

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature – Second Regular Session
COMMITTEE ON WAYS AND MEANS
Report of Regular Meeting
Monday, February 15, 2016
House Hearing Room 3 -- 2:00 p.m.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE

2-16-16

Convened 2:32 p.m.
Recessed 4:33 p.m.
Reconvened 4:53 p.m.
Adjourned 7:57 p.m.

Members Present

Mr. Bolding
Mr. Cardenas
Mr. Mesnard
Mr. Olson
Ms. Ugenti-Rita
Mr. Weninger
Mr. Wheeler
Mr. Kern, Vice-Chairman
Mr. Mitchell, Chairman

Members Absent

None

Agenda

Original Agenda – Attachment 1

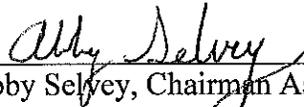
Request to Speak

Report – Attachment 2

Committee Action

<u>Bill</u>	<u>Action</u>	<u>Vote</u>	<u>Attachments (Summaries, Amendments, Roll Call, Attendance)</u>
HB2598	HELD		
HB2601	HELD		
HB2568	DPA	8-0-1-0	3, 4, 5
HB2669	DP	6-3-0-0	6, 7
HB2267	DISCUSSED AND HELD		8, 9
HB2308	DPA	7-0-0-2	10, 11, 12
HB2439	DPA	6-3-0-0	13, 14, 15, 16
HB2043	DP	6-3-0-0	17, 18
HB2561	DPA	9-0-0-0	19, 20, 21
HB2686	DP	9-0-0-0	22, 23, 24, 25
HB2387	DP	8-1-0-0	26, 27
HB2674	DP	8-1-0-0	28, 29, 30, 31
HB2676	DP	8-1-0-0	32, 33

HB2401	DP	5-4-0-0	34, 35, 36
HB2641	DP	8-0-1-0	37, 38
HB2480	DPA S/E	7-2-0-0	39, 40, 41
HB2301	DP	9-0-0-0	42, 43
HB2597	DP	9-0-0-0	44, 45
HB2536	DPA	7-2-0-0	46, 47, 48
HB2018	DP	6-2-1-0	49, 50
	Committee Attendance		51



 Abby Selvey, Chairman Assistant
 February 16, 2016

(Original attachments on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)

REVISED - 02/11/16

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Conv: 2:32 pm
Rec: 4:33 pm
Reconv: 4:53 pm
REVISED - 02/11/16
Adj: 7:57 pm

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

REGULAR MEETING AGENDA

COMMITTEE ON WAYS AND MEANS

DATE Monday, February 15, 2016

ROOM HHR 3

TIME 2:00 P.M.

Members:

Mr. Bolding
Mr. Cardenas
Mr. Mesnard

Mr. Olson
Ms. Ugenti-Rita
Mr. Weninger

Mr. Wheeler
Mr. Kern, Vice-Chairman
Mr. Mitchell, Chairman

Bills	Short Title	Strike Everything Title
HB2043	<u>DP</u> legal tender exchange; tax exclusion (Finchem, Borrelli, Burges, et al)	
	<u>6-3-0-0</u> WM, RULES	
*HB2267	<u>Discussed AND Held</u> prime contracting classification; repeal (Cobb)	S/E: prime contracting modifications 
	<u>WM, RULES</u>	
HB2301	<u>DP</u> bonding; sale; premiums; refunding; refinance (Weninger)	
	<u>9-0-0-0</u> WM, RULES	
*HB2308	<u>DPA</u> special health care districts; treasurer (Cobb; Thorpe, Townsend)	
	<u>7-0-0-2</u> WM held 0-0-0-0-0, RULES	
HB2401	<u>DP</u> schools; desegregation funding; phase-down. (Leach, Finchem: Kern, et al)	
	<u>5-4-0-0</u> ED w/d, WM, RULES	
*HB2439	<u>DPA</u> property tax valuation (Petersen, Mitchell)	
	<u>6-3-0-0</u> WM, RULES	

Bills	Short Title	Strike Everything Title
*HB2480	<u>DPAS/E</u> regents; officers; technical correction (Olson)	S/E: additional state aid; maximum amount
→ HB2499	<u>7-2-0-0</u> WM held 0-0-0-0-0, RULES truth in taxation; detailed notice (Barton, Fann, Thorpe, et al) WM, RULES	
HB2536	<u>DPA</u> fine art; TPT exemption (Ugenti-Rita: Lawrence) <u>7-2-0-0</u> WM, APPROP, RULES	
HB2561	<u>DPA</u> sanitary district refunding bonds (Campbell) <u>9-0-0-0</u> WM, RULES	
*HB2568	<u>DPA</u> community facilities districts; formation; governance (Gowan) <u>8-0-1-0</u> WM held 0-0-0-0-0, RULES	
HB2597	<u>DP</u> delinquent property taxes; interest; reduction (Olson) <u>9-0-0-0</u> WM, RULES	
HB2598	<u>Held</u> TPT; municipalities; customer refund claims (Olson) WM, RULES	
ADDENDUM #1 - 02/11/16		
HB2018	<u>DP</u> optional individual flat income tax (Stevens) <u>6-2-1-0</u> WM, RULES	
HB2387	<u>DP</u> racing; hardship tax credit; elimination (Farnsworth E) <u>8-1-0-0</u> WM, RULES	
HB2601	<u>Held</u> R&D tax credits; conversion; application (Livingston) WM, APPROP, RULES	
HB2641	<u>DP</u> separate charitable contributions; tax credit (Brophy McGee: Weninger) <u>8-0-1-0</u> WM, APPROP, RULES	
HB2669	<u>DP</u> TPT exemptions; health sciences institutions (Livingston) <u>6-3-0-0</u> WM, RULES	

Bills	Short Title	Strike Everything Title
HB2674	<u>DP</u> TPT exemption; amateur races (Rivero: Campbell, Finchem, et al)	
	<u>8-1-0-0</u> WM, RULES	
HB2676	<u>DP</u> tax credit; title I schools (Rivero: Campbell, Fernandez, et al)	
	<u>8-1-0-0</u> WM, RULES	
**HB2686	<u>DP</u> school district tax levy; retention (Carter)	
	<u>9-0-0-0</u>	

- * On previous agenda
- ** If first read and assigned

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

ams
2/11/16

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032, TDD (602) 926-3241.

Information Registered on the Request to Speak System

House Ways and Means (2/15/2016)

HB2043, legal tender exchange; tax exclusion

Testified as neutral:

Sean Laux, AZ DEPT OF REVENUE

Testified as opposed:

Jen (Sweeney) Marson, AZ ASSOCIATION OF COUNTIES

Support:

Brent Backus, TENTH AMENDMENT CENTER; Tom Holding, representing self; Susan Hicks, representing self; Scott Ottersen, LD17 PC, representing self; Richard Hofelich, representing self; Michael Gibbs, representing self; Willie Stubbs, representing self; Danny Ray, representing self; Janelle Solomon, representing self; Joyce Hill, representing self; Brent Backus, TENTH AMENDMENT CENTER; Joel Alcott, representing self; Drake Mitchell, representing self

Oppose:

John Baunoch, representing self

All Comments:

Brent Backus, TENTH AMENDMENT CENTER: Support HB2043. Thank you.; Michael Gibbs, Self: The U.S. Constitution as well as the federal coinage act of 1792 recognize gold and silver as money. Money should not be taxed. Please vote in favor of this bill.; Willie Stubbs, Self: This bill will weaken the stranglehold of fiat currencies and favor Constitutional money.; Brent Backus, TENTH AMENDMENT CENTER: TAC supports the bill. Thank you.; Joel Alcott, Self: I am the Tenth Amendment Center state director. I strongly support this bill.; Drake Mitchell, Self: If ballot initiatives are not brought under control we will go broke! Now over 80% of the budget is mandated because of initiatives. This must stop.

HB2267, prime contracting classification; repeal

Testified in support:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; Michael Hunter, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH

Testified as neutral:

Kevin DeMenna, Arizona State Contractors Coalition (ASCC); Sean Laux, AZ DEPT OF REVENUE; Michael Gardner, AZ BUILDERS' ALLIANCE

Testified as opposed:

Patrice Kraus, LEAGUE OF ARIZONA CITIES & TOWNS; Mark Barnes, PINAL COUNTY

Support:

Emily Ryan, SOUTHERN AZ HOMEBUILDERS ASSN; Carol Floco, AMERICAN SUBCONTRACTORS ASSOC OF AZ INC

Neutral:

David Martin, Arizona Chapter Associated General Contractors

Oppose:

Marc Osborn, Town Of Queen Creek; Paul Jepson, City Of Maricopa; Christian Price, representing self

All Comments:

Marc Osborn, Town Of Queen Creek: The legislation will have a significant and negative fiscal impact on the Town. In lieu of this legislation, a group of legislators, DOR, businesses and local governments should work together for a permanent solution. Pension reform is a good model; Kevin DeMenna, Arizona State Contractors Coalition (ASCC): Support the strike everything, concerns with underlying bill, looking forward to working with stakeholders; Michael Hunter, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH: The Goldwater Institute appreciates efforts to simplify the tax code.; Christian Price, Self: While we are for tax simplification, we agree with Queen Creek on this one. We must work towards a permanent solution, much like the PSPRS reform just did. Stakeholders, cities, businesses, etc should be brought together to maximize the solution.; Michael Gardner, AZ BUILDERS' ALLIANCE: We agree with the sponsor that we need to simplify the TPT statutes. We believe it is important to keep working on a solution and would urge the body to create a stakeholder group to develop a solution that can pass next year.

HB2301, bonding; sale; premiums; refunding; refinance**Testified in support:**

Tom Belshe, League Of Arizona Cities And Towns

Support:

Ryan Peters, CHANDLER, CITY OF

Neutral:

Charles Essigs, Director of Government Relations, Arizona Association Of School Business Officials; Trey Williams, AZ ASSOCIATION OF COUNTIES; Janice Palmer, AZ School Boards Assn

All Comments:

Trey Williams, AZ ASSOCIATION OF COUNTIES: On behalf of county treasurers

HB2308, special health care districts; treasurer**Testified in support:**

Douglas Cole, MARICOPA COUNTY; John MacDonald, Maricopa Integrated Healthcare System

Support:

Wendy Briggs, Maricopa Integrated Health System; Jason Barraza, Associate Director, MIHS; Michael Fronske, Director of Governmental Affairs MIHS, Maricopa Special Healthcare District; warren whitney, Maricopa Integrated Healthcare System; Barbara Fanning, Arizona Hospital And Healthcare Association

HB2401, schools; desegregation funding; phase-down.

Testified in support:

Kevin McCarthy, Arizona Tax Research Association; Meyer Turken, representing self; kurt schneider, representing self; Michael Hunter, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH

Testified as opposed:

Larry Herrera, representing self; Richard Hopkins, representing self; John Kelly, Principal, TUCSON UNIFIED SCHOOL DISTRICT; Estaban Flemons, representing self; Keisha Tatem, representing self; Antoine Skinner, representing self; Kenosha Skinner, representing self; Traci Williams, representing self

Support:

Jose Borrajero, representing self; Tom Holding, representing self; Nan Nicoll, representing self; Susan Hicks, representing self; Karen Mackean, representing self; Vicki Alger, representing self; Willie Stubbs, representing self; Scott Ottersen, LD17 PC, representing self; Michael Gibbs, representing self; Danny Ray, representing self; Janelle Solomon, representing self; Joyce Hill, representing self; Bryan Lee Briggs, representing self; Patrick OMalley, representing self; Eric Emmert, East Valley Chambers Of Commerce Alliance ; Mike Huckins, GREATER PHOENIX CHAMBER OF COMMERCE; John Baunoch, representing self; Beth Hallgren, 40 Days For Life campaign administrator, representing self

Oppose:

Quinn Kellis, Ed.D., representing self; Charles Essigs, Director of Government Relations, Arizona Association Of School Business Officials; Erin Eccleston, representing self; Lisa Hoberg, SCOTTSDALE PARENT COUNCIL; Heather Heroldt, representing self; marilyn duerbeck, representing self; Leslie Croy, representing self; Erin Hart, representing self; Andrea Sturzen, representing self; Daria Lohman, representing self; Kristine Morris, representing self; Michelle Benham, representing self; Arthur Rogers, representing self; Susan Ashcraft, representing self; Carol Maas, representing self; Elizabeth Hatch, Mesa Public Schools; Janice Palmer, AZ School Boards Assn; Melanie Beikman, representing self; Chad Gestson, representing self; Stacey Morley, AZ EDUCATION ASSN; Channel Powe, representing self; Becky Hill, SCOTTSDALE UNIFIED SCHOOL DISTRICT; Kathryn Senseman, Phoenix Union High School District; Jaclyn Hoerner, representing self

All Comments:

Larry Herrera, Self: Washington uses these funds to help with our 59 languages. We have 167 employees that serve these students. If the funds are cut, we would have to look at considering cutting other programs to serve these students. The loss of these funds would wipe; Heather Heroldt, Self: Please don't pass this bill - it means the loss of \$7.3 million to our district that we can't replace in any way. It's twice any potential Prop 123 \$! Deseg \$\$\$ goes into every one of our 30 schools. Please help us preserve this funding.; kurt schneider, Self: Senate Finance Committee members: I am a small property owner in central Phoenix the tax burden the resulting from two overlapping deseg districts is an extra burden to my businesses Please support Senator Lesko's SB 1125.; Erin Hart, Self: A long-term solution is needed for education funding that focuses on equity and excellence in results.

The Classrooms First Council should address desegregation funding in their work to update the K-12 school funding formula.; Andrea Sturzen, Self: Our schools cannot afford to lose this money, especially TUSD!!!; Willie Stubbs, Self: The federal government has too much control over our local schools. Desegregation is a philosophy that creates a victim mentality and instills class warfare. Please vote in favor of this bill.; Daria Lohman, Self: our schools need all the money they can get.; Scott Ottersen, Self: Are there districts that have still not attained? Does it really still cost them additional money to maintain status?; Michael Gibbs, Self: Any additional expenses incurred by schools to implement racial desegregation were covered decades ago. It's time to stop paying for something that doesn't cost a dime in the 21st century.; Michelle Benham, Self: Currently, districts receiving desegregation dollars use the funds to keep class sizes small, operate magnet programs, and improve student achievement, among other things. Over time, the loss of this funding would be devastating.; Arthur Rogers, Self: Governor Ducey has worked very hard to get a settlement on school funding which still leaves Arizona near the bottom of public education funding. This bill would in essence void his good work. Please vote NO.; Susan Ashcraft, Self: Please do not destabilize a currently stable system that keeps learning equitable for so many children and families. Loss of this funding dismantles successful programs and does not create an alternative to meet student needs.; Carol Maas, Self: This effort will damage our schools and reduce funding. It is another assault on public education in this state.; Melanie Beikman, Self: Don't enact this \$147 mill. cut to schools now. Let the Classrooms First Council determine a way to equitably fund the needs of underprivileged students before this phase out. The funds are local taxes and won't provide a savings to the General Fund.; Stacey Morley, AZ EDUCATION ASSN: State has no business interfering with legally binding agreements between the feds and local school districts.; Channel Powe, Self: HB2401 is a bill betting against Arizona students. This is federal funding that has zero fiscal impact on our state and voting to cut funding is a direct attack on Arizona's most vulnerable students.; Keisha Tatem, Self: I am speaking on behalf of the Tempe Alumnae Chapter of Delta Sigma Theta Sorority, Inc., an public service organization.

HB2439, property tax valuation

Testified in support:

William Ryan, BUILDING OWNERS & MANAGERS ASSOCIATION OF GREATER PHOENIX (BOMA), Building Owners And Managers Association (BOMA), Self; Chris Glidewell, BUILDING OWNERS & MANAGERS ASSOCIATION OF GREATER PHOENIX (BOMA), Self; Christopher Glidewell, representing self; Benjamin Gardner, representing self

Testified as neutral:

Sean Laux, AZ DEPT OF REVENUE

Testified as opposed:

Kevin McCarthy, Arizona Tax Research Association; Joseph Wehrle, representing self; Bill Staples, representing self; Paul Petersen, representing self

Support:

John Baunoch, representing self; Wayne Tannenbaum, representing self; Brian Brogan, representing self; Shaunna Smith, representing self; Russell Smoldon, Ryan

Oppose:

Daniel Bogert, COUNTY SUPERVISORS ASSN OF AZ; Paige Wambold, representing self; Trey Williams, AZ ASSOCIATION OF COUNTIES; Joanna Marroquin, representing self; Joshua Huggins, representing self; Erica

Sussman, representing self; Michael Combrink, Maricopa County Assessor's Office; Zaida Dedolph, PROTECTING ARIZONA'S FAMILY COALITION; Douglas Wolf, representing self

All Comments:

William Ryan, BUILDING OWNERS & MANAGERS ASSOCIATION OF GREATER PHOENIX (BOMA), Building Owners And Managers Association (BOMA), Self: HB 2439 restores rights to the taxpayers and maintains the protections voters approved under Prop 117.; Bill Staples, Self: Representing Pima County Assessor's Office; Douglas Wolf, Self: We are just absorbing the Prop 117 and this bill undermines the entire purpose

HB2480, regents; officers; technical correction

Testified as opposed:

Michael Racy, Lobbyist, COCHISE COLLEGE, PIMA COUNTY; Mark Barnes, PINAL COUNTY

Support:

Timothy Lawless, representing self; Jeff Sandquist, NAIOP; Michael Hunter, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH; Kevin McCarthy, Arizona Tax Research Association

Neutral:

Sean Laux, AZ DEPT OF REVENUE; John Kelly, Principal, TUCSON UNIFIED SCHOOL DISTRICT

Oppose:

Charles Essigs, Director of Government Relations, Arizona Association Of School Business Officials; Daniel Bogert, COUNTY SUPERVISORS ASSN OF AZ; Kristen Boilini, Arizona Community College Association; Trey Williams, AZ ASSOCIATION OF COUNTIES; Janice Palmer, AZ School Boards Assn

All Comments:

Michael Hunter, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH: The Goldwater Institute supports the strike-everything amendment.; Charles Essigs, Arizona Association Of School Business Officials: Opposed to strike everything amendment; Janice Palmer, AZ School Boards Assn: oppose the striker; John Kelly, TUCSON UNIFIED SCHOOL DISTRICT: With concerns. Committed to working in good faith as a stakeholder to this issue because of the potential impact on state aid; concerned about the mechanics.

HB2536, fine art; TPT exemption

Testified in support:

Robert Dalager, Scottsdale Art Auction; Brad Richardson, representing self

Testified as neutral:

Tom Belshe, League Of Arizona Cities And Towns; Sean Laux, AZ DEPT OF REVENUE

Support:

Brad Lundahl, SCOTTSDALE, CITY OF; Barry Aarons, City Of Scottsdale; Eric Emmert, Scottsdale Chamber Of Commerce; Jinger Richardson, representing self; Jason Horejs, representing self; jeff dippold, representing self;

haley hinds, representing self; marvin mclaughlin, representing self; Bob Pejman, representing self; courtney hood, representing self; Brad Lundahl, SCOTTSDALE, CITY OF; Christine Pabst, representing self

Oppose:

Rob Bohr, GOODYEAR, CITY OF; Paige Wambold, representing self; Joanna Marroquin, representing self; Joshua Huggins, representing self; Erica Sussman, representing self; Zaida Dedolph, PROTECTING ARIZONA'S FAMILY COALITION

All Comments:

Tom Belshe, League Of Arizona Cities And Towns: Creation of non-uniformity.

