~~
16 ~~of~~ CONSISTING OF CIVIL PENALTIES COLLECTED PURSUANT TO SECTION 36-1610,
17 MONIES TRANSFERRED TO THE FUND PURSUANT TO SECTION 42-5029, SUBSECTION D,
18 PARAGRAPH 4, SUBDIVISION (c) AND monies received by the state forester for
19 wildland fire suppression and pre-positioning equipment and resources and for
20 payment for activities related to combating wildland fires and supporting
21 other unplanned all risk activities such as fire, flood, earthquake, wind and
22 hazardous material responses. The state forester shall not incur
23 nonreimbursable liabilities for support of nonfire all risk activities. The
24 state forester shall administer the fund, and all monies received for these
25 activities shall be deposited, pursuant to sections 35-146 and 35-147, in the
26 fund. Monies in the fire suppression revolving fund are continuously
27 appropriated to the state forester, except that if the unobligated balance of
28 the fund exceeds two million dollars at the end of any calendar year, the
29 excess shall be transferred to the state general fund. Monies in the fire
30 suppression revolving fund are otherwise exempt from the provisions of
31 section 35-190 relating to lapsing of appropriations.

32 Sec. 6. Section 42-5029, Arizona Revised Statutes, is amended to read:

1 42-5029. Remission and distribution of monies; definition

2 A. The department shall deposit, pursuant to sections 35-146 and
3 35-147, all revenues collected under this article and articles 4, 5 and 8 of
4 this chapter pursuant to section 42-1116, separately accounting for:

5 1. Payments of estimated tax under section 42-5014, subsection D.

6 2. Revenues collected pursuant to section 42-5070.

7 3. Revenues collected under this article and article 5 of this chapter
8 from and after June 30, 2000 from sources located on Indian reservations in
9 this state.

10 4. Revenues collected pursuant to section 42-5010, subsection G and
11 section 42-5155, subsection D.

12 B. The department shall credit payments of estimated tax to an
13 estimated tax clearing account and each month shall transfer all monies in
14 the estimated tax clearing account to a fund designated as the transaction
15 privilege and severance tax clearing account. The department shall credit
16 all other payments to the transaction privilege and severance tax clearing
17 account, separately accounting for the monies designated as distribution base
18 under sections 42-5010, 42-5164, 42-5205 and 42-5353. Each month the
19 department shall report to the state treasurer the amount of monies collected
20 pursuant to this article and articles 4, 5 and 8 of this chapter.

21 C. On notification by the department, the state treasurer shall
22 distribute the monies deposited in the transaction privilege and severance
23 tax clearing account in the manner prescribed by this section and by sections
24 42-5164, 42-5205 and 42-5353, after deducting warrants drawn against the
25 account pursuant to sections 42-1118 and 42-1254.

26 D. Of the monies designated as distribution base the department shall:

27 1. Pay twenty-five per cent to the various incorporated municipalities
28 in this state in proportion to their population to be used by the
29 municipalities for any municipal purpose.

30 2. Pay 38.08 per cent to the counties in this state by averaging the
31 following proportions:

1 (a) The proportion that the population of each county bears to the
2 total state population.

3 (b) The proportion that the distribution base monies collected during
4 the calendar month in each county under this article, section 42-5164,
5 subsection B, section 42-5205, subsection B and section 42-5353 bear to the
6 total distribution base monies collected under this article, section 42-5164,
7 subsection B, section 42-5205, subsection B and section 42-5353 throughout
8 the state for the calendar month.

9 3. Pay an additional 2.43 per cent to the counties in this state as
10 follows:

11 (a) Average the following proportions:

12 (i) The proportion that the assessed valuation used to determine
13 secondary property taxes of each county, after deducting that part of the
14 assessed valuation that is exempt from taxation at the beginning of the month
15 for which the amount is to be paid, bears to the total assessed valuations
16 used to determine secondary property taxes of all the counties after
17 deducting that portion of the assessed valuations that is exempt from
18 taxation at the beginning of the month for which the amount is to be paid.
19 Property of a city or town that is not within or contiguous to the municipal
20 corporate boundaries and from which water is or may be withdrawn or diverted
21 and transported for use on other property is considered to be taxable
22 property in the county for purposes of determining assessed valuation in the
23 county under this item.

24 (ii) The proportion that the distribution base monies collected during
25 the calendar month in each county under this article, section 42-5164,
26 subsection B, section 42-5205, subsection B and section 42-5353 bear to the
27 total distribution base monies collected under this article, section 42-5164,
28 subsection B, section 42-5205, subsection B and section 42-5353 throughout
29 the state for the calendar month.

30 (b) If the proportion computed under subdivision (a) of this paragraph
31 for any county is greater than the proportion computed under paragraph 2 of
32 this subsection, the department shall compute the difference between the

1 amount distributed to that county under paragraph 2 of this subsection and
2 the amount that would have been distributed under paragraph 2 of this
3 subsection using the proportion computed under subdivision (a) of this
4 paragraph and shall pay that difference to the county from the amount
5 available for distribution under this paragraph. Any monies remaining after
6 all payments under this subdivision shall be distributed among the counties
7 according to the proportions computed under paragraph 2 of this subsection.

