

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2184

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 48-807, Arizona Revised Statutes, is amended to
3 read:

4 48-807. County fire district assistance tax; annual budget;
5 override

6 A. The board of supervisors of a county shall levy, at the time of
7 levying other property taxes, a county fire district assistance tax on the
8 taxable property in the county of not more than ten cents per one hundred
9 dollars of assessed valuation. The tax levy provided for in this subsection
10 shall be a levy of secondary property taxes and shall not be subject to title
11 42, chapter 17, article 2. The county treasurer shall pay to each fire
12 district, including a fire district formed pursuant to section 48-851, in the
13 county from the proceeds of the tax an amount equal to twenty per cent of the
14 property tax levy adopted by the district for the fiscal year in which the
15 tax will be levied, except that:

16 1. The amount of assistance from the county to a fire district shall
17 be reduced as follows:

18 (a) Through the fiscal year that ends June 30, 2012, by the dollar
19 amount that the fire district receives from the fire district assistance tax
20 that exceeds three hundred thousand dollars from and after June 30 of each
21 fiscal year.

22 (b) Beginning with the fiscal year that starts July 1, 2012, by the
23 dollar amount that the fire district receives from the fire district
24 assistance tax that exceeds four hundred thousand dollars from and after
25 June 30 of each fiscal year, without regard to whether the district is
26 located in more than one county.

27 (c) Except as provided in paragraph 2 of this subsection, if the total
28 amount to be paid to all districts in the county under this paragraph exceeds
29 the amount to be raised by the levy of ten cents per one hundred dollars
30 assessed valuation, ~~then~~ the county treasurer shall pay an amount less than

1 twenty per cent of the property tax levy of each district. The amount to be
2 paid by the county treasurer to each district shall be determined by
3 multiplying the proceeds of the county fire district assistance tax against
4 the proportion that twenty per cent of the property tax levy of each district
5 bears to the total of twenty per cent of the property tax levies of all fire
6 districts in the county.

7 2. For fiscal years beginning from and after July 1, 1992, the amount
8 of assistance from the county to a fire district shall not be less than the
9 assistance provided from and after June 30, 1991 through June 30, 1992, if,
10 for the fiscal year in which the tax will be levied, the district levies a
11 tax, in addition to any tax levied under section 48-806, of three dollars per
12 one hundred dollars of assessed valuation and the assessed valuation is at
13 least ninety per cent of the assessed valuation for the 1991 tax year. This
14 paragraph does not apply to fire districts subject to paragraph 1,
15 subdivision (a) or (b) of this subsection.

16 B. For the purpose of subsection A of this section, the property tax
17 levy of the fire district shall include in lieu contributions pursuant to
18 chapter 1, article 8 of this title but shall not include property tax levies
19 to be applied to the payment of principal and interest on bonds issued
20 pursuant to section 48-806.

21 C. Notwithstanding subsection A of this section and through the fiscal
22 year that ends June 30, 2012, if two or more fire districts merge to form a
23 consolidated district, the last amount received by each fire district from
24 the fire district assistance tax prior to the merger shall be combined, and
25 if the combined amount exceeds three hundred thousand dollars, the
26 consolidated district may continue to receive the sum of the average of the
27 fire district assistance tax received by each fire district in the three
28 previous years prior to the merger from the fire district assistance tax.
29 Beginning with the fiscal year that starts July 1, 2012, a consolidated
30 district shall not receive more than four hundred thousand dollars in fire
31 district assistance tax monies, without regard to whether the consolidated
32 district is located in more than one county.

1 D. Through the fiscal year that ends June 30, 2012, if two or more
2 fire districts merge to form a consolidated district and the total of the
3 amounts received by each fire district from the fire district assistance tax
4 is less than three hundred thousand dollars, the consolidated district may
5 continue to receive monies until its receipts total three hundred thousand
6 dollars, as prescribed in subsection A of this section, without regard to
7 whether the consolidated district is located in more than one county.
8 Beginning with the fiscal year that starts July 1, 2012, if two or more fire
9 districts merge to form a consolidated district and the total of the amounts
10 received by each fire district from the fire district assistance tax is less
11 than four hundred thousand dollars, the consolidated district may continue to
12 receive monies until its receipts total four hundred thousand dollars, as
13 prescribed in subsection A of this section, without regard to whether the
14 consolidated district is located in more than one county.

15 E. Not more than ten days after the perfection of the organization of
16 a fire district, and thereafter not later than August 1 of each year, the
17 chief and the secretary-treasurer of the district, or if there is a district
18 board, the chairman of the board, shall submit to the board of supervisors an
19 estimate, certified by items, of the amount of money required for the
20 equipment and maintenance of the district for the ensuing year.

21 F. The board, based on the budget submitted by the district, shall
22 levy, in addition to any tax levied as provided in section 48-806, a tax not
23 to exceed three dollars twenty-five cents per one hundred dollars of assessed
24 valuation, or the amount of the levy in the preceding tax year multiplied by
25 1.08, whichever levy is less, and minus any amounts required to reduce the
26 levy pursuant to subsection I of this section, against all property situated
27 within the district boundaries and appearing on the last assessment roll.
28 The levy shall be made and the taxes collected in the manner, at the time and
29 by the officers provided by law for the collection of general county taxes.