HB2561, sanitary district refunding bonds

Testified in support:

Daniel Bogert, COUNTY SUPERVISORS ASSN OF AZ; michael cafiso, representing self; Mark Reader, representing self

HB2568, community facilities districts; formation; governance

Testified in support:

Michael Racy, Lobbyist, DIAMOND VENTURES INC; Susie Stevens, Landowners For Arizona's Economic Development Coalition; carter froelich, representing self; Priscilla Storm, representing self

Testified as neutral:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ

Testified as opposed:

Patrice Kraus, LEAGUE OF ARIZONA CITIES & TOWNS

Support:

James Kenny, representing self; Ryan Harper, WALTON INTERNATIONAL GROUP (USA)

Oppose:

Rob Bohr, GOODYEAR, CITY OF; Richard Bohan, MARICOPA COUNTY; Paul Jepson, City Of Maricopa

All Comments:

Richard Bohan, MARICOPA COUNTY: The language removes the Board of Supervisors discretion and allows one large property owner to force the Board to allow the formation. The creation of a governmental taxing entity should have more checks in the process.; James Kenny, Self: Provides certainty to capital markets to finance public infrastructure. Lets AZ compete with TX, FL, etc. No impact to municipal credit/capacity. Right sizes districts to promote efficiency.

HB2597, delinquent property taxes; interest; reduction

Testified as opposed:

Jen (Sweeney) Marson, AZ ASSOCIATION OF COUNTIES

Oppose:

Charles 'Hos' Hoskins, representing self

All Comments:

Charles 'Hos' Hoskins, Self: This bill will require increasing the county tax rate.

HB2598, TPT; municipalities; customer refund claims

Support:

Kelly Norton, AZ MINING ASSN; Kevin McCarthy, Arizona Tax Research Association; Michael Hunter, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH

Neutral:

Sean Laux, AZ DEPT OF REVENUE

Oppose:

Rob Bohr, GOODYEAR, CITY OF; Tom Belshe, League Of Arizona Cities And Towns

HB2018, optional individual flat income tax

Testified as neutral:

Sean Laux, AZ DEPT OF REVENUE

Support:

Bart Sickler, representing self

Oppose:

Paige Wambold, representing self; Joanna Marroquin, representing self; Joshua Huggins, representing self; Erica Sussman, representing self; Zaida Dedolph, PROTECTING ARIZONA'S FAMILY COALITION

HB2387, racing; hardship tax credit; elimination

Testified in support:

Brian Tassinari, Human Legislative Coalition Of Arizona

Support:

Willie Stubbs, representing self; Joe Romack, representing self; Martha German, HUMANE VOTERS OF ARIZONA (HVA)

Neutral:

Eric Sloan, AZ DEPT OF GAMING; Chris Kotterman, AZ DEPT OF GAMING; Michael Racy, Lobbyist, TUCSON GREYHOUND PARK INC

All Comments:

Willie Stubbs, Self: They should have never had those tax credits to begin with.; Joe Romack, Self: Tucson Greyhound Park has been given more than \$2 million in state tax credits. The projected hardship tax credit for the track in FY 2016 is more than \$516,000, according to the Dept. of Gaming. The money can be better spent elsewhere!; Brian Tassinari, Human Legislative Coalition Of Arizona: If necessary.

HB2601, R&D tax credits; conversion; application**Support:**

Joan Koerber-Walker, representing self

Neutral:

Sean Laux, AZ DEPT OF REVENUE

Oppose:

Scot Mussi, Arizona Free Enterprise Club

All Comments:

Sean Laux, AZ DEPT OF REVENUE: The Department has a number of technical and administrative concerns with the language as drafted. The largest concern is with the provision that provides refunds of TPT to someone that is not the TPT taxpayer. It is unclear how we would administer

HB2641, separate charitable contributions; tax credit**Testified as neutral:**

denise ensdorff, representing self

Support:

Josh Kredit, CENTER FOR ARIZONA POLICY; Bahney Dedolph, Arizona Council Of Human Service Providers; Scott Smith, Hope & A Future

Neutral:

Sean Laux, AZ DEPT OF REVENUE

Oppose:

Paige Wambold, representing self; Joanna Marroquin, representing self; Joshua Huggins, representing self; Erica Sussman, representing self; Zaida Dedolph, PROTECTING ARIZONA'S FAMILY COALITION

All Comments:

denise ensdorff, Self: would like to speak why the agency I represent cannot qualify as currently written.; Scott Smith, Hope & A Future: Board Member, Hope & A Future, an AZ 501 (c) 3 non profit dedicated to helping AZ foster kids

HB2669, TPT exemptions; health sciences institutions**Testified as neutral:**

Sean Laux, AZ DEPT OF REVENUE

HB2674, TPT exemption; amateur races**Testified in support:**

Hugh Hallman, Competitor Group

Testified as neutral:

Sean Laux, AZ DEPT OF REVENUE

Support:

Willie Stubbs, representing self

All Comments:

Sean Laux, AZ DEPT OF REVENUE: The Department has a few technical concerns with the bill as drafted. The impact may be larger than intended as the language does not have similar restrictions for nonprofit organizations eligibility for the exemption.; Hugh Hallman, Competitor Group: .

HB2676, tax credit; title I schools**Testified in support:**

Hugh Hallman, representing self

Support:

Mark Barnes, AZ SCHOOL ADMINISTRATORS ASSOC

Oppose:

Janice Palmer, AZ School Boards Assn

All Comments:

Janice Palmer, AZ School Boards Assn: oppose the addition of any new tax credits, as the school funding formula should be adequately funded. However, the Grant idea is a good one and should be part of the Classrooms First discussion.

HB2686, school district tax levy; retention

Testified in support:

Cynthia Weiss, representing self; Brian Bunkers, representing self

Testified as opposed:

Kevin McCarthy, Arizona Tax Research Association

Support:

Charles Essigs, Director of Government Relations, Arizona Association Of School Business Officials; Mark Barnes, AZ SCHOOL ADMINISTRATORS ASSOC

Neutral:

Janice Palmer, AZ School Boards Assn; Sean Laux, AZ DEPT OF REVENUE

Oppose:

Michael Hunter, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH

All Comments:

Janice Palmer, AZ School Boards Assn: This bill demonstrates the overdue need for school finance to be properly addressed; however, there is concern about creating a new inequity.; Sean Laux, AZ DEPT OF REVENUE: The Department has a concern that there is no oversight of the calculation by the school superintendents. Perhaps the county school superintendents could be given some review authority?; Cynthia Weiss, Self: I wish to testify before the committee.; Brian Bunkers, Self: I wish to testify on this bill.

PLEASE COMPLETE THIS FORM FOR THE PUBLIC RECORD



HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on WAYS & MEANS Bill Number 2767

Date 02-15-16 Support Oppose Neutral

Name LARRY D ADAMS Need to Speak? Yes No

Representing MOHAVE VALLEY CONTRACTORS ASS Are you a registered lobbyist?

Complete Address 2007 Hwy 95 BULLHEAD CITY AZ 86442

E-mail Address PUEBLO@CITLINK.NET Phone Number 928-758-3227

Comments: _____

FIVE-MINUTE SPEAKING LIMIT

PLEASE COMPLETE THIS FORM FOR THE PUBLIC RECORD



HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on WAYS & MEANS Bill Number HB 2267

Date 2/15/16 Support Oppose Neutral

Name JOHN CAPONE TTD Need to Speak? Yes No

Representing SELF Are you a registered lobbyist? NO

Complete Address 2022 LAGO GRANDE CIR. FORT MOHAVE, AZ

E-mail Address JDH@FRONTIERHET.NET Phone Number 928-707-3368

Comments: _____

FIVE-MINUTE SPEAKING LIMIT



HOUSE OF REPRESENTATIVES

HB 2568

community facilities districts; formation; governance

Prime Sponsor: Representative Gowan, LD 14

X Committee on Ways and Means

Caucus and COW

House Engrossed

OVERVIEW

HB 2568 modifies the procedures to form a community facilities district and the membership of the district board.

PROVISIONS

1. Requires the governing body of a municipality or county, upon receipt of a petition from all owners of land in a district that exceeds 600 acres, to adopt a resolution declaring its intention to form a community facilities district to include contiguous and noncontiguous land that is completely within the corporate boundaries of the municipality or county.
2. Establishes the membership of the district board of directors to include two members selected by the governing body, two members selected by landowner's who own at least 25 acres in the district and one member selected by the governing body from a list provided by the landowners.
3. Prohibits districts from levying a tax that exceeds \$0.50/\$100 of assessed valuation of all real and personal property in the district, unless a higher rate is approved by the voters.
4. Permits a member of community facilities district board directors to be a director for more than one district.
5. Applies only to districts formed after the effective date of this Act.
6. Makes technical and conforming changes.

CURRENT LAW

A.R.S. Title 48, Chapter 4, Article 6 establishes community facilities districts for the purposes of entering into contracts and expending monies for any public infrastructure purpose within the district. To form a community facilities district a petition must be signed by 25% of the land area proposed to be included in the district. Upon receipt of a petition the governing body of the county or municipality may adopt a resolution declaring its intention to form the district. A resolution ordering formation of the district must state whether the district will be governed by a district board comprised of members of the governing body, ex officio or for districts that exceed 600 acres, five directors appointed by the governing body.

Fifty-second Legislature
Second Regular Session

Ways and Means
H.B. 2568

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2568
(Reference to printed bill)

- 1 Page 5, strike lines 19 through 45
- 2 Strike page 6
- 3 Amend title to conform

ANTHONY KERN

2568KERN
02/12/2016
11:32 AM
H: mm/ajh

ATTACHMENT 4

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2568

DATE February 15, 2016 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding		✓			
Mr. Cardenas		✓			
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita				✓	
Mr. Weninger		✓			
Mr. Wheeler		✓			
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		8	0	1	0

APPROVED:

Darin Mitchell
 DARIN MITCHELL, Chairman
Anthony Kern
 ANTHONY KERN, Vice-Chairman

Abby Selvey
 COMMITTEE SECRETARY

ATTACHMENT 5



HOUSE OF REPRESENTATIVES

HB 2669

TPT exemptions; health sciences institutions
Prime Sponsor: Representative Livingston, LD 22

X Committee on Ways and Means

Caucus and COW

House Engrossed

OVERVIEW

HB 2669 exempts sales to a qualifying health sciences educational institution from transaction privilege tax (TPT).

PROVISIONS

1. Exempts sales to a qualifying health sciences institution from the utilities classification and restaurant classification of TPT.
2. Makes technical and conforming changes.

CURRENT LAW

TPT is imposed on a vendor for the privilege of conducting business in Arizona. Under this tax, the seller is responsible for remitting to the state the entire amount of tax due based on the gross proceeds or gross income of the business. While the tax is commonly passed on to the consumer at the point of sale, it is ultimately the seller's responsibility to remit the tax. There are 16 classifications of TPT including a restaurant classification and utilities classification. The restaurant classification is comprised of the business of operating restaurants, dining cars, dining rooms, lunchrooms, lunch stands, soda fountains, catering services or similar establishments where food or drink are sold. The utilities classification is comprised of businesses that produce services involving natural or artificial gas and water (A.R.S. §§ 42-5063-42-5074).

Qualifying health sciences educational institution is defined in statute as an entity that is recognized as nonprofit and that solely provides graduate and postgraduate education in the health sciences (A.R.S. § 42-5001).

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session**

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2669

DATE February 15, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding	✓		✓		
Mr. Cardenas			✓		
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler			✓		
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		6	3	0	0

APPROVED:


 DARIN MITCHELL, Chairman
 ANTHONY KERN, Vice-Chairman


 COMMITTEE SECRETARY

ATTACHMENT 7



HOUSE OF REPRESENTATIVES

HB 2267

prime contracting classification; repeal
Prime Sponsor: Representative Cobb, LD 5

X Committee on Ways and Means
Caucus and COW
House Engrossed

OVERVIEW

HB 2267 repeals the prime contracting classification of transaction privilege tax (TPT) and creates the manufactured building dealer classification.

PROVISIONS

1. Repeals the prime contracting classification of TPT.

Manufactured Building Dealer Classification TPT

2. Establishes the manufactured building dealer classification, comprised of the business of selling manufactured buildings.
3. Specifies that the tax base for the manufactured building dealer classification is 65% of the gross proceeds of sales or gross income derived from the business.
4. Deducts the following from the tax base of the manufactured building dealer classification:
 - a. The sales price of land, not exceeding the fair market value.
 - b. The sales price of furniture, furnishings, fixtures, appliances and attachments not incorporated as component parts of a manufactured building or the setup site.

Municipal Taxes on Contractors

5. Prohibits a municipality from assessing a TPT or other excise tax on:
 - a. the business of contracting; and
 - b. the gross proceeds of sales or gross income derived from the sale of tangible personal property to licensed contractors for use in a project in which a building permit is required.
6. Levies a tax, at a rate of 2% of the tax base, on the gross proceeds of sales or gross income derived from the sale of tangible personal property to licensed contractors for any project in which a building permit is required.
7. Levies a tax, at a rate of 2% of the sales price, on the storage, use or consumption in this state of tangible personal property purchased by a licensed contractor for use in any project in which a building permit is required, unless a tax on the sale of the property was already imposed.
8. Requires the Department of Revenue (DOR) to collect the municipal taxes established by this Act and distribute the revenues to the cities and towns.
9. Directs DOR to establish a uniform method for determining the value of building permits issued by a city or town.

HB 2267

10. Requires each municipality that imposes a TPT to report the value of building permits issued in the prior fiscal year to DOR by October 1 of each year.
11. Requires DOR to distribute the tax revenues collected during the following calendar year, quarterly, to each municipality that levies a TPT based on the municipality's proportionate share of the total value of building permits issued by all cities and towns during the previous fiscal year.
12. Specifies that the municipal taxes established by this Act are administered in the same manner as TPT.

Building Material TPT Revenue Payments to Counties and Municipalities

13. Specifies that TPT revenues from the sale of materials used in contracts and building construction paid to counties and municipalities must be paid in equal installments over the life of any contract to construct buildings and associated improvements.
14. Requires a manufacturing facility receiving infrastructure improvements in a municipality or county receiving building material TPT revenues to provide a copy of the construction contract showing the cost of the materials to be used.
15. Requires the manufacturing facility to provide a reconciliation of the cost of materials used in building and improvements, including reimbursements of TPT paid by the retailer.
16. Specifies that, after the maximum amount of revenues distributed to municipalities and counties for improvements for manufacturing facilities has been reached, 40% of the remaining tax revenues is designated as the distribution base for distribution of TPT revenues as required by statute.
 - a. The current distribution base is 20% of remaining revenues.

Retail TPT and Use Tax Exemptions

17. Exempts each of the following from TPT and use tax:
 - a. The sale of tangible personal property to a person that will incorporate the property into a project by a contractor or a manufactured building.
 - b. The sale of tangible personal property that is incorporated into a project undertaken by a contractor pursuant to a contract with an owner of real property.
18. Stipulates that the sale of tangible personal property to a contractor is taxable under the retail classification of TPT or is subject to use tax, unless the contractor provides a certificate signed by the owner of a property being improved stating that the purchased property will be used for an authorized purpose.
19. Specifies that a contractor that also engages in the sale of personal property at retail that removes tangible personal property from retail stock for use in contracting is subject to use tax on the purchase price of that property.

Contracts Created Before 2017

20. Exempts contracts entered into before January 1, 2017 under the prime contracting classification or the construction contracting, owner-builder or speculative builder classifications of the model city tax code from the provisions of this Act.
21. Requires prime contractors to maintain and provide to DOR upon request, documentation regarding payments received from contracts subject to taxation.

HB 2267

22. Specifies that 20% of the tax revenues collected from remaining contracts taxable under the prime contracting classification is designated as the distribution base for distribution of revenues as required by statute.
23. Provides the following clarifications:
 - a. Tax-exempt contracts entered into prior to January 1, 2017 are not subject to taxation.
 - b. Tangible personal property purchased for contracting purposes before January 1, 2017 that was not incorporated into a project prior to January 1, 2017 is subject to use tax.
 - c. Prime contracting TPT is levied at 5.6% of the tax base on any contracts entered into before January 1, 2017 by prime contractors.
 - d. Municipal privilege tax is levied and collected at the rate in effect on December 31, 2016, pursuant to the Model City Tax Code, on any contracts entered into before January 1, 2017 by contractors, owner-builders and speculative builders subject to taxation.
 - i. Exempts any contract in which there is no provision entitling the taxpayer to recover the amount of the tax.
 - e. County excise taxes apply to the prime contracting tax base for contracts entered into after the election that authorized the tax, but before January 1, 2017.
 - i. County excise taxes also apply to the prime contracting base for contracts entered into before the authorization of the tax and January 1, 2017, unless the contract doesn't contain a provision entitling the taxpayer to recover the tax from the purchaser.

Miscellaneous

24. Authorizes DOR to adopt emergency rules as necessary to administer this Act.
25. Becomes effective on January 1, 2017.
26. Defines terms.
27. Makes technical and conforming changes.

CURRENT LAW

TPT is imposed on a vendor for the privilege of conducting business in Arizona. Under this tax, the seller is responsible for remitting to the state the entire amount of tax due based on the gross proceeds or gross income of the business. While the tax is commonly passed on to the consumer at the point of sale, it is ultimately the seller's responsibility to remit the tax. Business activities subject to TPT include, but are not limited to: retail, restaurants and bars, hotel/motel, commercial leasing, advertising, amusements, personal property rentals, real property rentals, construction/contracting, owner/builders, manufactured building, mining, timbering, transportation, printing, publishing, utilities, communications, air/railroad, and private cars/pipelines. The current Arizona TPT rate is 5.6%. DOR collects TPT and administers distribution to the state General Fund and counties, cities and towns.

A.R.S. § 42-5075 establishes the prime contracting classification of TPT, comprised of business engaged in prime contracting and the dealership of manufactured buildings. The TPT base for prime contracting is 65% of the gross sale proceeds or gross income derived from the business.

DEMENNA & ASSOCIATES

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HB2267

October 1, 2014

The Honorable Janice K. Brewer
Governor of Arizona
1700 West Washington Street
Phoenix, Arizona 85007

Governor Brewer:

With the implementation date for the unprecedented changes to Arizona's Transaction Privilege Tax system just a few months away, it is now clear that the essential elements required for a successful transition will not be in place on a timely basis. These problems range from the Arizona Department of Revenue to local governments, large and small. As a result, a broad range of Arizona businesses will face significant challenges as they attempt to comply with the changes.

Because of these challenges, we believe that it will be necessary to postpone the implementation of these changes. To accomplish this, we ask that you call the Arizona Legislature into Special Session for the narrow purpose of postponing the implementation date of this new law.

As you can see from the extraordinary number of businesses that have signed on to this request, this issue has become a critical one. While Arizona's construction community has taken the lead in identifying the specific issues that must be addressed, a growing - almost uniform - view now exists that we do not have sufficient information to comply with the new law.

These changes, slated to become operational on January 1, 2015, are significant, and their significance is rivaled only by their complexity. Implementing these changes can be expected to be an ongoing, monumental task that will require coordination and cooperation among the various stakeholders.