8 4. After any distributions required by sections 42-5030, 42-5030.01,
9 42-5031, 42-5032 and 42-5032.01, and after making any transfer to the water
10 quality assurance revolving fund as required by section 49-282, subsection B,
11 credit the remainder of the monies designated as distribution base to the
12 state general fund. From this amount:

13 (a) The legislature shall annually appropriate to:

14 (i) The department of revenue sufficient monies to administer and
15 enforce this article and articles 5 and 8 of this chapter.

16 (ii) The department of economic security monies to be used for the
17 purposes stated in title 46, chapter 1.

18 (iii) The firearms safety and ranges fund established by section
19 17-273, fifty thousand dollars derived from the taxes collected from the
20 retail classification pursuant to section 42-5061 for the current fiscal
21 year.

22 (b) The state treasurer shall transfer to the tourism fund an amount
23 equal to the sum of the following:

24 (i) Three and one-half per cent of the gross revenues derived from the
25 transient lodging classification pursuant to section 42-5070 during the
26 preceding fiscal year.

27 (ii) Three per cent of the gross revenues derived from the amusement
28 classification pursuant to section 42-5073 during the preceding fiscal year.

29 (iii) Two per cent of the gross revenues derived from the restaurant
30 classification pursuant to section 42-5074 during the preceding fiscal year.

1 (c) THE STATE TREASURER SHALL ANNUALLY TRANSFER THREE MILLION DOLLARS
2 TO THE FIRE SUPPRESSION REVOLVING FUND ESTABLISHED BY SECTION 37-623.02,
3 SUBSECTION J.

4 E. If approved by the qualified electors voting at a statewide general
5 election, all monies collected pursuant to section 42-5010, subsection G and
6 section 42-5155, subsection D shall be distributed each fiscal year pursuant
7 to this subsection. The monies distributed pursuant to this subsection are
8 in addition to any other appropriation, transfer or other allocation of
9 public or private monies from any other source and shall not supplant,
10 replace or cause a reduction in other school district, charter school,
11 university or community college funding sources. The monies shall be
12 distributed as follows:

13 1. If there are outstanding state school facilities revenue bonds
14 pursuant to title 15, chapter 16, article 7, each month one-twelfth of the
15 amount that is necessary to pay the fiscal year's debt service on outstanding
16 state school improvement revenue bonds for the current fiscal year shall be
17 transferred each month to the school improvement revenue bond debt service
18 fund established by section 15-2084. The total amount of bonds for which
19 these monies may be allocated for the payment of debt service shall not
20 exceed a principal amount of eight hundred million dollars exclusive of
21 refunding bonds and other refinancing obligations.

22 2. After any transfer of monies pursuant to paragraph 1 of this
23 subsection, twelve per cent of the remaining monies collected during the
24 preceding month shall be transferred to the technology and research
25 initiative fund established by section 15-1648 to be distributed among the
26 universities for the purpose of investment in technology and research-based
27 initiatives.

28 3. After the transfer of monies pursuant to paragraph 1 of this
29 subsection, three per cent of the remaining monies collected during the
30 preceding month shall be transferred to the workforce development account
31 established in each community college district pursuant to section 15-1472
32 for the purpose of investment in workforce development programs.

1 4. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
2 subsection, one-twelfth of the amount a community college that is owned,
3 operated or chartered by a qualifying Indian tribe on its own Indian
4 reservation would receive pursuant to section 15-1472, subsection D,
5 paragraph 2 if it were a community college district shall be distributed each
6 month to the treasurer or other designated depository of a qualifying Indian
7 tribe. Monies distributed pursuant to this paragraph are for the exclusive
8 purpose of providing support to one or more community colleges owned,
9 operated or chartered by a qualifying Indian tribe and shall be used in a
10 manner consistent with section 15-1472, subsection B. For the purposes of
11 this paragraph, "qualifying Indian tribe" has the same meaning as defined in
12 section 42-5031.01, subsection D.

13 5. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
14 subsection, one-twelfth of the following amounts shall be transferred each
15 month to the department of education for the increased cost of basic state
16 aid under section 15-971 due to added school days and associated teacher
17 salary increases enacted in 2000:

18 (a) In fiscal year 2001-2002, \$15,305,900.

19 (b) In fiscal year 2002-2003, \$31,530,100.

20 (c) In fiscal year 2003-2004, \$48,727,700.

21 (d) In fiscal year 2004-2005, \$66,957,200.

22 (e) In fiscal year 2005-2006 and each fiscal year thereafter,
23 \$86,280,500.