30 G. The qualified electors of the district, voting in an election as
31 prescribed by subsection H of this section, may authorize the board to levy a

1 tax exceeding the limits prescribed by subsection F of this section under
2 one, but not both, of the following options:

3 1. The electors may authorize a permanent override allowing annual
4 levies without reference to the levy in the preceding tax year, but remaining
5 subject to the tax rate limit of three dollars twenty-five cents per one
6 hundred dollars of assessed valuation. An election for the purposes of this
7 paragraph must be held at a regularly scheduled general election held on the
8 first Tuesday following the first Monday in November as prescribed by section
9 16-204, subsection B, paragraph 1, subdivision (d).

10 2. If the net assessed valuation of all property in the district
11 declines by a combined total of twenty per cent or more over two consecutive
12 valuation years, the electors voting at the next regularly scheduled general
13 election held on the first Tuesday following the first Monday in November as
14 prescribed by section 16-204, subsection B, paragraph 1, subdivision (d) may
15 authorize an override for five consecutive tax years allowing annual levies
16 that are exempt from the tax rate limit of three dollars twenty-five cents,
17 but subject to an annual levy limit of the amount of the levy in the
18 preceding tax year multiplied by 1.05. After the fifth tax year, the
19 district is again subject to the limits prescribed by subsection F of this
20 section, computed by multiplying the levy beginning in the year preceding the
21 override by 1.08 for each year through the current tax year.

22 H. The call for an override election held for the purposes of
23 subsection G of this section must state:

24 1. The purpose for requesting additional secondary property tax
25 revenue for the district.

26 2. If the voters approve the levy:

27 (a) The maximum dollar amount of secondary property tax that may be
28 collected in the first year compared to the existing maximum secondary
29 property tax levy prescribed in subsection F of this section.

30 (b) The estimated secondary property tax rate to fund the proposed
31 levy under subdivision (a) in the first tax year compared to the secondary
32 property tax rate levied in the current year.

1 I. If the district annexes additional territory, the limit under
2 subsection F of this section shall be adjusted by applying the district's tax
3 rate to the assessed valuation of the annexed property in the preceding tax
4 year. If districts are merged or consolidated under this chapter, the
5 limitation under this subsection in the first year after the districts are
6 merged or consolidated is the total of the levies of the merged or
7 consolidated districts in the preceding tax year multiplied by 1.08 or the
8 amount of the levies allowed by the maximum rate prescribed by subsection F
9 of this section, whichever is less.

10 J. The district shall maintain any property tax revenues collected in
11 excess of the sum of the amounts of taxes collectible pursuant to section
12 42-17054 and the allowable levy determined under subsection F of this section
13 in a separate fund and used to reduce the property tax levy in the following
14 tax year.

15 K. The levy limit under this section is considered to be increased
16 each year to the maximum limit permissible under subsection F of this section
17 regardless of whether the district actually levies taxes up to the maximum
18 permissible amount in that year.

19 L. The county treasurer shall keep the money received from taxes
20 levied pursuant to subsection F of this section in a separate fund known as
21 the "fire district general fund" of the district for which collected. Any
22 surplus remaining in the fire district general fund at the end of the fiscal
23 year shall be credited to the fire district general fund of the district for
24 which it was collected for the succeeding fiscal year and after subtraction
25 of accounts payable and encumbrances, shall be used to reduce the property
26 tax levy in the following tax year.

27 M. A fire district may maintain separate accounts with a financial
28 institution that is authorized to do business in this state for the purpose
29 of operating a payroll account or for holding contributions, grants, special
30 revenues or trust monies as necessary to fulfill the district's fiduciary
31 responsibilities.

1 N. A fire district, through the county treasurer, shall establish the
2 relevant governmental funds necessary for the proper management and fiscal
3 accountability of district monies from property taxes, grants, contributions
4 and donations, as defined by the government accounting standards board.
5 Unless the monies received are legally restricted by contract, agreement or
6 law, those monies may be transferred between accounts according to the
7 original or amended budget of the fire district.

8 O. Notwithstanding section 11-605, a fire district may register
9 warrants only if separate accounts are maintained by the county treasurer for
10 each governmental fund of a fire district. Warrants may only be registered
11 on the maintenance and operation account, the unrestricted capital outlay
12 account and the special revenue account, and only if the total cash balance
13 of all three accounts is insufficient to pay the warrants and after any
14 revolving line of credit has been expended as prescribed in section 11-635.

15 P. When a fire district has adopted a budget and the board of
16 supervisors has levied a fire district tax as provided in subsection F of
17 this section and the district has insufficient money in its general fund with
18 the county treasurer to operate the district, the elected chief and the
19 secretary-treasurer, or if there is a district board, the chairman of the
20 board, on or after August 1 of each year, may draw warrants for the purposes
21 prescribed in section 48-805 on the county treasurer, payable on November 1
22 of that year or on April 1 of the succeeding year. The aggregate amounts of
23 the warrants may not exceed ninety per cent of the taxes levied by the county
24 for the district's current fiscal year. If the treasurer cannot pay a
25 warrant for lack of funds in the fire district general fund, the warrant
26 shall be endorsed, be registered, bear interest and be redeemed as provided
27 by law for county warrants, except that the warrants are payable only from
28 the fire district general fund.