Please understand that it is only after careful consideration and thoughtful dialogue within Arizona's business community, beginning with the construction trades, that we respectfully request that you exercise your Executive authority as Governor to call a special session to postpone implementation of the Transaction Privilege Tax changes until July 1, 2015. We believe that these changes constitute one of your most significant accomplishments as Governor, and that this brief delay will ensure that the law is enacted in a thoughtful manner, allowing for the highest levels of compliance.

It is important to understand that the concerns regarding implementation of these changes extend well beyond the construction community. For example, municipalities across the state are seeking additional guidance. We are also aware that the "online portal" is also facing serious challenges, and may not be operational by the January 1 deadline.

ATTACHMENT 9

As Arizona's Governor, you have demonstrated an unwavering dedication to the best interests of the State. We believe that a modest postponement of the implementation of the overhaul of the state's Transaction Privilege Tax system is consistent with this approach, and will certainly enhance the likelihood of a successful launch of these significant reforms.

As your final term as Governor draws to a close, you can look back on many years as a public servant with a sense of accomplishment and pride. Your lengthy list of accomplishments, coupled with bold decisions made in the interest of moving Arizona forward, has been truly remarkable.

We look forward to working with you to ensure that these reforms are successful, and we stand ready to assist in any way possible.

Thank you for your consideration.

Kevin B. DeMenna



DeMenna & Associates

CC: The Honorable Andy Biggs, President of the Senate
The Honorable Andy Tobin, Speaker of the House
The Honorable John McComish, Senate Majority Leader
The Honorable David Gowan, House Majority Leader
The Honorable Adam Driggs, Senate Majority Whip
The Honorable Rick Gray, House Majority Whip
The Honorable Steve Yarbrough, Chairman, Senate Committee on Finance
The Honorable Debbie Lesko, Chairman, House Committee on Ways & Means
The Honorable Anna Tovar, Senate Minority Leader
The Honorable Chad Campbell, House Minority Leader
The Honorable Lynne Pancrazi, Senate Assistant Minority Leader
The Honorable Bruce Wheeler, House Assistant Minority Leader
The Honorable Steve Gallardo, Senate Minority Whip
The Honorable Eric Meyer, House Minority Whip
The Honorable Karen Fann, Chairman, House Committee on Transportation
Scott Smith, Chief of Staff, Office of the Governor
Michael Hunter, Director of Fiscal Policy, Office of the Governor
Wendy Baldo, Chief of Staff, Arizona State Senate
Brian Townsend, Chief of Staff, Arizona House of Representatives
David Raber, Director, Arizona Department of Revenue
Sean Laux, Legislative Liaison and PIO, Arizona Department of Revenue
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Craig Sullivan, Executive Director, County Supervisors Association of Arizona
Barry Aarons, Consultant, Construction Trades Coalition

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Jon Ziegler
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General Air Control, Inc.

Angela Ziegler
Vice President
General Air Control, Inc.

Gayle McClellan
President
D & M Surety

Jennifer Ayers-Hopper
Prequal Controller
DPR Const.

Randy Riter
Regional Controller
DPR Const.

Kathy Dunham
Project Accountant
DPR Const.

Cathy McClain
Corporate Tax
DPR Const.

Melinda Yarbro
CFO
S Corp Const. Managem.,
Inc. dba Canyon Plastering
and Sucato Masonry

Ed Sucato
President
S Corp Const. Managem.,
Inc. dba Canyon Plastering
and Masonry

Garey Bryant
Corp Controller
FNF Const., Inc.

Stacy Gilbert
Accounting Manager
Wespac

Robyn Nickle
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Wallace Plese + Dreher

James Bishop
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Alan Evans
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M R Tanner Devel. and
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Leasing, Inc.

Gregory J. Marsh
Vice President
M R. Tanner Mining, Inc.

Roxanne Baker
Office Manager
M R. Tanner Mining, Inc.

Norris Trumble Sales M R. Tanner Mining, Inc.	James Bailey, PE Division Manager Skanska USA Civil West Rocky Mountain District	Jerry Miller Vice President Ames Const., Inc.
Toby Skinner Operations Mgr. Queen Creek Pit, LLC.	Cade Rowley, P.E. Vice President -- Heavy Civil Division Sundt Const., Inc.	Rob Bottcher Vice President FNF Const., Inc.
Brenda Hanchett A/P Manager Queen Creek Pit, LLC.	Hec Ramsey Territory Manager Ritchie Bros. Auctioneers	Ruben Altimirano Operations Manager 3-G Const.
Rusten Keime Safety Manager Rankin Pit, LLC.	Brad Booth Chief Operation Officer JV Driver Fabricator's Inc	Patricia Thornham Owner/President Advance Terrazzo Co.
Mary McCloskey A/R Clerk Rankin Pit, LLC.	L. A. Shafkind Vice President Recon Inc.	Bruce Thornham Vice President Advance Terrazzo Co.
Lin Irrevocable Trust Managing Member The Tanner Companies, LLC.	Joel Felix Principal Felix Const. Co.	Velencia Devall Comm. & Marketing Mgr. ASA of AZ
Kevin P. Day Member The Tanner Companies, LLC.	Doug DeClusin President/CEO Sunland Asphalt	Dan Barnett President AZ Corporate Builders, Inc.
Bema Irrevocable Trust Member Three Rocks, LLC.	Daniel J. Spitz, P.E. Vice President Achen-Gardner Const.	Dave Manarin Vice President AZ Corporate Builders, Inc.
Strickland Tudor Director of Fleet Managem. Enterprise Fleet Managem. EFM AZ Group	Keith Richard Account Manager JS Cole	Greg St. Sinclair PreConst. Services AZ Corporate Builders, Inc.
Dean Kennedy Controller Enterprise Fleet Managem., EFM AZ Group	Michael Fann President Fann Contracting	Bill Jellison Sales & Estimating AZ Corporate Builders, Inc.
Trent Dressen Area Sales Mgr. Enterprise Fleet Managem. EFM AZ Group	James Vandeventer Partner Beach Fleischman	Brian Cooper Secretary/Treasurer AROK Inc.
Taylor Brockbank Sr. Account Mgr. Enterprise Fleet Managem. EFM AZ Group	Bobby Lall Manager Stormwater Plans, LLC.	Brent Cooper Shareholder AROK Inc.
Paul Shurtleff Account Mgr. Enterprise Fleet Managem., EFM AZ Group	Richard Francis President Southwest Slurry Seal, Inc.	Jeff Banker President Banker Insulation
Chuck English VP of Const. Operations Hunter Contracting	David Nuttall Vice President Southwest Concrete Paving Co.	Larry Lucero Chief Estimator Banker Insulation
	Jake Dominy President Cactus Asphalt	Scott Petre Branch Manager Banker Insulation

Mike Enders Owner Bentree Custom Homes	Adam Tilley Senior Estimator Harris Mechanical Southwest	Shane Boyd President MKB Const.
Brian Bombardieri Owner B's Contractors	Jodi Greene Assistant Project Manager Harris Mechanical Southwest	Michael Gatson CPA Pittman & Murdough, PLLC.
Ty Scott Owner Builders Wholesale	Tony Lewis Assistant Project Manager Harris Mechanical Southwest	Jeremy Barbosa President/owner Precise Drywall
Janet Gilbert President C.A. Gilbert Plumbing	Julia Reddish Office Manager Harris Mechanical Southwest	Andrew Barbosa VP of Operations Precise Drywall
Ward Gilbert Vice President C.A. Gilbert Plumbing	John Dundurand Service Manager Harris Mechanical Southwest	Jonathan Barbosa VP of Estimating Precise Drywall
Edwina Brandenburg President City Building Supply, Inc.	Kelly Gantverg Business Systems Manager Harris Mechanical Southwest	Joseph Saitta Jr Director of Paint Operations Precise Drywall
James Andreasen Vice President City Building Supply, Inc.	David Reid Sales Manager, Controls Harris Mechanical Southwest	Richard Monacelli Estimator, Project Manager Precise Drywall
Wyatt Orr Owner Earth Resources	Scott Schuster Owner Integrated Lath & Plaster	Gary Weihert Estimator Precise Drywall
Christine Ulibarri CPA Eide Bailly, LLP	Emmett Jones Managing Member Jones Concrete Const., LLC.	Marna Sample Executive Assistant Precise Drywall
Greg Barstad Owner Granite Basin Roofing	Jolene Jones Operations Manager Jones Concrete Const., LLC.	Ross Dietrich Director Price, Kong & Co., CPAs
Tom Haley Owner Haley Const.	Rita Lawrence Owner L & L Asphalt, LLC.	Mike McCrery Vice President Pueblo Lumber
Vic Piekiewicz Vice President Harris Mechanical Southwest	John Doerfler Chief Estimator L & L Asphalt, LLC.	Larry McCrery President Pueblo Lumber
John Krhin Operations Manager Harris Mechanical Southwest	Jon Conkling Project Engineer L & L Asphalt, LLC.	Peter Hayes President Red Cedar Steel Southwest
Aaron Seymour Project Manager Harris Mechanical Southwest	David Jones CEO Midstate Mechanical	Wayne M. Hayes Vice President Red Cedar Steel Southwest
Fred Zais Director of Field Operations Harris Mechanical Southwest	Kevin Carroll CFO Midstate Mechanical	Bob Kozak Owner Robert C Kozak PLLC.

Sharon B. Shively Shareholder Sacks Tierney, PA	Susan Hoblit General Manager Tucson Commercial Carpet, Inc.	Erik Turnbill Owner Able Saw & Small Engine Repair
Ken Coleman Owner Sir Speedy Printing	Joe LaRovere Vice President Urban Energy Solutions	Glen and Gary Acklin Owners Acklin Bros. Const.
Alan Skinner President Skinner Interior Systems	Brian Gallimore President WSP, Inc.	Mike Uniacke Owner Advanced Home Performance
Marlene Russell Corporate Secretary Skinner Interior Systems	Ty Smith Owner Yavapai Block	Paul Williams Owner AZ Heating and Cooling
Phyllis Williams Corporate Treasurer Skinner Interior Systems	Matt Greenlee YCCA Board President Yavapai County Contractors Assoc.	Steve Stover Owner AZ Green Plumber
Katy Jones Accounts Receivables Skinner Interior Systems	Chuck Merritt YCCA 1st Vice President Yavapai County Contractors Assoc.	Jack Rose Owner AZ Seamless Gutters
Robert Baum President Sun Valley Masonry	Dave Barrett YCCA 2nd Vice President Yavapai County Contractors Assoc.	Joe Pearson Owner AZ State Insulation
Kenneth Nessler Vice President Sun Valley Masonry	Chris Welborn YCCA Secretary/Treasurer Yavapai County Contractors Assoc.	Linda Caroline Sales AZ Tile
Todd Nessler Vice President of Pre Const. Sun Valley Masonry	Sandy Griffis Executive Director Yavapai County Contractors Assoc.	T.W. Thomas Owner AZ Wholesale Supply
Todd Baum VP of Field Operations Sun Valley Masonry	Rocky Dugan Owner A Action Welding	Brent Boling Owner Arc-Tech Welding
Gary Roberts VP/Sr. Project Mgr./Shareholder Tucson Commercial Carpet, Inc.	Chris Doyle Owner A & E Reprographics	Steve Tansey Owner Arrowseal
Christina Zamora Secretary/Treasurer Tucson Commercial Carpet, Inc.	Mike Daniel Owner Ability Handyman & Home Improvement	Don Richardson Owner Aspen Communications
Agnes Sheldon Shareholder Tucson Commercial Carpet, Inc.	Turk Hartman Owner Able & Ready Painting- Remodeling	Chris Graff Vice President Asphalt Paving & Supply
Chris Barnard Shareholder Tucson Commercial Carpet, Inc.		Mary Prator Owner Autumn Blaze Const.
		Pete Trevillian Owner AZ Window Wizard

Bryan Patrick Owner B2 Custom Cabinets	Charles Hoops Owner Bradshaw Mountain Roofing	Connor Moody Owner CLM Earthmovers
Kevin Kett Owner BZ Roofing	Charlie Fulmer Owner Builders Wholesale	Frank Abbott Representative Carescape
Adam Campbell Owner B&L Flooring America	JJ McCormick Representative Cable One	Grenee Martacho Owner Concord General Contracting
EW Bratcher Owner B&W Fire Security	Dennis Rowland Vice President Carpet One	Jason Hale Owner CORE Structure Group
Veva McClellan Owner Balanced Heating & Air conditioning	Mike Crimmins Owner Carrington Homes	Steve Burton Board Country Bank
Dave Barrett Owner Barrett Propane	Jeff Zuker Owner Catalyst Architecture	Joseph Culhane Owner Culhane contracting
John Erceg Owner Beneficial Home Inspection	Alyson Ayres Sales CEMEX Materials	Dan Conrad Owner DC Solutions
Dan Gallagher Owner Bennett Glass	Anessa Andrews Representative Central AZ Partnership	Chuck Merritt Owner DeCarol Co.
Lenora Nelson Owner Bennett Oil	Mary Kinion Owner Central Basin Roofing	Tim Henrickson Owner Desert Devel. & Design
Larry Thornton Owner Benjamin Franklin Plumbing	Mark Giebelhaus President Marlin Mechanical	David Charles Owner Desert Valley Air
Ardis Baker Owner Blazing Sky Energy Group	Dave Berry Owner Century Painting	Doug Szabo Owner Designer Homes By Szabo
Steve Blair Owner Blind Brothers Of Prescott	Dave Dicus Owner Chartier Drywall	Dale Carroll Owner Discount Home Service
Marty Munderloh Owner Blue Line Design	Mike Little Owner Chino Heating and Cooling	Brian La Mar Owner Diversified Concrete Crafters
Robert Board Owner Board By Board	Don Ray Owner Classic Garage	Jim Gunby Owner Dorn Homes
Bob Hausler Owner Brewer Plumbing	Ruth Durot Owner Clean-N-Bright	Scott Barrett Manager Dunn Edwards

Susie Burgin Owner Earthworks Landscaping	John Schaffer Owner Garage Floors and More	Steve Irwin Owner KNA Const.
Michael Butcher Owner Early Bird Siding	Dede Erceg Owner Garden Brook Realty	Bill Laipple Owner Laipple Const.
Bruce Strike Owner Emerald Forest Painting	Jerry LaCuna Owner Granite Transformations	Linda Hughes Owner Lantana Devel.
Steve Voevodsky Owner Energy Savings Heating and Cooling	Tim Greseth Owner Greseth Builders	Devin Little Owner Littles Landscaping
John Enequist Owner Enequist & Enequist	Matt Greenlee Owner Greenlee Designer Surfaces	Michael Frerking Owner Living Systems Building Group
Eric Kuckuck Owner Eric & Sons	Ray Hernandez Owner Hacienda Del Rey	Leo Scott Owner Leo Scott Const.
Pat Hoffman Owner ByeMark, LLC.	Randy Wohlwend Owner Hansen Aggregates	Linda Sanders Owner Sanders Plastering
Tom Corkery Owner European Techniques	Dave Zimlin Owner Handyman & Const. Services	Lloyd Love Owner LUVCO Const.
Ben Mancini Owner EV Solar	Ken Molyneaux Owner Heritage Interiors	Michael Lough Owner MCK Woodworks
John Benson Owner EverGreen Homes	Michael Sick Owner Headwaters Const.	Dan McGee Owner McGee Well Drilling & Pump
Ron Fain Owner Fain Signature Group	Matt Holdsworth Owner Holdsworth & Co., CPA's	Joe Mattera Owner Mattera Enterprises Recycling
John Heisley Vice President Fann Contracting	Russ Lambrecht Owner JAGR	Michael Taylor Owner Michael Taylor Architects
Joe Lorence Vice President Foxworth Galbraith	Jesse Taulbee Owner JT'S Septic	Michael Sims Owner ML Sims Frame To Finish
Gary Tidaback Owner GBA Remodeling	John Nanke Owner John Nanke Signature Group	Fergal Moloney Owner Moloney Const.
Kevin Blakley Attorney Gammage & Burnham	Karen Lollar Owner K's Lighting	Stephen Markov Owner Morgan Sign

Mike Moyer Owner Moyers Heating & Cooling	Nicole Strong Owner Prescott Fence	Jim Ringler Owner Ringler Excavating
Brian Cashatt Owner NJ Builders	Kurt Holmes Owner Prescott Green Builders	Mike Robinson Owner Robinson Manufactured Homes
Larry Sullins Owner North Sky Homes	Lucy Leyva Owner Prescott Maid To Order/MTO Janitorial	Lon Turner Owner RW Turner & Sons
Bob Meyers Owner Northern AZ Woodworking	David Gould Owner Prescott Spas	John Wesnitzer Owner Shepard-Wesnitzer
Chris Kukyno Owner Patriot Disposal	Rob Hudson Owner Prestige Security Doors	Wayne Espeland Owner Solar Works
Sara Saline Owner Pella Windows	Brad Olson Manager PRO BUILD	Wade Vail Owner Speciality Grading & Paving
Ted Barnes Owner Perfection Plumbing	Mark Williams Owner ProTint	Kristin Stanley Owner Stanley Steel Structures
Larry Thornton Owner Pitzer's One Hour Air Conditioning	Paul Romero Owner PVO Const.	Dana George Owner Sterling Design Group
Leon Taylor Owner Ponderosa Electric	Doug Rupp Owner Quality MayTag	Chris Moody Owner Stoney Creek Builders
Rachel Mendoza Owner Precision Marble	Paul Lutz Owner Ravencrest Homes	Michael Ottmann Owner Technology Const.
Joanne Therriault Owner Precision Spinal Care	Gary Huff Owner RRS Landscape & Maintenance	Tom Reilly Owner TF Reilly Builders
Ron Owsley Owner Premier Devel.	Don Bonnell Owner Realty Executives	Rowle Simmons Owner The Alarm Connection
Miriam Haubrich Executive Director Prescott Area Habitat For Humanity	TJ Ricketts Owner Rickett's Landscaping	Robert & Danny Avalos Owner The AZ Woodworking Co.
Grant Kuckuck Owner Prescott Design Center	Jon Peaugh Owner Ridge West Homes	Clyde Marshall Owner The Mahoney Group
Harry Wellins Owner Prescott Builders	David Franz Owner Ridgeline Builders	Kim Gagnon Owner The Plumbing Store



HOUSE OF REPRESENTATIVES

HB 2308

special health care districts; treasurer
Prime Sponsor: Representative Cobb, LD 5

X Committee on Ways and Means

Caucus and COW

House Engrossed

OVERVIEW

HB 2308 stipulates that all special health care district monies are to be paid out as directed by the district's board of directors.

PROVISIONS

1. Requires special health care district monies to be paid out as directed by the district's board of directors.
2. Removes statutory regulations for special health care district monies.

CURRENT LAW

A.R.S. § 48-5561 requires all special health care district monies from any source to be deposited with the county treasurer and to be paid out only on warrants approved by the district's board of directors. Warrants may be issued to pay for necessary operational expenses such as lawful claims against the district, district employee payroll and contractual obligations of the district. However, warrants may not be issued for investment purposes.

The district board of directors may appoint a treasurer other than the county treasurer to hold, deposit, withdraw and invest all district monies other than payments made to or on behalf of a county operated hospital. The appointed treasurer may also enter into contracts with servicing banks other than the treasurer's servicing bank if specified conditions are met.