24 6. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
25 subsection, seven million eight hundred thousand dollars is appropriated each
26 fiscal year, to be paid in monthly installments, to the department of
27 education to be used for school safety as provided in section 15-154 and two
28 hundred thousand dollars is appropriated each fiscal year, to be paid in
29 monthly installments to the department of education to be used for the
30 character education matching grant program as provided in section 15-154.01.

31 7. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
32 subsection, no more than seven million dollars may be appropriated by the

1 legislature each fiscal year to the department of education to be used for
2 accountability purposes as described in section 15-241 and title 15, chapter
3 9, article 8.

4 8. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
5 subsection, one million five hundred thousand dollars is appropriated each
6 fiscal year, to be paid in monthly installments, to the failing schools
7 tutoring fund established by section 15-241.

8 9. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
9 subsection, twenty-five million dollars shall be transferred each fiscal year
10 to the state general fund to reimburse the general fund for the cost of the
11 income tax credit allowed by section 43-1072.01.

12 10. After the payment of monies pursuant to paragraphs 1 through 9 of
13 this subsection, the remaining monies collected during the preceding month
14 shall be transferred to the classroom site fund established by section
15 15-977. The monies shall be allocated as follows in the manner prescribed by
16 section 15-977:

17 (a) Forty per cent shall be allocated for teacher compensation based
18 on performance.

19 (b) Twenty per cent shall be allocated for increases in teacher base
20 compensation and employee related expenses.

21 (c) Forty per cent shall be allocated for maintenance and operation
22 purposes.

23 F. The department shall credit the remainder of the monies in the
24 transaction privilege and severance tax clearing account to the state general
25 fund, subject to any distribution required by section 42-5030.01.

26 G. Notwithstanding subsection D of this section, if a court of
27 competent jurisdiction finally determines that tax monies distributed under
28 this section were illegally collected under this article or articles 5 and 8
29 of this chapter and orders the monies to be refunded to the taxpayer, the
30 department shall compute the amount of such monies that was distributed to
31 each city, town and county under this section. The department shall notify
32 the state treasurer of that amount plus the proportionate share of additional

1 allocated costs required to be paid to the taxpayer. Each city's, town's and
2 county's proportionate share of the costs shall be based on the amount of the
3 original tax payment each municipality and county received. Each month the
4 state treasurer shall reduce the amount otherwise distributable to the city,
5 town and county under this section by one thirty-sixth of the total amount to
6 be recovered from the city, town or county until the total amount has been
7 recovered, but the monthly reduction for any city, town or county shall not
8 exceed ten per cent of the full monthly distribution to that entity. The
9 reduction shall begin for the first calendar month after the final
10 disposition of the case and shall continue until the total amount, including
11 interest and costs, has been recovered.

12 H. On receiving a certificate of default from the greater Arizona
13 development authority pursuant to section 41-1554.06 or 41-1554.07 and to the
14 extent not otherwise expressly prohibited by law, the state treasurer shall
15 withhold from the next succeeding distribution of monies pursuant to this
16 section due to the defaulting political subdivision the amount specified in
17 the certificate of default and immediately deposit the amount withheld in the
18 greater Arizona development authority revolving fund. The state treasurer
19 shall continue to withhold and deposit the monies until the greater Arizona
20 development authority certifies to the state treasurer that the default has
21 been cured. In no event may the state treasurer withhold any amount that the
22 defaulting political subdivision certifies to the state treasurer and the
23 authority as being necessary to make any required deposits then due for the
24 payment of principal and interest on bonds of the political subdivision that
25 were issued before the date of the loan repayment agreement or bonds and that
26 have been secured by a pledge of distributions made pursuant to this section.

27 I. Except as provided by sections 42-5033 and 42-5033.01, the
28 population of a county, city or town as determined by the most recent United
29 States decennial census plus any revisions to the decennial census certified
30 by the United States bureau of the census shall be used as the basis for
31 apportioning monies pursuant to subsection D of this section.

1 J. Except as otherwise provided by this subsection, on notice from the
2 department of revenue pursuant to section 42-6010, subsection B, the state
3 treasurer shall withhold from the distribution of monies pursuant to this
4 section to the affected city or town the amount of the penalty for business
5 location municipal tax incentives provided by the city or town to a business
6 entity that locates a retail business facility in the city or town. The
7 state treasurer shall continue to withhold monies pursuant to this subsection
8 until the entire amount of the penalty has been withheld. The state
9 treasurer shall credit any monies withheld pursuant to this subsection to the
10 state general fund as provided by subsection D, paragraph 4 of this section.
11 The state treasurer shall not withhold any amount that the city or town
12 certifies to the department of revenue and the state treasurer as being
13 necessary to make any required deposits or payments for debt service on bonds
14 or other long-term obligations of the city or town that were issued or
15 incurred before the location incentives provided by the city or town.

16 K. For the purposes of this section, "community college district"
17 means a community college district that is established pursuant to sections
18 15-1402 and 15-1403 and that is a political subdivision of this state."

19 Amend title to conform

JUDY BURGES

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