29 Q. THROUGH DECEMBER 31, 2014:

30 1. IF THE NET ASSESSED VALUATION OF ALL PROPERTY IN A FIRE DISTRICT
31 HAS DECLINED BY A COMBINED TOTAL OF TWENTY-FIVE PER CENT OR MORE BEGINNING
32 WITH THE 2008 VALUATION YEAR, NOTWITHSTANDING THE TAX RATE LIMIT ESTABLISHED

1 PURSUANT TO SUBSECTION F OF THIS SECTION, AND BEGINNING WITH THE FISCAL YEAR
2 THAT STARTS JULY 1, 2012, THE FIRE DISTRICT MAY ADOPT A BUDGET AND THE BOARD
3 OF SUPERVISORS MAY LEVY A TAX NOT TO EXCEED THREE DOLLARS SEVENTY-FIVE CENTS
4 PER ONE HUNDRED DOLLARS OF ASSESSED VALUATION IF ALL OF THE FOLLOWING APPLY:

5 (a) THE AMOUNT OF LEVY PROPOSED TO BE RAISED BY A TAX RATE IN EXCESS
6 OF THREE DOLLARS TWENTY-FIVE CENTS PER ONE HUNDRED DOLLARS OF ASSESSED
7 VALUATION IS EXACTLY THE SAME AS THE AMOUNT OF THE TAX LEVY RAISED IN THE
8 FISCAL YEAR BEFORE THE TAX RATE EXCEEDING THREE DOLLARS TWENTY-FIVE CENTS PER
9 ONE HUNDRED DOLLARS OF ASSESSED VALUATION.

10 (b) THE FIRE DISTRICT CERTIFIES TO THE BOARD OF SUPERVISORS AT THE
11 TIME OF ANNUAL BUDGET SUBMISSION THAT NO PORTION OF THE TAX LEVY RAISED IN
12 THE FISCAL YEAR IN WHICH THE RATE EXCEEDS THREE DOLLARS TWENTY-FIVE CENTS PER
13 ONE HUNDRED DOLLARS OF ASSESSED VALUATION SHALL BE USED TO PAY SALARY
14 INCREASES OR TO INCREASE THE NUMBER OF FULL-TIME POSITIONS IN THE FIRE
15 DISTRICT, UNLESS THE SALARY AND BENEFITS PAID TO ANY NEW EMPLOYEE ARE FUNDED
16 ENTIRELY BY A GRANT RECEIVED BY THE FIRE DISTRICT OR AN EXISTING EMPLOYEE OF
17 THE FIRE DISTRICT IS PROMOTED TO A DIFFERENT JOB CLASSIFICATION.

18 (c) THE FIRE DISTRICT CERTIFIES TO THE BOARD OF SUPERVISORS AT THE
19 TIME OF BUDGET SUBMISSION THAT NO PORTION OF THE TAX LEVY RAISED IN THE
20 FISCAL YEAR IN WHICH THE RATE EXCEEDS THREE DOLLARS TWENTY-FIVE CENTS PER ONE
21 HUNDRED DOLLARS OF ASSESSED VALUATION SHALL BE ALLOCATED TO FUTURE YEAR
22 EXPENDITURES, RETAINED OR ENCUMBERED AS RESERVE MONIES OF ANY TYPE, AND THAT
23 NO MORE THAN FIVE PER CENT OF THE TAX LEVY RAISED IS PLANNED FOR CARRYFORWARD
24 MONIES AT THE END OF THE FISCAL YEAR.

25 2. A FIRE DISTRICT SHALL CERTIFY TO THE BOARD OF SUPERVISORS AND THE
26 PROPERTY TAX OVERSIGHT COMMISSION ESTABLISHED BY SECTION 42-17002 WITHIN
27 THIRTY DAYS AFTER THE END OF THE PRECEDING FISCAL YEAR IN WHICH THE RATE
28 EXCEEDED THREE DOLLARS TWENTY-FIVE CENTS PER ONE HUNDRED DOLLARS OF ASSESSED
29 VALUATION THE TOTAL NUMBER OF FULL-TIME POSITIONS, THE TOTAL AMOUNT OF WAGES
30 PAID TO FULL-TIME PERSONNEL AND THE TOTAL AMOUNT AND PURPOSE OF ALL MONIES
31 RETAINED OR ENCUMBERED BY THE FIRE DISTRICT.

1 3. A FIRE DISTRICT WITH A TAX RATE IN EXCESS OF THREE DOLLARS
2 TWENTY-FIVE CENTS PER ONE HUNDRED DOLLARS OF ASSESSED VALUATION MAY NOT CALL
3 FOR AN OVERRIDE ELECTION PURSUANT TO SUBSECTION G OF THIS SECTION."
4 Amend title to conform

MICHELLE UGENTI

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