Zak Hoyt
Owner
The Solar Scrubber

Thomas Kincaid
Owner
Thomas Kincaid Masonry

Doug Thompson
Owner
Thompson's Remodeling
Specialists

Tom Thurman
Owner
Thurman Const.

Dan Kreyling
Owner
Timberline Woodworks

Jeff Edwards
Owner
Triple E Const.

Chris Welborn
Owner
Vicente Landscaping

Greg Compton
Owner
Weatherization Partners

Tony McClure
Owner
Westar Kitchen & Bath

Kathleen Frost
Owner
Western Technology

Tim Will
Owner
Willbuilt Seamless Gutters

Marty Fuller
Owner
Window World of No. AZ

Mark Womack
Owner
Womack Enterprises

Steve Walker
Owner
Yavapai College Foundation

Dave Cameron
Owner
Yavapai Bottle Gas

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2308

(Reference to printed bill)

1 Page 1, line 5, strike "~~A.~~" insert "A."

2 Lines 7 and 8, strike "~~only on warrants approved by AS DIRECTED BY~~" insert "only
3 on warrants approved by"

4 Line 9, strike "~~All district monies~~" insert "All district monies"; after "shall"
5 insert "MAY" and strike remainder of line

6 Strike line 10, insert "be included in the county treasurer's investment pool."

7 Line 11, strike "~~B.~~" insert "B."; strike "~~all~~"

8 Strike lines 12 through 16, insert "all private investment of the
9 district's monies is prohibited. Warrants may be issued only to pay for
10 necessary operational expenses, including, but not limited to, lawful claims
11 against the district, district employee payroll and contractual obligations
12 of the district. Warrants may not be issued for investment purposes."

13 Line 17, strike "~~C.~~" insert "C."; strike "~~for~~"

14 Strike lines 18 through 20, insert "for banking purposes, the district shall use
15 the same bank as the bank used by the county and county treasurer as their
16 servicing bank. The district may not establish or maintain an account with
17 any other bank."

18 After line 44, insert:

19 "Sec. 2. Special health care district monies; transer to county
20 treasurer; no liability

21 A. All monies to be transferred to a county treasurer pursuant to
22 section 48-5561, Arizona Revised Statutes, as amended by this act shall be

1 transferred to the county treasurer no later than forty-five days after the
2 effective date of this act.

3 B. The county and county treasurer are not liable, in any capacity,
4 for any special health care district monies not disbursed pursuant to section
5 48-5561, Arizona Revised Statutes, as amended by this act unless and until
6 the monies are transferred to the possession of the county treasurer."

7 Amend title to conform

DARIN MITCHELL

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Page 1, line 7, strike "only" insert "only"

Line 8, strike "on warrants approved by AS DIRECTED BY" insert "on warrants approved by"

Line 9, strike "All district monies" insert "All district monies"; after "shall" insert "MAY"; strike remainder of line, insert "be included in the county treasurer's investment"

Strike line 10, insert "pool."

Line 11, after "all" insert "All"

Strike lines 12 through 16, insert:

"private investment of the district's monies is prohibited. Warrants may be issued only to pay for necessary operational expenses, including, but not limited to, lawful claims against the district, district employee payroll and contractual obligations of the district. Warrants may not be issued for investment purposes."

Line 17, after "for" insert "For"

Strike lines 18 through 20, insert:

"banking purposes, the district shall use the same bank as the bank used by the county and county treasurer as their servicing bank. The district may not establish or maintain an account with any other bank."

After line 44, insert:

Section 2. Special health care district monies; transfer to county treasurer; no liability

- A. All monies to be transferred to a county treasurer pursuant to section 48-5561, Arizona Revised Statutes, as amended by this act shall be transferred to the county treasurer no later than forty-five days after the effective date of this act.
- B. The county and county treasurer are not liable, in any capacity, for any special health care district monies not disbursed pursuant to section 48-5561, Arizona Revised Statutes, as amended by this act unless and until the monies are transferred to the possession of the county treasurer.

2308
PROP W/M
M. Takeo

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2308

DATE February 15, 2016 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding	✓	✓			
Mr. Cardenas					✓
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler					✓
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		7	0	0	2

APPROVED:



DARIN MITCHELL, Chairman
ANTHONY KERN, Vice-Chairman



COMMITTEE SECRETARY

ATTACHMENT 12



HOUSE OF REPRESENTATIVES

HB 2439

property tax valuation

Prime Sponsor: Representative Petersen, LD 12

X Committee on Ways and Means

Caucus and COW

House Engrossed

OVERVIEW

HB 2439 allows a property owner to appeal their property's limited property value (LPV) if the owner feels the property was valued improperly.

PROVISIONS

1. Authorizes a property owner to appeal the LPV of their property if the owner believes the property was valued improperly and to request that the LPV be adjusted accordingly.
2. States that if a property owner intentionally provides false information on an application form, implying that the owner's property should be classified as agricultural, the property must be reclassified for nonagricultural use and must be valued at its *valuation*.
3. Modifies the definition of *valuation* and *assessed valuation* by removing the full cash value (FCV).
4. Makes technical and conforming changes.

CURRENT LAW

A.R.S. § 42-16051 allows a property owner to file a petition with the county assessor in the event the owner feels their property was valued improperly. The petition is required to state the owner's opinion of the FCV of the property and justify that opinion for the assessor to consider a change in value.

Assessed valuation means the value derived by applying the assessment ratio to the FCV or LPV of the property.

Valuation means the FCV or LPV that is determined for real and personal property.

ADDITIONAL INFORMATION

Proposition 117 is a 2012 voter-approved ballot referendum limiting the annual growth of the LPV of locally assessed properties to 5% annually. The measure also terminated Arizona's dual property valuation system by requiring all locally assessed property taxes to be based on a property's LPV.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2439

(Reference to printed bill)

1 Page 1, strike lines 2 through 44

2 Strike pages 2 through 5

3 Page 6, strike lines 1 through 15

4 Renumber to conform

5 Strike lines 36 through 45

6 Strike page 7

7 Page 8, strike lines 1 through 3, insert:

8 "Sec. 2. Section 42-16002, Arizona Revised Statutes, is amended to
9 read:

10 42-16002. Changes and corrections in tax roll to reflect
11 determinations on review or appeal

12 A. The county assessor or county treasurer, whichever is appropriate,
13 shall make the necessary changes in the tax roll and records to reflect the
14 determinations that change valuations or classifications of property that
15 result from reviews, administrative or judicial appeals or correction of
16 errors and omissions under this title.

17 B. If a review or administrative appeal pursuant to article 2, 3 or 4
18 of this chapter or a judicial appeal pursuant to article 5 of this chapter
19 results in a reduction of the ~~valuation~~ FULL CASH VALUE or a change in the
20 classification of property, in the next year the ~~valuation~~ FULL CASH VALUE or
21 classification of property shall be the ~~valuation~~ FULL CASH VALUE or
22 classification that was determined by the review or appeal unless either:

- 1 1. There is new construction, a structural change or a change of use
- 2 on the property.
- 3 2. Chapters 11 through 19 of this title require a specific annual
- 4 formula for the valuation.
- 5 C. This section does not limit the right of a property owner to appeal
- 6 the valuation or classification of the property."
- 7 Renumber to conform
- 8 Page 8, between lines 24 and 25, insert:
- 9 "4. UNDER THE EQUITY APPROACH, INCLUDING THE VALUATION OF AT LEAST ONE
- 10 COMPARABLE PROPERTY IN THE SAME GEOGRAPHIC AREA."
- 11 Strike lines 37 through 45
- 12 Page 9, strike lines 1 through 8
- 13 Renumber to conform
- 14 Strike lines 34 through 45
- 15 Page 10, strike lines 1 through 12
- 16 Renumber to conform
- 17 Strike lines 27 though 44
- 18 Page 11, strike lines 1 through 28
- 19 Renumber to conform
- 20 Page 13, strike lines 3 through 11
- 21 Amend title to conform

DARIN MITCHELL

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02/12/2016
08:17 AM
H: mm/ajh

HB 2439

Property Tax Valuation

Summary:

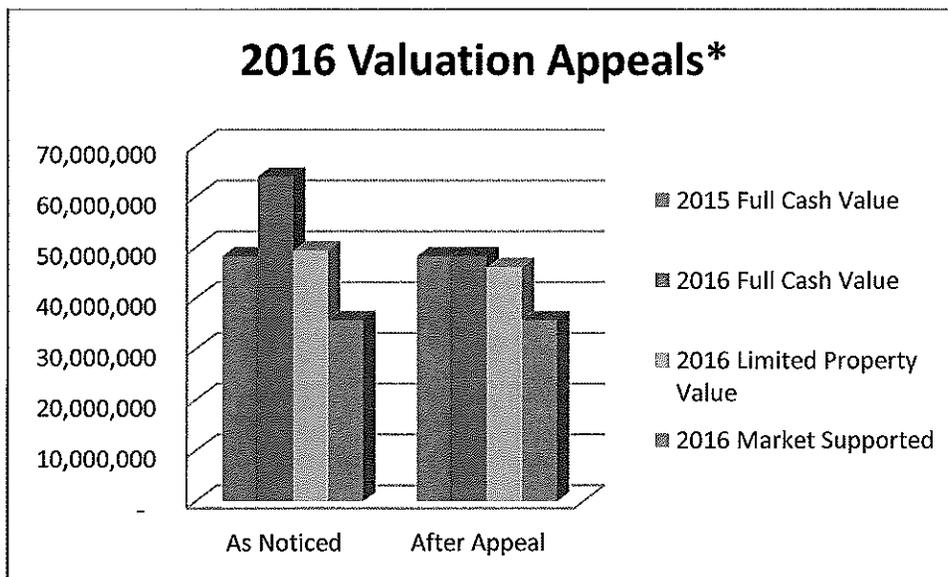
- Restores rights to taxpayers to appeal the value used as a basis of their property taxes.
- Strengthening the property tax process by bringing it in line with uniformity required by the Arizona Constitution.

Analysis:

HB 2439 is designed to maintain the protection that Arizona taxpayers voted for under Proposition 117, while restoring rights to the property taxpayers. Under Proposition 117, the Limited Property Value (LPV) cannot increase more than 5% per year, and in no case can it exceed the Full Cash Value (FCV). HB 2439 does not affect the LPV formula regarding the maximum annual increase.

Furthermore, HB 2439 strengthens the property tax appeal process in accordance with the Arizona Constitution. Under Article 9, Section 1 of the Arizona Constitution it states: "...all taxes shall be uniform upon the same class of property within the territorial limits of the authority levying the tax..." which will ensure properties are uniformly valued.

Proposition 117 shifted the entire property tax base to the LPV for locally assessed property, excluding business personal property. Unfortunately, property taxpayers were not provided a method to appeal the LPV directly. The flaw in this system has become apparent during the first two years under Proposition 117. The system allows for runaway FCV that are so high that a meaningful reduction in value to truly reflect market value becomes unreasonable. See the illustration below:



*Sample study of eleven cases

This graph is composed of a sample of 11 properties in Maricopa, Pima, and Pinal Counties that received FCV reductions for the 2016 tax year at the Board of Equalization. The 2015 FCV of the properties increased 32.6% going into the 2016 FCV. The LPV increased only 5% as required by law. All of the properties were appealed and using all three standard appraisal methods and techniques along with equity supported a market value (FCV) of \$35 million. From the 2016 noticed FCV, that is a 44.2% reduction to the FCV. Unfortunate as it may seem, perception does play a part in decision making. The granting of 44.2% reductions is not encouraged as it is seen as excessive. The reduction necessary to lower the LPV to the market supported value would only be 27.7%, a much more reasonable reduction overall.

The results of the Board of Equalization were to reduce the FCV a total of 24.5%. This resulted in essentially the same value as the 2015 FCV and resulted in minimal adjustments to the LPV. Had the statutes permitted for a direct appeal of the LPV, all of the same standard appraisal methods and techniques would have been used. Had the board seen fit to reduce the LPV according to the market evidence, it would have been a 27.7% reduction, and it would have actually had a tax impact. As it stands, all 11 properties will continue to pay taxes based on an LPV that is above the market supported value simply because a 44.2% reduction seems excessive.

The equity approach clarification is necessary so that the assessor office does not inadvertently create a competitive advantage for one taxpayer over another. Under the current method, properties that are similar in location, size, use, and age may have the same FCV, but different LPV simply due to the differences that existed when Proposition 117 was enacted. When the FCV is significantly higher than the current LPV, it creates a very real disadvantage to the property owner. The appeals of the FCV may not affect the LPV. This allows two very similarly situated buildings to have very different taxes per square foot. Tenants are driven to one property over the other, in part because of lower Common Area Management (CAM) charges.

The examples above illustrate the necessity of allowing property owners to directly appeal the value that is taxed. HB 2439 maintains the 5% LPV increase protections, and provides due process appeal rights.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2439

DATE February 15, 2016 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding			✓		✗
Mr. Cardenas			✓		
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler			✓		
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		6	3	0	0

APPROVED:



DARIN MITCHELL, Chairman
ANTHONY KERN, Vice-Chairman



COMMITTEE SECRETARY

ATTACHMENT 16



HOUSE OF REPRESENTATIVES

HB 2043

legal tender exchange; tax exclusion

Prime Sponsor: Representative Finchem, LD 11

X Committee on Ways and Means

Caucus and COW

House Engrossed

OVERVIEW

HB 2043 permits a tax deduction on income derived from the exchange of legal tender.

PROVISIONS

1. Allows a tax deduction on income derived from the exchange of one kind of legal tender for another.
2. Defines *legal tender* as a medium of exchange, including specie, that is authorized by the United States Constitution or Congress for the payment of debts, public charges, taxes and dues.
3. Defines *specie* as coins having precious metal content.
4. Makes technical changes.

CURRENT LAW

A.R.S. § 43-1001 defines Arizona Gross Income as an "...individual's federal adjusted gross income for the taxable year, computed pursuant to the internal revenue code," and Arizona Adjusted Gross Income as an "...individual's Arizona gross income subject to modifications specified in sections 43-1021 and 43-1022." A.R.S. §43-1021 specifies what additions can increase the Arizona Adjusted Gross Income, and A.R.S. §43-1022 specifies what deductions can decrease the Arizona Adjusted Gross Income.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2043

DATE February 15, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding			✓		
Mr. Cardenas			✓		
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler			✓		
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		6	3	0	0

APPROVED:



DARIN MITCHELL, Chairman
ANTHONY KERN, Vice-Chairman

Abby Selvey

 COMMITTEE SECRETARY

ATTACHMENT 18



HOUSE OF REPRESENTATIVES

HB 2561

sanitary district refunding bonds

Prime Sponsor: Representative Campbell, LD 1

X Committee on Ways and Means

Caucus and COW

House Engrossed

OVERVIEW

HB 2561 authorizes sanitary districts to issue refunding bonds.

PROVISIONS

1. Authorizes the board of directors of a sanitary district to issue refunding bonds.
2. Stipulates that refunding bonds may only be issued if the total amount of principal and interest on the refunding bonds does not exceed the total amount of remaining principal and interest on the bonds to be refunded.
3. Specifies that refunding bonds are issued and sold as prescribed by the district board of directors.
4. States that interest on refunding bonds is to be paid on January 1st and July 1st of each year and the due dates of refunding bonds are January 1st and July 1st in the years they are due.
5. Allows sanitary district refunding bonds to be:
 - a. exchanged for bonds of at least the same principal amount;
 - b. sold above or below par at a negotiated or public sale; and
 - c. exchanged in part and sold in part.
6. Stipulates that, if a bond is sold, the proceeds, monies in the debt service fund, amounts in any reserve fund and any other amounts may be invested, as long as the investment will mature with interest to provide funds to pay the refunding bond when due or called for redemption.
 - a. Requires any investments to be deposited to be deposited in trust with a national bank authorized to do business in this state and that is a member of the Federal Deposit Insurance Corporation or a successor agency.
 - b. Clarifies that after a deposit, the refunding bonds are deemed paid and have no further interest in the assessments for the bonds being refunded.
7. Allows the sanitary district treasurer to enter into trust agreements with banks for the handling, safekeeping and administration of the amounts and investments that are derived from the refunding bond.
 - a. Requires the investments to be obligations issued by the U.S. government or fully guaranteed by the U.S. government for principal and interest
8. Requires the board of directors to file a modified assessment reflecting the reduction after the issuance of a refunding bond.

HB 2301

- a. Authorizes the board of directors to approve a modified assessment without providing notice or a hearing to the owners of affected parcels if no parcels' assessments are increased.
 - b. Requires the board of directors to notice and call a hearing if the modified assessment is an increase.
9. Requires refunding bonds to be secured by the assessments levied to pay for the refunding bonds.
 10. Requires, upon issuance of a refunding bond, the remaining unpaid installments of the assessments to be recalculated and modified so that the collected amount equals the amount necessary to repay the refunding bonds.
 11. Stipulates that parcel owners do not have the ability to request a correction or modification to an assessment modified after issuance of a refunding bond.
 12. Specifies that payments for a bond being refunded remain in effect, securing the refunding bonds, until they paid in full.
 13. States that the lien of the special assessments has the same priority with respect to refunding bonds as with the bonds being refunded and that the full faith and diligence of the district are irrevocably pledged for the assessment, collection and payment of the special assessments.
 14. Stipulates that refunding bonds may only be paid out of a special fund and that the monies in the fund may only be used for the payment of refunding bonds.
 15. Allows the sanitary district treasurer to enter into an agreement with the county treasurer for the county treasurer to collect the special assessments for the refunding bonds in the same manner as property taxes.
 - a. The agreement may include monies paid to the county treasurer for compensation.
 16. Specifies that the determination by the board of directors that the limitations and conditions prescribed by this Act have been met is conclusive in the absence of fraud or arbitrary and gross abuse of discretion.
 17. Defines terms.

CURRENT LAW

A sanitary district is a special taxing district formed for the purposes of regulating, purchasing, constructing and operating a sewerage system or a by-product processing and disposal system and for purchasing, establishing, constructing and operating a garbage disposal and treatment system. An established sanitary district maintains the same powers, privileges and immunities as that of a municipality of the state. Each district is governed by, either, a board of directors or the county board of supervisors in which the district is located, acting as a board of directors, dependent on the size of the district.

The board of directors of a sanitary district may issue improvement bonds to cover the costs and expenses associated with improvements to the district. All improvement bonds must be repaid with monies from a special fund, consisting of special assessments levied and assessed on the lots fronting on and benefiting from the improvement or, if an assessment district has been created, on the lots included in the assessment district. Sanitary district improvement bonds are currently limited to a maturity period of 25 years and 3 months and a maturity period of 40 years and 3 months for bonds purchased by the U.S. or any department, division or agency thereof. (A.R.S. Title 48, Chapter 14)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2561
(Reference to printed bill)

- 1 Page 1, line 25, after "BONDS" insert ", TOGETHER"
- 2 Line 28, after "AVAILABLE" insert a comma
- 3 Page 2, line 8, strike "MAY" insert "SHALL"
- 4 Line 34, strike "SECTION" insert "ARTICLE"
- 5 Line 37, after the period strike remainder of line
- 6 Line 38, strike "RESPECT TO THE REFUNDING BONDS AS WITH THE BONDS BEING
- 7 REFUNDED." insert "THE SPECIAL ASSESSMENTS ARE THE SAME FIRST LIENS ON THE
- 8 PROPERTY THAT WAS ASSESSED FOR THE BONDS BEING REFUNDED, SUBJECT ONLY TO THE
- 9 LIEN FOR GENERAL PROPERTY TAXES AND PRIOR SPECIAL ASSESSMENTS."
- 10 Amend title to conform

DARIN MITCHELL

2561dm1
02/11/2016
12:13 PM
C: dmt

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2561

DATE February 15, 2016 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding		✓			
Mr. Cardenas		✓			
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler		✓			
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		9	0	0	0

APPROVED:



DARIN MITCHELL, Chairman
ANTHONY KERN, Vice-Chairman



COMMITTEE SECRETARY

ATTACHMENT 21



HOUSE OF REPRESENTATIVES

HB 2686

school district tax levy; retention

Prime Sponsor: Representative Carter, LD 15

-
- X Committee on Ways and Means
Committee on Appropriations
Caucus and COW
House Engrossed
-

OVERVIEW

HB 2686 authorizes a school district that receives no equalization assistance and that does not have a budget override in place to retain a portion of its tax levy that would have otherwise been remitted to the state General Fund (GF) if that district receives less than the average funding per student than that of an adjoining school district for budget overrides.

PROVISIONS

1. Allows a school district that receives no equalization assistance and that does not have a budget override in place to retain a portion of its tax levy that would have otherwise been remitted to the GF if that district receives less than the average funding per student than that of an adjoining school district for budget overrides.
2. Specifies that the amount retained by the district is the lesser of:
 - a. the lowest average amount received per student by an adjoining school district for budget overrides, multiplied by the student count of the school district; or
 - b. the amount that would have otherwise been remitted to the GF.
3. Requires any remaining monies to be remitted to the GF.
4. Allows a school district to increase its budget limits by the additional amount of funding authorized by this Act.
5. Makes technical and conforming changes

CURRENT LAW

A.R.S. § 15-992 requires a county board of supervisors to levy an additional tax for each school district that is not eligible to receive equalization assistance. The amount of the tax is determined by subtracting the school district primary tax rate from the Qualifying Tax Rate. All monies generated by this tax are remitted to the state Treasurer for deposit in the GF to aid in school financial assistance.

Sandy Kelley

From: Matt Beienburg
Sent: Friday, January 22, 2016 4:04 PM
To: Heather Carter
Cc: Sandy Kelley; Todd Bayne; Steve Schimpp; Richard Stavneak
Subject: School District Tax Levy Retention -- Fiscal Impact Memo
Attachments: MQTR Retention_Tables_Updated.pdf

Rep. Carter,

As requested, we are providing revised estimates of the potential fiscal impact of various scenarios that would allow districts to retain a portion of the MQTR levies they currently transmit to the state. Student counts for each previously identified beneficiary district, as well as those of districts they adjoin, have been updated to reflect the data in the 2014-15 Superintendent's Annual Report, Volume II. Cave Creek Unified's counts now include its district sponsored charter schools.

Table 1 of the attached file shows how much each district would retain under the various scenarios you requested if they retained the maximum amount allowed under each scenario. Here are the statewide totals:

Scenario 1: Using average per pupil bond & override total of adjoining districts = **\$11.9 million.**

Scenario 2: Using average per pupil override only total of adjoining districts: **\$7.2 million.**

Scenario 3: Using average per pupil override only total of adjoining districts only if they do not have overrides in place themselves: **\$3.9 million.**

Scenario 4: Using minimum per pupil override only total of adjoining districts : **\$5.2 million.**

Scenario 5: Using minimum per pupil override only total of adjoining districts only if they do not have overrides in place themselves: **\$2.8 million.**

(In each scenario, no district is allowed to retain more than it transmits in MQTR levies to the state)

Tables 2 – 6 of the attachment provide backup calculations for each scenario.

Please let us know if you have any further questions.

Matt

Matt Beienburg
mbeienburg@azleg.gov
(602) 926-5453

Table 1: MQTR Retention--Summary of Amounts Retained

Amount Retained Under Bill Scenarios^{1, 2}

District	Overrides Per Pupil	Bonds & Overrides			Overrides Only		
		Avg. of Adjoining Districts		Average of Adjoining Districts		Minimum of Adjoining Districts	
		All	Districts Eligible	All	Districts Eligible	All	Districts Eligible
Cave Creek Unified District	0	6,066,091	3,623,148	3,623,148	2,514,213	2,514,213	0
Saddle Mountain Unified School District	580	1,911,425	796,188	0	573,434	0	0
Round Valley Unified District	813	306,865	306,865	0	192,515	0	0
Cochise Elementary District	0	175,535	49,480	49,480	46,166	46,166	46,166
Young Elementary District	0	21,104	21,104	21,104	20,650	20,650	20,650
Pine Strawberry Elementary District	0	86,215	86,215	86,215	65,105	65,105	65,105
Bicentennial Union High School District	0	50,062	50,062	50,062	46,698	46,698	46,698
Gila Bend Unified District	577	625,092	184,541	0	175,462	0	0
Arlington Elementary District	1,011	245,164	120,248	0	107,038	0	0
Mobile Elementary District	0	13,138	5,855	5,855	5,373	5,373	5,373
Paloma School District	0	49,667	49,667	49,667	49,667	49,667	49,667
Fountain Hills Unified District	1,164	552,520	552,520	0	552,520	0	0
Hackberry School District	0	10,297	10,297	10,297	10,297	10,297	10,297
Yucca Elementary District	0	0	0	0	0	0	0
Joseph City Unified District	906	191,137	208,022	0	182,567	0	0
Empire Elementary District	-	0	0	0	0	0	0
Continental Elementary District	789	350,237	329,054	0	131,070	0	0
Williamson Valley Elementary School District	-	0	0	0	0	0	0
Sedona-Oak Creek JUSD #9	790	1,257,274	824,661	0	574,106	0	0
Bagdad Unified District	808	0	0	0	0	0	0
Total		11,911,824	7,217,927	3,895,828	5,243,882	2,758,170	

1. The "Average" columns for per pupil bonds/overrides are calculated using the total bonds/overrides amounts of adjoining districts divided by the student counts only of adjoining districts with bonds/overrides under FY 2015 data.
2. The "Minimum" columns for per pupil overrides are calculated from the lowest nonzero total override per pupil amount of adjoining districts under FY 2015 data.

Table 2: MQTR Retention--Average of Adjoining Districts, Bonds & Overrides

District	TY 2015 Additional School Primary Tax Rate ¹	Net Assessed Valuation		Transmitted to State	Student Count		Total	Average ²		Amount District May Retain Under Bill
		Elementary	High / Unified		Elementary	HS		Adjoining District B & O per Pupil	Adjoining District B & O per Pupil, Multiplied by District Student Count	
Cave Creek Unified District	0.3554		1,706,834,968	6,066,091	3,529	1,690	5,220	1.653	8,650,820	6,066,091
Saddle Mountain Unified School District	1.1792		781,996,778	9,221,306	997	376	1,372	1.393	1,911,425	1,911,425
Round Valley Unified District	0.5287		338,660,532	1,790,498	863	395	1,258	2.44	306,865	306,865
Cochise Elementary District	0.5071	34,615,503		175,535	83	0	83	2.765	230,640	175,535
Young Elementary District	0.4531	17,114,419		77,545	27	14	41	5.16	21,104	21,104
Pine Strawberry Elementary District	0.1548	55,694,722		86,215	125	0	125	1.177	147,011	86,215
Bicentennial Union High School District	0.1632		120,908,487	197,323	0	101	101	4.95	50,062	50,062
Gila Bend Unified District	0.4839		144,063,605	625,092	266	126	393	1.965	771,462	625,092
Arlington Elementary District	0.4789	270,746,541		1,296,605	239	0	239	1.024	245,164	245,164
Mobile Elementary District	0.6557	8,117,347		53,225	12	0	12	1.093	13,138	13,138
Paloma School District	1.2417	85,623,272		1,063,184	86	0	86	5.77	49,667	49,667
Fountain Hills Unified District	0.1321		418,258,975	552,520	1,098	604	1,642	1.046	1,717,848	552,520
Hackberry School District	0.4337	21,466,442		93,100	32	0	32	3.18	10,297	10,297
Yucca Elementary District	1.1974	21,848,162		261,610	20	0	20	0	0	0
Joseph City Unified District	0.5261		168,654,730	887,277	266	114	380	5.03	191,137	191,137
Empire Elementary District	1.1161	7,673,071		85,639	0	0	0	638	0	0
Continental Elementary District	0.5948	312,442,202		1,858,406	538	0	538	651	350,237	350,237
Williamson Valley Elementary School District	1.1878	15,394,204		182,852	0	0	0	79	0	0
Sedona-Oak Creek JUSD #9	0.8862		490,233,718	4,344,451	668	479	1,147	1.096	1,257,274	1,257,274
Bagdad Unified District	0.1236		94,554,376	116,869	318	124	442	0	0	0
Total				29,035,346						11,911,824

1. The additional rate that the district must levy and transmit to the state in FY 2016 pursuant to A.R.S. 15-992.

2. The "Average" columns for per pupil bonds/overrides are calculated using the total override amounts of adjoining districts divided by the student counts only of adjoining districts with bonds/overrides under FY 2015 data.

Table 3: MQTR Retention--Average of Adjoining Districts, Overrides Only

District	TY 2015		Net Assessed Valuation		Transmitted to		Student Count		Total		Adjoining District		Average ²	
	Additional School Primary Tax Rate ¹	High / Unified	Elementary	State	Elementary	HS	Total	Per Pupil	District Overrides	Adjoining District Overrides Per Pupil	Multiplied by District Student Count	Amount District May Retain Under Bill		
Cave Creek Unified District	0.3554	1,706,834,968	6,066,091	3,529	1,690	5,220	0	694	0	3,623,148	796,188	3,623,148	796,188	
Saddle Mountain Unified School District	1.1792	781,996,778	9,221,306	997	376	1,372	580	580	580	796,188	306,865	306,865	306,865	
Round Valley Unified District	0.5287	338,660,532	1,750,498	863	395	1,258	813	244	0	49,480	49,480	49,480	49,480	
Cochise Elementary District	0.5071	34,615,503	175,535	83	0	83	0	593	0	21,104	21,104	21,104	21,104	
Young Elementary District	0.4531	17,114,419	77,545	27	14	41	0	516	0	92,595	86,215	86,215	86,215	
Pine Strawberry Elementary District	0.1548	55,694,722	86,215	125	0	125	0	741	0	50,062	50,062	50,062	50,062	
Bicentennial Union High School District	0.1682	120,908,487	197,323	0	101	101	0	495	0	184,541	184,541	184,541	184,541	
Gila Bend Unified District	0.4339	144,063,605	625,092	266	126	393	577	470	502	120,248	120,248	120,248	120,248	
Arlington Elementary District	0.4789	270,746,541	1,296,605	239	0	239	1,011	487	0	5,855	5,855	5,855	5,855	
Mobile Elementary District	0.6557	3,117,347	53,225	12	0	12	0	577	0	49,667	49,667	49,667	49,667	
Paloma School District	1.2417	85,623,272	1,063,184	86	0	86	0	739	0	1,213,789	552,520	552,520	552,520	
Fountain Hills Unified District	0.4337	418,258,975	552,520	1,038	604	1,642	1,164	318	0	10,297	10,297	10,297	10,297	
Hackberry School District	0.1321	21,466,442	93,100	32	0	32	0	0	0	0	0	0	0	
Yuca Elementary District	1.1974	21,848,162	261,610	20	0	20	0	0	0	208,022	208,022	208,022	208,022	
Joseph City Unified District	0.5261	168,651,780	887,277	266	114	380	906	547	0	0	0	0	0	
Empire Elementary District	1.1161	7,673,071	85,639	0	0	0	0	599	0	329,054	329,054	329,054	329,054	
Continental Elementary District	0.5948	312,442,202	1,858,406	558	0	558	789	612	0	0	0	0	0	
Williamson Valley Elementary School District	1.1878	15,394,204	182,852	0	0	0	0	808	0	824,661	824,661	824,661	824,661	
Sedona-Oak Creek IUSD #9	0.8862	490,233,718	4,344,451	668	479	1,147	790	719	0	0	0	0	0	
Bagdad Unified District	0.1236	94,554,376	116,869	318	124	442	808	0	0	0	0	0	0	
Total			29,035,346										7,217,927	

1. The additional rate that the district must levy and transmit to the state in FY 2016 pursuant to A.R.S. 15-992.
 2. The "Average" columns for per pupil overrides are calculated using the total override amounts of adjoining districts divided by the student counts only of adjoining districts with overrides under FY 2015 data.

**Table 4: MQTR Retention--Average of Adjoining Districts, Overrides Only
Only Districts without Overrides Qualifying**

District	TY 2015 Additional School Primary Tax Rate ¹	Net Assessed Valuation		Transmitted to		Student Count		Total District Overrides Per Pupil	Average ²		Amount District May Retain Under Bill
		Elementary	High / Unified	State		Elementary	HS		Adjoining District Overrides Per Pupil	Adjoining District Overrides Per Pupil Multiplied by District Student Count	
Cave Creek Unified District	0.8554		1,706,834,968	6,056,091	3,529	1,690	5,220	0	694	3,623,148	3,623,148
Cochise Elementary District	0.5071	34,615,503		175,535	83	0	83	0	593	49,480	49,480
Young Elementary District	0.4531	17,114,419		77,545	27	14	41	0	516	21,104	21,104
Pine Strawberry Elementary District	0.1548	55,694,722		86,215	125	0	125	0	741	92,595	86,215
Bicentennial Union High School District	0.4632		120,908,487	197,323	0	101	101	0	495	50,062	50,062
Mobile Elementary District	0.6557	8,117,347		53,225	12	0	12	0	487	5,855	5,855
Paloma School District	1.2417	85,623,272		1,063,184	86	0	86	0	577	49,667	49,667
Hackberry School District	0.4337	21,466,442		95,100	32	0	32	0	318	10,297	10,297
Yucca Elementary District	1.1974	21,848,162		261,610	20	0	20	0	0	0	0
Empire Elementary District	1.1161	7,673,071		85,639	0	0	0	0	599	0	0
Williamson Valley Elementary School District	1.1878	15,394,204		182,852	0	0	0	0	808	0	0
Total										8,342,321	3,895,828

1. The additional rate that the district must levy and transmit to the state in FY 2016 pursuant to A.R.S 15-992.

2. The "Average" columns for per pupil overrides are calculated using the total override amounts of adjoining districts divided by the student counts only of adjoining districts with overrides under FY 2015 data.

Table 5: MQTR Retention--Minimum of Adjoining Districts, Overrides Only

District	TY 2015 Additional School Primary Tax Rate ¹	Net Assessed Valuation		Transmitted to		Student Count		Total District Overrides Per Pupil	Adjoining District Overrides Per Pupil	Adjoining District Multiplied by District Student Count	Amount District May Retain Under Bill
		Elementary	High / Unified	State	HS	Elementary	Total				
Cave Creek Unified District	0.8554		1,706,834,968	6,066,091	3,529	1,690	5,220	0	482	2,514,213	2,514,213
Saddle Mountain Unified School District	1.1792		781,996,778	9,221,306	997	376	1,372	580	418	573,434	573,434
Round Valley Unified District	0.5287		339,660,532	1,790,498	863	395	1,258	813	153	192,515	192,515
Cochise Elementary District	0.5071			175,535	83	0	83	0	554	46,166	46,166
Young Elementary District	0.4531			77,545	27	14	41	0	505	20,650	20,650
Pine Strawberry Elementary District	0.1548			86,215	125	0	125	0	521	65,105	65,105
Bicentennial Union High School District	0.1692		120,908,487	197,323	0	101	101	0	462	46,698	46,698
Gila Bend Unified District	0.4399		144,069,605	625,092	266	126	393	577	447	175,462	175,462
Arlington Elementary District	0.4789			1,296,605	259	0	259	1,011	447	107,038	107,038
Mobile Elementary District	0.6557			53,225	12	0	12	0	447	5,373	5,373
Paloma School District	1.2417			1,063,184	86	0	86	0	577	49,667	49,667
Fountain Hills Unified District	0.1321		418,258,975	552,520	1,038	604	1,642	1,164	739	1,213,789	552,520
Hackberry School District	0.4337			95,100	32	0	32	0	318	10,297	10,297
Yucca Elementary District	1.1974			261,610	20	0	20	0	0	0	0
Joseph City Unified District	0.5261		168,651,790	887,277	266	114	380	906	480	182,567	182,567
Empire Elementary District	1.1161			85,639	0	0	0	-	480	0	0
Continental Elementary District	0.5948			1,858,406	538	0	538	789	244	131,070	131,070
Williamson Valley Elementary School District	1.1878			182,852	0	0	0	-	808	0	0
Sedona-Oak Creek IUSD #9	0.8862		490,235,718	4,344,451	668	479	1,147	790	498	571,106	571,106
Bagdad Unified District	0.1236		94,554,376	116,869	318	124	442	808	0	0	0
Total			29,035,346								5,243,882

1. The additional rate that the district must levy and transmit to the state in FY 2016 pursuant to A.R.S. 15-992.

2. The "Minimum" columns for per pupil overrides are calculated from the lowest nonzero total override per pupil amount of adjoining districts under FY 2015 data.

Table 6: MQTR Retention--Minimum of Adjoining Districts, Overrides Only
Only Districts without Overrides Qualifying

District	TY 2015 Additional School Primary Tax Rate ¹	Net Assessed Valuation		Transmitted to		Student Count		Total District Overrides Per Pupil	Adjoining District Overrides Per Pupil	Adjoining District Multiplied by District Student Count	Amount District May Retain Under Bill
		Elementary	High / Unified	State	State	Elementary	HS				
Cave Creek Unified District	0.3554		1,706,834,968	6,066,091		3,529	1,690	5,220	482	2,514,213	2,514,213
Cochise Elementary District	0.5071	34,615,503		175,535		83	0	83	554	46,166	46,166
Young Elementary District	0.4531	17,114,419		77,545		27	14	41	505	20,650	20,650
Pine Strawberry Elementary District	0.1548	55,694,722		86,215		125	0	125	521	65,105	65,105
Bicentennial Union High School District	0.1632		120,908,487	197,523		0	101	101	462	46,698	46,698
Mobile Elementary District	0.6557	3,117,347		53,225		12	0	12	447	5,373	5,373
Paloma School District	1.2417	85,623,272		1,063,184		86	0	86	577	49,667	49,667
Hackberry School District	0.4337	21,466,442		93,100		32	0	32	318	10,297	10,297
Yucca Elementary District	1.1974	21,848,162		261,610		20	0	20	0	0	0
Empire Elementary District	1.1161	7,673,071		85,639		0	0	0	480	0	0
Williamson Valley Elementary School District	1.1878	15,394,204		182,852		0	0	0	808	0	0
Total				8,342,321							2,758,170

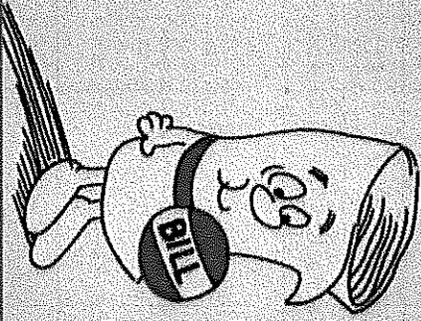
1. The additional rate that the district must levy and transmit to the state in FY 2016 pursuant to A.R.S. 15-992.

2. The "Minimum" columns for per pupil overrides are calculated from the lowest nonzero total override per pupil amount of adjoining districts under FY 2015 data.

YES - HB2686

Sample Cave Creek Unified School District Property Tax Bill

HELP SUPPORT THIS BILL!



ARIZONA HB2686

- Helps property owners protect property values and classrooms in their home district with their own tax base
- **DOES NOT RAISE PROPERTY TAXES**
- Helps districts without override funding to remain competitive when surrounded by higher-funded districts

PROPERTY TAXES ARE DUE ON THE 15TH DAY OF THE MONTH INDICATED ON THIS BILL. IF YOU ARE A RENTER, YOU MAY WANT TO CONTACT YOUR LANDLORD FOR MORE INFORMATION. IF YOU ARE A HOMEOWNER, YOU MAY WANT TO CONTACT YOUR COUNTY ASSESSOR FOR MORE INFORMATION. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE STAR INFORMATION CENTER AT (602)506-8511.

Property Address: 12345 N. 100TH AVE. SUITE 100
AZURE HILLS ESTATES

TAXING JURISDICTION NAME	TELEPHONE	COMPARATIVE 2014 AMOUNT	2015 TAX AMOUNT DUE
GENERAL COUNTY FUND	(602)506-8511	448.45	485.13
STATE EQUALIZATION TAX	(602)506-8511	172.77	180.17
CAVE CREEK UNIFIED	(480)575-2000	731.82	713.91
COMMUNITY COLLEGE DIST	(480)731-8638	515.60	532.58
ADDL EDUC AID - CAVE CREEK	(602)506-8511	66.06	126.70
FLOOD CONTROL OF MARICOPA CTY	(602)506-1501	47.26	56.76
CENTRAL AZ WATER CONSV DIST	(623)869-2333	47.54	49.90
FIRE DISTRICT ASSISTANCE TAX	(602)506-8511	3.84	4.14
LIBRARY DISTRICT	(602)652-3000	18.88	19.82
MARICOPA SPECIAL HEALTH DIST.	(602)344-5978	63.02	107.69

PARCEL/ACCOUNT #	TOTALS	2,115.24	2,276.80

First Half Taxes are due October 1, and become delinquent after 5:00 p.m. November 2, 2015.
Second Half Taxes are due March 1, and become delinquent after 5:00 p.m. May 2, 2016.

1. This statement is not a bill and is informational only.
 2. Valuations and property classifications are established by the County Assessor.
 3. Arizona property taxes are levied on a calendar year basis (January 1 through December 31).
 4. Recent changes in the law allow payment of the full year by December 31, 2015, without interest on the first half. If you have questions concerning the payment of your taxes, please contact the STAR Information Center at (602)506-8511

1. We remit almost \$9 million in equalization tax to the GENERAL FUND
2. We remit over \$6 million in Addl Educ Aid to the GENERAL FUND
3. Our entire district operating budget is around \$30 Million, so for every \$3 raised for K-12, \$1 goes out of district, when our surrounding districts have higher per pupil classroom funding, higher Federal funding, and JTED funding in place.

SUPPLEMENTAL CLASSROOM FUNDING PER STUDENT - 2016-17 SCHOOL YEAR

	Cave Creek Unified	Deer Valley Unified	Scottsdale Unified	Paradise Valley Unified	Fountain Hills Unified
VOTER APPROVED					
Capital Outlay (THINGS LIKE TECHNOLOGY/EQUIP./BOOKS)	\$0	\$0	\$0	\$5,870,542	\$738,302
VOTER APPROVED					
M&O Override (TEACHERS)	\$0	\$16,197,017	\$18,054,388	\$21,827,591	\$1,107,187
LEGISLATIVELY GRANTED					
District Sponsored Charter Schools	\$0				
Students FY2014	5,248	32,359	24,167	31,072	1,712
Supplemental Classroom Funding PER STUDENT	\$0	\$501	\$747	\$891	\$1,078
District Grade	"A" District, Ranked #5	"A" District, Ranked #13	"A" District, Ranked #14	B District	B District
SOURCES:					
Maricopa County Assessor - 2015 Levy					
Arizona Auditor General					
Joint Legislative Budget Committee					
Arizona Department of Education					

**Table 6: MQTR Retention--Minimum of Adjoining Districts, Overrides Only
Only Districts without Overrides Qualifying**

District	TY 2015 Additional School Primary Tax Rate ¹	Net Assessed Valuation Elementary	High / Unified	Transmitted to State	Student Count		Total Per Pupil	Total District Overrides	Adjoining District Overrides Per Pupil	Minimum ² Adjoining District Overrides Per Pupil Multiplied by District Student Count	Amount District May Retain Under Bill
					Elementary	HS					
Cave Creek Unified District	0.3554	1,706,834,968	1,706,834,968	6,066,091	3,529	1,690	5,220	0	482	2,514,213	2,514,213
Cochise Elementary District	0.5071	34,615,503	34,615,503	175,535	88	0	88	0	554	46,166	46,166
Young Elementary District	0.4531	17,114,419	17,114,419	77,545	27	14	41	0	505	20,650	20,650
Pine Strawberry Elementary District	0.1548	55,694,722	55,694,722	86,215	125	0	125	0	521	65,105	65,105
Bicentennial Union High School District	0.1652	120,908,487	120,908,487	197,323	0	101	101	0	462	46,698	46,698
Mobile Elementary District	0.6557	8,117,347	8,117,347	53,225	12	0	12	0	447	5,373	5,373
Paloma School District	1.2417	85,623,272	85,623,272	1,068,184	86	0	86	0	577	49,667	49,667
Hackberry School District	0.4337	21,466,442	21,466,442	93,100	32	0	32	0	318	10,297	10,297
Yucca Elementary District	1.1974	21,848,162	21,848,162	261,610	20	0	20	0	0	0	0
Empire Elementary District	1.1161	7,673,071	7,673,071	85,639	0	0	0	0	480	0	0
Williamson Valley Elementary School District	1.1878	15,394,204	15,394,204	182,852	0	0	0	0	808	0	0
Total				8,342,321							2,758,170

1. The additional rate that the district must levy and transmit to the state in FY 2016 pursuant to A.R.S. 15-992.
2. The "Minimum" columns for per pupil overrides are calculated from the lowest nonzero total override per pupil amount of adjoining districts under FY 2015 data.

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session**

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2686

DATE February 15, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding		✓			
Mr. Cardenas		✓			
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler		✓			
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		9	0	0	0

APPROVED:



DARIN MITCHELL, Chairman
ANTHONY KERN, Vice-Chairman



COMMITTEE SECRETARY

ATTACHMENT 25



HOUSE OF REPRESENTATIVES

HB 2387

racing; hardship tax credit; elimination

Prime Sponsor: Representative Farnsworth E, LD 12

X Committee on Ways and Means

Caucus and COW

House Engrossed

OVERVIEW

HB 2387 repeals the dog racing hardship tax credit.

PROVISIONS

1. Repeals the hardship tax credit for permittees authorized to conduct dog racing.
2. Contains an Application clause.
3. Contains a Proposition 108 clause.
4. Makes technical and conforming changes.

CURRENT LAW

A.R.S. § 5-111 authorizes a pari-mutuel hardship tax credit each year, for an eligible dog racing facility permittee. The credit amount is determined as follows:

- Determine the percentage decrease in pari-mutuel wagering in the previous fiscal year compared to the base year. The base year is defined as the highest total pari-mutuel wagering at the racetrack and all additional wagering facilities owned by the permittee for FY 1990 through FY 1994.
- Multiply the total pari-mutuel tax liability for the current year by the percentage decrease determined above, and multiplying the result by 3.
- Reduce the permittee's pari-mutuel tax due for the current period, and all future periods, by the result.

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session**

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2387

DATE February 15, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding		✓			
Mr. Cardenas		✓			
Mr. Mesnard		✓			
Mr. Olson			✓		
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler		✓			
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		8	1	0	0

APPROVED:



 DARIN MITCHELL, Chairman
 ANTHONY KERN, Vice-Chairman



 COMMITTEE SECRETARY

ATTACHMENT 27



HOUSE OF REPRESENTATIVES

HB 2674

TPT exemption; amateur races

Prime Sponsor: Representative Rivero, LD 21

X Committee on Ways and Means

Caucus and COW

House Engrossed

OVERVIEW

1. HB 2674 exempts noncompetitive races sponsored by nonprofit organizations from transaction privilege tax (TPT).

PROVISIONS

2. Exempts events sponsored by nonprofit organizations consisting of a noncompetitive run, walk, swim, bicycle ride or other similar event from the amusement classification of TPT.
3. Stipulates that the event may only allow amateurs to participate.
 - a. Professionals competing for a prize or special recognition may participate if they make up no more than 2% of all participants.

Retroactivity

4. Applies retroactively to any qualified event that took place before the effective date of this Act if the sponsor did not collect additional monies for TPT from the participants;
5. Specifies that any amount assessed to an operator or sponsor as a tax, interest or penalty before the effective date is remitted and forgiven
6. Stipulates that if a lien was filed against the sponsor's property due to unpaid TPT, the Department of Revenue must release the property from the lien, withdraw any recorded notice of the lien and upon request of the sponsor, issue a certificate of the release of the lien.
7. Contains a delayed effective date of February 1, 2017.
8. Makes technical changes.

CURRENT LAW

TPT is imposed on a vendor for the privilege of conducting business in Arizona. Under this tax, the seller is responsible for remitting to the state the entire amount of tax due based on the gross proceeds or gross income of the business. While the tax is commonly passed on to the consumer at the point of sale, it is ultimately the seller's responsibility to remit the tax. TPT is broken down into 16 different classifications, one of which is the amusement classification. The amusement classification is comprised of businesses that charge admission or user fees for exhibition, amusement or entertainment.

H.B. 2674 TPT EXEMPTION: AMATEUR "RACES"

1. The Amusement Classification has, for decades, included for taxation "races." That word always was intended to and covered tickets to car races, horse races and greyhound dog races.
2. Now the ADOR appears to want to apply the tax to the participant fees paid by participants for "fun" runs, like the Rock 'n' Roll Marathon and Half Marathon.
3. The same logic would require taxing all runs, walks, swims, cycling and multi-sport events put on by non-profit and for-profit promoters, like the Komen "Race" for the Cure and the Tillman Run.
4. The AZDOR has admitted in writing that there has been "no existing guidance" to include participant fees in these kind of events. (See attached letter to the City of Tempe).
5. Applying such a tax to these events would be a new tax for most of these events, and would apply under state law to all charitable events as well, like the Komen Race for the Cure and the Tillman Run.
6. Applying the tax now, would allow the ADOR unfairly to go after event promoters retroactively, which, given the ADOR's admission that there has been no existing guidance, is unfair to everyone.
7. This bill prevents taxation of these events if produced by 501(c)(3) charities AND prevents the unfair retroactive application of the tax for all events that did not collect tax from their participants; the bill would require all for-profit events to begin collecting and paying over the tax beginning after January 31, 2017.

STATE OF ARIZONA

Department of Revenue



Douglas A. Ducey
Governor

David Raber
Director

August 27, 2015

Kenneth Jones
City of Tempe
P.O. Box 5002
20 East Sixth Street
Tempe, Arizona 85280

Dear Mr. Jones:

Thank you for your letter dated July 23, 2015, in which the City of Tempe ("City") requests additional written guidance concerning the applicability of the state's transaction privilege tax to certain sporting activities and non-competitive events.

The City relies on Letter Ruling (LR) 95-005 as guidance for its current treatment of the activities and events described in your letter. The City believes this guidance is insufficient to address its concerns with regard to the described activities and events because, for among other reasons, LR 95-005 was published when such activities and events were not so popular and frequently occurring.

The City further states that no other existing guidance directly addresses its concerns, and the lack of such guidance in general has caused much confusion in this particular area. According to your letter, the City itself does not tax such activities and events consistently due to the limited guidance. When the City does impose a privilege tax, the City treats the fees paid by activity/event participants as the activity/event organizer's taxable income and imposes the tax on the organizer under the amusement classification.

Thank you for raising these issues with the Department. After an overview of the Arizona Revised Statutes, Arizona Administrative Code and existing guidance, the Department generally agrees with the City in that no existing guidance directly discusses the treatment of participant fees for the types of activities and events described in your letter. The Department further agrees that the increase in and popularity of certain sporting activities and non-competitive events such as marathons and "fun-runs" have created the need for further guidance.

Accordingly, the Department will look into the issues raised in your letter, including the current frequency of such activities and events occurring within Arizona. The Department welcomes any materials or statistics that the City feels will be beneficial to the Department's inquiry; such information may be sent by mail or faxed to (602) 716-7995. If

City of Tempe
August 27, 2015
Page 2

you have any further questions or related concerns, please do not hesitate to contact me at (602) 716-6933 or gclaw@azdor.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Gracyntha Claw". The signature is fluid and cursive, with a large initial "G" and a long, sweeping tail.

Gracyntha Claw
Tax Research & Analysis

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

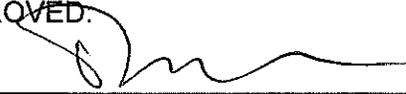
ROLL CALL VOTE

COMMITTEE ON _____ WAYS AND MEANS _____ BILL NO. HB 2674

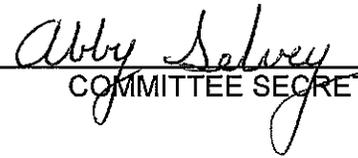
DATE February 15, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding		✓			
Mr. Cardenas		✓			
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler			✓		
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		8	1	0	0

APPROVED:



DARIN MITCHELL, Chairman
ANTHONY KERN, Vice-Chairman



COMMITTEE SECRETARY

ATTACHMENT 31



HOUSE OF REPRESENTATIVES

HB 2676

tax credit; title I schools

Prime Sponsor: Representative Rivero, LD 21

X Committee on Ways and Means

Caucus and COW

House Engrossed

OVERVIEW

HB 2676 establishes a tax credit for donations to Title I schools and establishes the Arizona Title I School Matching Grant Fund (Fund).

PROVISIONS

Arizona Title I School Matching Grant Fund

1. Establishes the Fund consisting of legislative appropriations, gifts, grants and donations and designates the Arizona Department of Education as the Fund's administrator.
2. Specifies that monies in the fund are continuously appropriated and exempts the fund from appropriation lapsing restrictions.
3. Allows schools that received a donation for the purposes of the Title I School Tax Credit to apply to ADE for a grant in the amount of four times the amount of the donations received in the preceding fiscal year (FY).
4. Prohibits ADE from matching donations over \$250,000.
5. Requires ADE to distribute grants as follows:
 - a. If, on July 1 of the FY, applications for donation matches exceed the donation matching limit, ADE will distribute monies proportionately to qualifying Title I schools that have applied as of that date.
 - b. If, on July 1 of the FY, applications do not exceed the donation matching limit, ADE will distribute monies on a first-come, first-served basis.
6. Allows qualifying Title I schools to use grant monies for any purpose allowed for federal Title I financial assistance.
7. Defines *qualifying Title I school* as a school that qualifies to receive financial assistance from the U.S. Government pursuant to Title I, Part A of the Elementary and Secondary Education Act of 1965 and that further qualifies because at least 70% of the pupils enrolled in that school are from low-income families.

Title I School Donation Tax Credit

8. Allows a tax credit for voluntary donations by a taxpayer to a Title I school.
9. Caps the tax credit at \$200 per taxpayer.
 - a. A married couple filing a joint return may each claim up to \$200.
10. Permits a five year carryforward of the credit.

HB 2676

11. Defines *Title I school* as a school that qualifies to receive financial assistance from the U.S. Government pursuant to Title I, Part A of the Elementary and Secondary Education Act of 1965 because of high numbers or high percentages of children enrolled in that school from low-income families.
12. Adds the tax credit to the Joint Legislative Income Tax Credit Review Committee review schedule.

Miscellaneous

13. Contains a purpose clause.
14. Contains a retroactive effective date of January 1, 2016.

ADDITIONAL INFORMATION

Title I, Part A of the Elementary and Secondary Education Act provides financial assistance to local educational agencies and schools with high numbers or high percentages of children from low-income families to help ensure that all children meet challenging state academic standards. (U.S. Department of Education) As of the 2014-2015 School Year, there are 1,284 Title I schools in Arizona.

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session**

ROLL CALL VOTE

COMMITTEE ON _____ WAYS AND MEANS _____ BILL NO. HB 2676

DATE February 15, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding		✓			
Mr. Cardenas		✓			
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler			✓		
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		8	1	0	0

APPROVED: 


COMMITTEE SECRETARY

DARIN MITCHELL, Chairman
ANTHONY KERN, Vice-Chairman

ATTACHMENT 33



HOUSE OF REPRESENTATIVES

HB 2401

schools; desegregation funding; phase-down.

Prime Sponsor: Representative Leach, LD 11

X Committee on Ways and Means

Caucus and COW

House Engrossed

OVERVIEW

HB 2401 outlines procedures for school districts to phase-out desegregation funding.

PROVISIONS

1. Requires school districts with an existing or previous administrative agreement with the United States Department of Education Office of Civil Rights (OCR) to reduce desegregation expenses by 15% of the amount levied in FY 2010 for five consecutive years starting in FY 2018.
 - a. Prohibits the school district from budgeting desegregation expenses after FY 2022.
2. Requires a school district subject to a previous court order of desegregation to reduce desegregation expenses by at least 7% of the amount levied in FY 2010 for 10 consecutive years starting in FY 2018.
 - a. Prohibits the school district from budgeting desegregation expenses after FY 2027.
3. Requires a school district subject to a previous court order of desegregation to reduce desegregation expenses by at least 7% of the amount levied in FY 2010 for 10 consecutive years, beginning in the FY after the district was declared to be in unitary status.
 - a. Prohibits the school district from budgeting for desegregation expenses after 10 years of being declared in unitary status.

CURRENT LAW

A governing body of a school district may budget for desegregation expenses due to a court order or an administrative agreement with the OCR. Statute allows a school district to budget and levy a tax outside the regular maintenance and operations expenses for any measures designed to make the school district in compliance with a court order or an OCR agreement concerning racial discrimination.

Funds for desegregation expenses are directed to remediate alleged or proven racial discrimination and are exempted from being part of the district's Revenue Control Limit or Additional Assistance. If the school district budgets the desegregation expenses they must ensure the funds will: 1) be educationally justifiable; 2) result in equal education opportunities for all students in the district; 3) be used to promote systemic and organizational changes within the school district; 4) be used in accordance with academic standards adopted by the State Board of Education; 5) be used to accomplish specific actions to remediate proven discrimination; and 6) be used in accordance with a plan submitted to ADE outlining an estimate of the amount of monies needed to bring the district in compliance with the court order or administrative agreement.



ATRA SPECIAL REPORT

January 2016

Action without information is dangerous. Information without action is futile.

Desegregation/OCR Funding Overview

- \$211 million annually goes to 18 school districts for racial/ethnic discrimination remediation
- \$4.3 billion spent since 1986, 97% of monies to metro Phx & Tucson schools
- Exclusively paid for by local property taxpayers; not equalized by state (outside funding formula)
- No connection to number of pupils, remediation success, achievement, poverty, etc.
- Not voter approved & no planned phase out; however levy amounts and participants are capped
- Highlighted by Gov Ducey K-12 Task Force as one of the most problematic parts of K-12 funding

School Funding Inequity

School District	FY 2016 Deseg Totals	Deseg levy as % of RCL	Deseg\$/ADM
Tucson Unified	\$63,711,047	26.4%	\$1,387
Phoenix Union	\$55,800,892	38.3%	\$2,108
Tempe Elementary	\$14,178,248	25.8%	\$1,276
Roosevelt Elementary	\$13,570,494	30.5%	\$1,516
Phoenix Elementary	\$11,151,530	34.6%	\$1,665
Mesa Unified	\$8,774,057	2.7%	\$146
Scottsdale Unified	\$7,382,169	6.1%	\$322
Washington Elementary	\$6,350,000	5.8%	\$290
Cartwright Elementary	\$4,628,061	5.6%	\$259
Glendale Union	\$6,131,959	7.8%	\$406
Isaac Elementary	\$4,951,155	15.3%	\$735
Amphitheater Unified	\$4,025,000	5.8%	\$305
Holbrook Unified	\$2,517,481	20.0%	\$1,279
Flagstaff Unified	\$2,241,322	4.4%	\$242
Wilson Elementary	\$1,946,054	33.8%	\$1,656
Agua Fria Union	\$999,000	2.6%	\$134
Buckeye Elementary	\$1,608,921	7.1%	\$343
Maricopa Unified	\$1,291,000	4.3%	\$220
Totals/AVG	\$211,258,390	14.6%	\$752

In a robust school choice environment, asking schools to compete with different amounts of money is unfair and likely unconstitutional.

EXAMPLES OF SPENDING INEQUITY

- Tucson Unified spends 24% more per pupil than neighboring Sunnyside Unified
- Phoenix Union spends 57% more per pupil than neighboring Tolleson Union
- Phoenix & Wilson Elem spend ~30% more per pupil than peer districts
- Tempe & Roosevelt Elem spend ~20% more per pupil than peer districts

-per 2014 Auditor General report

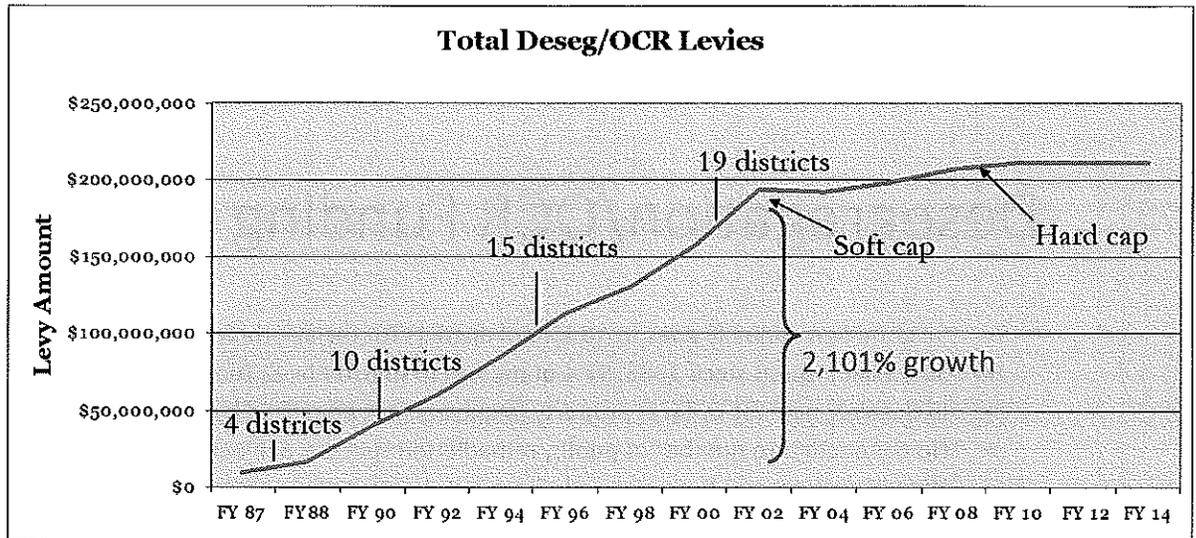
A PHASE-OUT IS A PREREQUISITE FOR K-12 REFORM

- True statewide K-12 equity requires its removal
- Deseg/OCR rates create many "1% Cap" districts
- Would remove huge hurdle to district consolidation or unification efforts

"It is time that we start treating all school districts fairly. Desegregation funding pits school districts against each other and creates unfair funding advantages for one school district over another. Let's correct this inequity now." –Senator Debbie Lesko

Without any limits, Deseg/OCR levies exploded until finally capped in 2009.

Auditor General reports consistently show Deseg/OCR monies lack connection to original issue and supplant normal spending.



"Phoenix UHSD's desegregation program... has lost its clear link with the District's original desegregation court order and appears mainly to be funding programs that have little or nothing to do with the order." AZ Auditor General, 2008

"[Maricopa Unified] could not demonstrate that the monies addressed its violation because it did not have any documentation pertaining to the desegregation case, and district officials could not explain the purpose or goals of its desegregation spending."

Auditor General, 2015

Taxpayer Inequity

School District	FY 2016 Deseg Totals	Deseg tax rate
Tucson Unified	\$63,711,047	\$2.1050
Phoenix Union	\$55,800,892	\$1.3265
Tempe Elementary	\$14,178,248	\$1.1335
Roosevelt Elementary	\$13,570,494	\$2.7257
Phoenix Elementary	\$11,151,530	\$1.8683
Mesa Unified	\$8,774,057	\$0.3393
Scottsdale Unified	\$7,382,169	\$0.1633
Washington Elementary	\$6,350,000	\$0.5759
Cartwright Elementary	\$4,628,061	\$2.2531
Glendale Union	\$6,131,959	\$0.4540
Isaac Elementary	\$4,951,155	\$4.2478
Amphitheater Unified	\$4,025,000	\$0.2868
Holbrook Unified	\$2,517,481	\$6.0388
Flagstaff Unified	\$2,241,322	\$0.2130
Wilson Elementary	\$1,946,054	\$2.4106
Agua Fria Union	\$999,000	\$0.1023
Buckeye Elementary	\$1,808,921	\$0.9607
Maricopa Unified	\$1,291,000	\$0.5320
Totals/AVG	\$211,258,390	\$1.4598

In a system designed for taxpayers to pay the same property tax rates for K-12, Deseg/OCR levies create some of the most abusive tax inequities in the state. It has created a significant economic development hindrance.

HOW DID WE GET HERE?

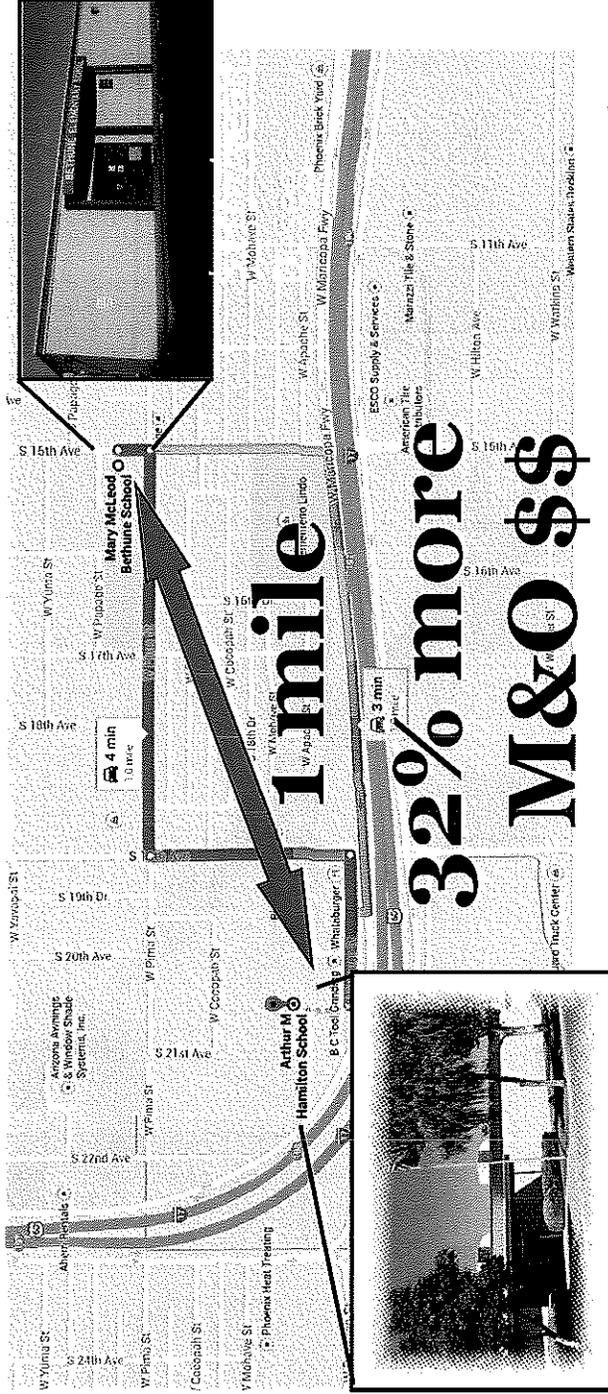
- Tucson Unified & Phx Union had court orders to desegregate, feds stopped providing additional remediation funds- districts asked state for financial assistance
 - 1985 law passed to allow local tax levy (SB1077)
 - "Expenses of complying with court order or administrative agreement" A.R.S. §15-910 (G-J)
- OCR agreements never had court mandates
 - Should have never been conflated w/ Deseg orders
 - Only 17 accessed the levy before 2003 cut off
 - Many other districts have OCR agreements
- Phx Union met court requirements in 1992, applied to court in 2004 & declared unitary in 2005
- Tucson Unif. back and forth with courts since 1978
- Most OCR districts began levying many years after OCR monitoring ended; the agreement was the golden ticket
 - Isaac Elem: OCR agreement in 1975, first levy in 1992
 - Tempe El: agreement in 1971; first levy in 1990
 - Mesa Unif.: agreement in 1981; first levy in 1991

Examples of Inequity



Murphy El. District

Phoenix El. District



RCL: \$8.9 mil

OCR: \$0

ADM: 1,819

\$ per ADM: \$4,903

Stud/Teacher ratio: 21:1

RCL: \$32.2 mil

OCR: \$11.1 mil

ADM: 6,699

\$ per ADM: \$6,479

Stud/Teacher ratio: 14:1

FY16 data
Does not include overrides (both districts have both overrides), federal, or capital monies

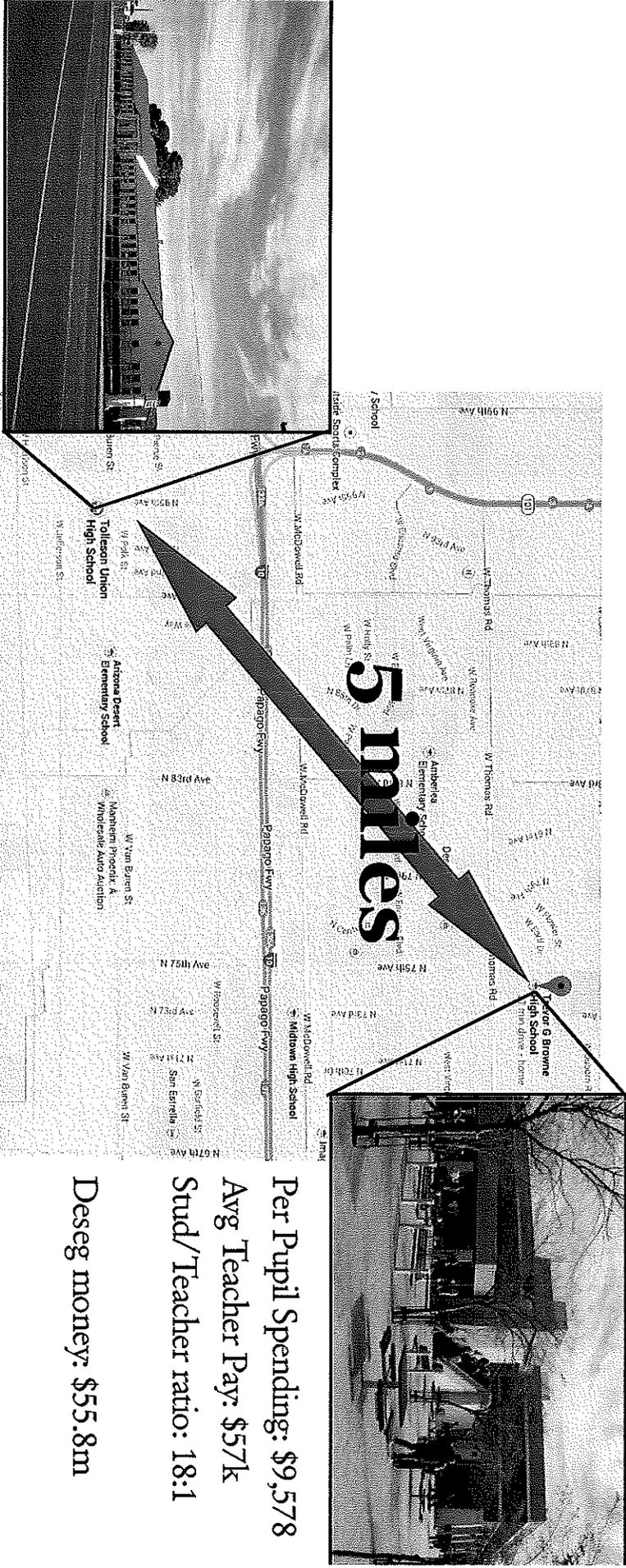
The taxpayer's watchdog for over 75 years



Examples of Inequity

Tolleson Union District

Phoenix Union District



Per Pupil Spending: \$5,990
 Avg Teacher Pay: \$42k
 Stud/Teacher ratio: 18:1

Per Pupil Spending: \$9,578
 Avg Teacher Pay: \$57k
 Stud/Teacher ratio: 18:1
 Deseg money: \$55.8m

Per 2013 Auditor General report & ADE Supt Report
The taxpayer's watchdog for over 75 years

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2401

DATE February 15, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding			✓		
Mr. Cardenas			✓		
Mr. Mesnard	✓	✓			
Mr. Olson		✓			
Ms. Ugenti-Rita			✓		
Mr. Weninger		✓			
Mr. Wheeler			✓		
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		5	4	0	0

APPROVED:



 DARIN MITCHELL, Chairman
 ANTHONY KERN, Vice-Chairman



 COMMITTEE SECRETARY

ATTACHMENT 36



HOUSE OF REPRESENTATIVES

HB 2641

separate charitable contributions; tax credit
Prime Sponsor: Representative Brophy McGee, LD 28

-
- X Committee on Ways and Means
Committee on Appropriations
Caucus and COW
House Engrossed
-

OVERVIEW

HB 2641 allows a taxpayer to receive separate tax credits for voluntary cash contributions to a qualifying charitable organization and to a qualifying foster care charitable organization.

PROVISIONS

1. Allows a tax credit, not exceeding \$400 for an individual or \$800 for a married couple, for voluntary cash contributions made to a qualifying foster care charitable organization.
2. Specifies that taxpayers are eligible to receive both of the following tax credits separately:
 - a. A tax credit for contributions made to a qualifying charitable organization.
 - b. A tax credit for contributions made to a qualifying foster care charitable organization.
3. Contains a retroactive effective date of January 1, 2016.
4. Makes technical and conforming changes.

CURRENT LAW

A.R.S. § 43-1088 allows a credit against the taxes imposed on voluntary cash contributions to a qualifying charitable organization, not exceeding \$200 for an individual or \$400 for a married couple filing a joint return. If the contributions are made to a qualifying foster care organization, the tax credit amount is increased to a maximum of \$400 for an individual or \$800 for a married couple filing a joint return.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2641

DATE February 15, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding				✓	
Mr. Cardenas	✓	✓			
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler		✓			
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		8	0	1	0

APPROVED:



DARIN MITCHELL, Chairman
ANTHONY KERN, Vice-Chairman



COMMITTEE SECRETARY

ATTACHMENT 38



HOUSE OF REPRESENTATIVES

HB 2480

regents; officers; technical correction

Prime Sponsor: Representative Olson, LD 25

X Committee on Ways and Means

Caucus and COW

House Engrossed

OVERVIEW

HB 2480 makes technical changes relating to membership and quorum requirements of the Arizona Board of Regents (ABOR).

Summary of the Proposed Strike-Everything Amendment to HB 2480

The proposed strike-everything amendment to HB 2480 specifies the maximum amount of Additional State Aid for education that may be funded by this state

PROVISIONS

1. Caps, beginning in FY 2017, the maximum amount of Additional State Aid for education that may be funded by this state for a FY at \$1 million per county.
2. Requires the Property Tax Oversight Commission (PTOC) to determine the proportion of the violation of the Arizona Constitution for a FY that is attributable to each taxing jurisdiction, other than this state, within and including the affected school districts for any county in excess of the \$1 million cap.
3. Requires PTOC to compute an amount, based on the determined proportions and after deducting the amount of Additional State Aid that the state would continue to pay, that each taxing jurisdiction must transfer to the affected school districts during the FY to compensate the affected school districts for the taxing jurisdiction's pro rata share of the reduction in Additional State Aid. Directs PTOC to notify taxing jurisdictions of the amount by December 31.
4. Requires PTOC to compute the amount of Additional State Aid that the affected school districts will forego as the districts pro rata share of the overall required reduction.
5. Requires PTOC to assume, when computing the proportion of the violation of the Arizona Constitution, a proportion of zero for any taxing jurisdiction that has a primary property tax rate for the FY that is less than or equal to the average primary property tax rate for peer jurisdictions.
6. Prescribes that the primary property tax rates for school districts that are used to determine the amount of violation of the Arizona Constitution are the net effective rates that exist after the adjustment is applied.
7. Requires, beginning in FY 2017, a taxing jurisdiction to transfer the amount computed by the PTOC to the school districts by January 31.

HB 2480

8. Requires the districts to notify the State Treasurer of the amount owed if a county, city or town does not make the transfer by January 31. Requires the State Treasurer to withhold the amount, after confirmation of nontransfer, from any transaction privilege tax revenues that would otherwise be distributed to the county, city or town.
9. Requires the State Treasurer to transfer the amount of withheld revenues to the affected school districts in a timely manner.
10. Excludes county, city, town and community college district transfers from the county, city town and community college expenditure limitations.
11. Prohibits, beginning in FY 2017, a taxing jurisdiction from levying a primary property tax rate that exceeds the primary property tax rate levied in the prior FY if PTOC computed a proportion in violation of the Arizona Constitution greater than zero for the prior FY.
12. Requires, for FY 2017, PTOC to determine whether each school district, county, city, town or community college district would have had a proportion of the violation of the Arizona Constitution of greater than zero for FY 2015 if new regulations were in place for FY 2015. Requires PTOC to notify each district, county, city, town or community college district of the determination by July 15, 2016.
13. Requires the maximum \$1 million to be distributed first to districts in the county that have the smallest Additional State Aid for education costs in order to fully fund Additional State Aid for as many of those school districts as possible.
14. Requires any remaining amount of the Additional State Aid to be allocated to the remaining affected school districts on a pro rata basis based on the amount of Additional State Aid that they will forego for the FY.
15. Subtracts, beginning in FY 2017, an amount equal to the amount of Additional State Aid that the school district is expected to forego, if any, from the base support level.
16. Repeals conflicting statute language.
17. Defines *peer jurisdictions*.
18. Makes technical and conforming changes.

CURRENT LAW

Article IX, Section 18 of the Arizona Constitution caps class 3 primary property taxes at no more than 1% of a home's full cash value. The "1% cap" applies any time a homeowner's net combined property tax rate for all taxing jurisdictions combined exceeds \$10 per \$100 of net assessed value, even after the Homeowner's Rebate is applied.

The Arizona Constitution does not specify a mechanism for enforcing the 1% cap. In practice, the 1% cap has been implemented by having the state backfill any primary property tax costs for homeowners that exceed the 1% cap through Additional State Aid.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2480
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 15-943, Arizona Revised Statutes, is amended to
3 read:

4 15-943. Base support level

5 The base support level for each school district shall be computed as
6 follows:

7 1. The following support level weights shall be used in paragraph 2,
8 subdivision (a) of this section for the following school districts:

9 (a) For school districts whose student count in kindergarten programs
10 and grades one through eight is classified in column 1 of this subdivision,
11 the support level weight for kindergarten programs and grades one through
12 eight is the corresponding support level weight prescribed in column 2 or 3
13 of this subdivision, whichever is appropriate:

14 <u>Column 1</u>	15 <u>Column 2</u>	16 <u>Column 3</u>
	Support Level Weight For Small Isolated	Support Level Weight For Small
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
18 1-99	1.559	1.399
19 100-499	1.358 + [0.0005 x (500 20 - student count)]	1.278 + [0.0003 x (500 - student count)]
21 500-599	1.158 + [0.002 x (600 22 - student count)]	1.158 + [0.0012 x (600 - student count)]

House Amendments to H.B. 2480

1 (b) For school districts whose student count in grades nine through
 2 twelve is classified in column 1 of this subdivision, the support level
 3 weight for grades nine through twelve is the corresponding support level
 4 weight prescribed in column 2 or 3 of this subdivision, whichever is
 5 appropriate:

6	<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
7		Support Level Weight	Support Level Weight
8		For Small Isolated	For Small
9	<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
10	1-99	1.669	1.559
11	100-499	1.468 + [0.0005 x (500	1.398 + [0.0004 x (500
12		- student count)]	- student count)]
13	500-599	1.268 + [0.002 x (600	1.268 + [0.0013 x (600
14		- student count)]	- student count)]

15 2. Subject to paragraph 1 of this section, determine the weighted
 16 student count as follows:

17 (a)

18					Support			Weighted
19					Level	Student		
20	<u>Grade</u>	<u>Base</u>	<u>Group A</u>	<u>Weight</u>	<u>Count</u>	<u>Count</u>		
21	PSD	1.000	+	0.450	= 1.450	x _____	=	_____
22	K-8	1.000	+	0.158	= 1.158	x _____	=	_____
23	9-12	1.163	+	0.105	= 1.268	x _____	=	_____
24						Subtotal	A	_____

25 (b)

26					Support			Weighted
27					Level	Student		
28	<u>Funding</u>	<u>Category</u>	<u>Weight</u>	<u>Count</u>	<u>Count</u>			
29	HI		4.771	x _____	=	_____		
30	K-3		0.060	x _____	=	_____		
31	K-3 reading		0.040	x _____	=	_____		
32	ELL		0.115	x _____	=	_____		

House Amendments to H.B. 2480

1 MD-R, A-R and					
2 SID-R	6.024	x	_____	=	_____
3 MD-SC, A-SC and					
4 SID-SC	5.833	x	_____	=	_____
5 MD-SSI	7.947	x	_____	=	_____
6 OI-R	3.158	x	_____	=	_____
7 OI-SC	6.773	x	_____	=	_____
8 P-SD	3.595	x	_____	=	_____
9 DD, ED, MIID, SLD,					
10 SLI and OHI	0.003	x	_____	=	_____
11 ED-P	4.822	x	_____	=	_____
12 MOID	4.421	x	_____	=	_____
13 VI	4.806	x	_____	=	_____
14			Subtotal	B	_____

15 (c) Total of subtotals A and B: _____

16 3. Multiply the total determined in paragraph 2 of this section by the
17 base level.

18 4. Multiply the teacher experience index of the district or 1.00,
19 whichever is greater, by the product obtained in paragraph 3 of this section.

20 5. BEGINNING IN FISCAL YEAR 2016-2017, FROM THE PRODUCT DETERMINED IN
21 PARAGRAPH 4 OF THIS SECTION, SUBTRACT AN AMOUNT EQUAL TO THE AMOUNT OF
22 ADDITIONAL STATE AID FOR EDUCATION THAT THE SCHOOL DISTRICT IS EXPECTED TO
23 FORGO, IF ANY, FOR THE FISCAL YEAR PURSUANT TO SECTION 15-972, SUBSECTION K.

24 Sec. 2. Section 15-972, Arizona Revised Statutes, is amended to read:

25 15-972. State limitation on homeowner property taxes; additional
26 state aid to school districts; definitions

27 A. Notwithstanding section 15-971, there shall be additional state aid
28 for education computed for school districts as provided in subsection B of
29 this section.

30 B. The clerk of the board of supervisors shall compute such additional
31 state aid for education as follows:

1 1. For a high school district or for a common school district within a
2 high school district that does not offer instruction in high school subjects
3 as provided in section 15-447:

4 (a) Determine the qualifying tax rate pursuant to section 41-1276 for
5 the school district.

6 (b) Determine the following percentage of the qualifying tax rate
7 determined in subdivision (a) of this paragraph:

8 (i) Thirty-five percent through December 31, 2005.

9 (ii) Thirty-six percent beginning from and after December 31, 2005
10 through December 31, 2006.

11 (iii) Thirty-seven percent beginning from and after December 31, 2006
12 through December 31, 2007.

13 (iv) Thirty-eight percent beginning from and after December 31, 2007
14 through December 31, 2008.

15 (v) Thirty-nine percent beginning from and after December 31, 2008
16 through December 31, 2009.

17 (vi) Forty percent beginning from and after December 31, 2009.

18 (vii) Such further adjustments of the percentage beginning from and
19 after December 31, 2012 as provided by law.

20 (c) Select the lesser of the amount determined in subdivision (b) of
21 this paragraph or forty percent of the primary property tax rate that would
22 be levied in lieu of the provisions of this section for the district.

23 (d) Multiply the rate selected in subdivision (c) of this paragraph as
24 a rate per one hundred dollars assessed valuation by the assessed valuation
25 used for primary property taxes of the residential property in the school
26 district.

27 2. For a unified school district, for a common school district not
28 within a high school district or for a common school district that offers
29 instruction in high school subjects as provided in section 15-447:

30 (a) Determine the qualifying tax rate pursuant to section 41-1276 for
31 the school district.

1 (b) Determine the following percentage of the tax rate determined in
2 subdivision (a) of this paragraph:

3 (i) Thirty-five percent through December 31, 2005.

4 (ii) Thirty-six percent beginning from and after December 31, 2005
5 through December 31, 2006.

6 (iii) Thirty-seven percent beginning from and after December 31, 2006
7 through December 31, 2007.

8 (iv) Thirty-eight percent beginning from and after December 31, 2007
9 through December 31, 2008.

10 (v) Thirty-nine percent beginning from and after December 31, 2008
11 through December 31, 2009.

12 (vi) Forty percent beginning from and after December 31, 2009.

13 (vii) Such further adjustments of the percentage beginning from and
14 after December 31, 2012 as provided by law.

15 (c) Select the lesser of the amount determined in subdivision (b) of
16 this paragraph or forty percent of the primary property tax rate that would
17 be levied in lieu of the provisions of this section for the district.

18 (d) Multiply the rate selected in subdivision (c) of this paragraph as
19 a rate per one hundred dollars assessed valuation by the assessed valuation
20 used for primary property taxes of the residential property in the district.

21 C. The clerk of the board of supervisors shall report to the
22 department of revenue not later than the Friday following the third Monday in
23 August of each year the amount by school district of additional state aid for
24 education and the data used for computing the amount as provided in
25 subsection B of this section. The department of revenue shall verify all of
26 the amounts and report to the county board of supervisors not later than
27 August 30 of each year the property tax rate or rates that shall be used for
28 property tax reduction as provided in subsection E of this section.

29 D. The board of supervisors shall reduce the property tax rate or
30 rates that would be levied in lieu of the provisions of this section by the
31 school district or districts on the assessed valuation used for primary
32 property taxes of the residential property in the school district or

1 districts by the rate or rates selected in subsection B, paragraph 1,
2 subdivision (c) and paragraph 2, subdivision (c) of this section. The excess
3 of the reduction in property taxes for a parcel of property resulting from
4 the reduction in the property tax rate pursuant to this subsection over the
5 amounts listed in this subsection shall be deducted from the amount of
6 additional state aid for education. The reduction in property taxes on a
7 parcel of property resulting from the reduction in the property tax rate
8 pursuant to this subsection shall not exceed the following amounts except as
9 provided in subsection I of this section:

10 1. Five hundred dollars through December 31, 2005.

11 2. Five hundred twenty dollars beginning from and after December 31,
12 2005 through December 31, 2006.

13 3. Five hundred forty dollars beginning from and after December 31,
14 2006 through December 31, 2007.

15 4. Five hundred sixty dollars beginning from and after December 31,
16 2007 through December 31, 2008.

17 5. Five hundred eighty dollars beginning from and after December 31,
18 2008 through December 31, 2009.

19 6. Six hundred dollars beginning from and after December 31, 2009.

20 E. Prior to the levying of taxes for school purposes the board of
21 supervisors shall determine whether the total primary property taxes to be
22 levied for all taxing jurisdictions on each parcel of residential property,
23 in lieu of the provisions of this subsection, violate article IX, section 18,
24 Constitution of Arizona. For those properties that qualify for property tax
25 exemptions pursuant to article IX, sections 2, 2.1 and 2.2, Constitution of
26 Arizona, eligibility for the credit is determined on the basis of the limited
27 property value that corresponds to the taxable assessed value after reduction
28 for the applicable exemption. If the board of supervisors determines that
29 such a situation exists, the board shall apply a credit against the primary
30 property taxes due from each such parcel in the amount in excess of article
31 IX, section 18, Constitution of Arizona. Such excess amounts shall also be

1 additional state aid for education for the school district or districts in
2 which such parcel of property is located.

3 F. The clerk of the board of supervisors shall report to the
4 department of revenue not later than September 5 of each year the amount by
5 school district of additional state aid for education and the data used for
6 computing the amount as provided in subsection B of this section. The
7 department of revenue shall verify all of the amounts and report to the board
8 of supervisors not later than September 10 of each year the property tax rate
9 that shall be used for property tax reduction as provided in subsection E of
10 this section.

11 G. The clerk of the board of supervisors shall report to the
12 department of revenue not later than September 30 of each year in writing the
13 following:

14 1. The data processing specifications used in the calculations
15 provided for in subsections B and E of this section.

16 2. At a minimum, copies of two actual tax bills for residential
17 property for each distinct tax area.

18 H. The department of revenue shall report to the state board of
19 education not later than October 12 of each year the amount by school
20 district of additional state aid for education as provided in this section.
21 The additional state aid for education provided in this section shall be
22 apportioned as provided in section 15-973.

23 I. If a parcel of property is owned by a cooperative apartment
24 corporation or is owned by the tenants of a cooperative apartment corporation
25 as tenants in common, the reduction in the property taxes prescribed in
26 subsection D of this section shall not exceed the amounts listed in
27 subsection D of this section for each owner-occupied housing unit on the
28 property. The assessed value used for determining the reduction in taxes for
29 the property is equal to the total assessed value of the property times the
30 ratio of the number of owner-occupied housing units to the total number of
31 housing units on the property. For the purposes of this subsection,
32 "cooperative apartment corporation" means a corporation:

1 1. Having only one class of outstanding stock.

2 2. OF WHICH all of the stockholders ~~of which~~ are entitled, solely by
3 reason of their ownership of stock in the corporation, to occupy for dwelling
4 purposes apartments in a building owned or leased by such corporation and ~~who~~
5 are not entitled, either conditionally or unconditionally, except ~~upon~~ ON a
6 complete or partial liquidation of the corporation, to receive any
7 distribution not out of earnings and profits of the corporation.

8 3. OF WHICH eighty percent or more of the gross income ~~of which~~ is
9 derived from tenant-stockholders. For the purposes of this paragraph, "gross
10 income" means gross income as defined by the United States internal revenue
11 code, as defined in section 43-105.

12 J. The total amount of state monies that may be spent in any fiscal
13 year for state aid for education in this section shall not exceed the amount
14 appropriated or authorized by section 35-173 for that purpose. This section
15 shall not be construed to impose a duty on an officer, agent or employee of
16 this state to discharge a responsibility or to create any right in a person
17 or group if the discharge or right would require an expenditure of state
18 monies in excess of the expenditure authorized by legislative appropriation
19 for that specific purpose.

20 ~~K. Notwithstanding subsection E of this section, beginning in fiscal~~
21 ~~year 2015-2016, the maximum amount of additional state aid for education that~~
22 ~~will be funded by this state pursuant to subsection E of this section shall~~
23 ~~be one million dollars per county. For any county with a school district or~~
24 ~~districts that collectively would otherwise receive more than one million in~~
25 ~~additional state aid for education pursuant to subsection E of this section,~~
26 ~~the property tax oversight commission established by section 42-17002 shall~~
27 ~~determine the proportion of the violation of article IX, section 18,~~
28 ~~Constitution of Arizona, that is attributable to each taxing jurisdiction~~
29 ~~within the affected school district or districts. Based on those~~
30 ~~proportions, the property tax oversight commission shall determine an amount~~
31 ~~that each taxing jurisdiction within the affected school district or~~
32 ~~districts shall transfer to the affected school district or districts during~~

1 ~~the fiscal year in order to compensate the affected school district or~~
2 ~~districts for its pro rata share of the reduction in additional state aid for~~
3 ~~education funding required by this subsection. In determining the proportion~~
4 ~~of the violation of article IX, section 18, Constitution of Arizona, that is~~
5 ~~attributable to each taxing jurisdiction within the affected school district~~
6 ~~or districts, the property tax oversight commission shall assume a proportion~~
7 ~~of zero for any taxing jurisdiction that has a tax rate for the fiscal year~~
8 ~~that is equal to or less than the tax rate of peer jurisdictions, as~~
9 ~~determined by the property tax oversight commission.~~

10 K. NOTWITHSTANDING SUBSECTION E OF THIS SECTION, BEGINNING IN FISCAL
11 YEAR 2016-2017, THE MAXIMUM AMOUNT OF ADDITIONAL STATE AID FOR EDUCATION THAT
12 MAY BE FUNDED BY THIS STATE FOR A FISCAL YEAR PURSUANT TO SUBSECTION E OF
13 THIS SECTION IS ONE MILLION DOLLARS PER COUNTY. FOR ANY COUNTY WITH A SCHOOL
14 DISTRICT OR SCHOOL DISTRICTS THAT COLLECTIVELY WOULD OTHERWISE RECEIVE MORE
15 THAN ONE MILLION DOLLARS IN ADDITIONAL STATE AID FOR EDUCATION FOR A FISCAL
16 YEAR PURSUANT TO SUBSECTION E OF THIS SECTION, THE PROPERTY TAX OVERSIGHT
17 COMMISSION ESTABLISHED BY SECTION 42-17002 SHALL DETERMINE THE PROPORTION OF
18 THE VIOLATION OF ARTICLE IX, SECTION 18, CONSTITUTION OF ARIZONA, FOR A
19 FISCAL YEAR THAT IS ATTRIBUTABLE TO EACH TAXING JURISDICTION, OTHER THAN THIS
20 STATE, WITHIN THE AFFECTED SCHOOL DISTRICT OR SCHOOL DISTRICTS, INCLUDING THE
21 AFFECTED SCHOOL DISTRICTS. BASED ON THOSE PROPORTIONS AND AFTER DEDUCTING
22 THE AMOUNT OF ADDITIONAL STATE AID THAT THIS STATE WOULD CONTINUE TO PAY
23 UNDER THIS SUBSECTION PURSUANT TO SUBSECTION O OF THIS SECTION, THE PROPERTY
24 TAX OVERSIGHT COMMISSION SHALL COMPUTE AN AMOUNT THAT EACH TAXING
25 JURISDICTION, OTHER THAN THIS STATE, WITHIN THE AFFECTED SCHOOL DISTRICT OR
26 SCHOOL DISTRICTS SHALL TRANSFER TO THE AFFECTED SCHOOL DISTRICT OR SCHOOL
27 DISTRICTS DURING THE FISCAL YEAR IN ORDER TO COMPENSATE THE AFFECTED SCHOOL
28 DISTRICT OR SCHOOL DISTRICTS FOR THE TAXING JURISDICTION'S PRO RATA SHARE OF
29 THE REDUCTION IN ADDITIONAL STATE AID FOR EDUCATION FUNDING REQUIRED BY THIS
30 SECTION AND SHALL NOTIFY THE AFFECTED TAXING JURISDICTIONS, OTHER THAN THIS
31 STATE, OF THIS AMOUNT ON OR BEFORE DECEMBER 31 OF THE FISCAL YEAR. THE
32 PROPERTY TAX OVERSIGHT COMMISSION ALSO SHALL COMPUTE THE AMOUNT OF ADDITIONAL

1 STATE AID FOR EDUCATION THAT THE AFFECTED SCHOOL DISTRICT OR SCHOOL DISTRICTS
2 WILL FORGO FOR THE FISCAL YEAR UNDER THIS SUBSECTION AS THE SCHOOL DISTRICT'S
3 OR SCHOOL DISTRICTS' PRO RATA SHARE OF THE OVERALL ADDITIONAL STATE AID
4 REDUCTION REQUIRED BY THIS SUBSECTION. IN COMPUTING THE PROPORTION OF THE
5 VIOLATION OF ARTICLE IX, SECTION 18, CONSTITUTION OF ARIZONA, THAT IS
6 ATTRIBUTABLE TO EACH TAXING JURISDICTION, OTHER THAN THIS STATE, WITHIN THE
7 AFFECTED SCHOOL DISTRICT OR SCHOOL DISTRICTS AND FOR THE AFFECTED SCHOOL
8 DISTRICT OR SCHOOL DISTRICTS, THE PROPERTY TAX OVERSIGHT COMMISSION SHALL
9 ASSUME A PROPORTION OF ZERO FOR ANY TAXING JURISDICTION, OTHER THAN THIS
10 STATE, THAT HAS A PRIMARY PROPERTY TAX RATE FOR THE FISCAL YEAR THAT IS LESS
11 THAN OR EQUAL TO THE AVERAGE PRIMARY PROPERTY TAX RATE FOR THE FISCAL YEAR
12 FOR PEER JURISDICTIONS. FOR THE PURPOSES OF THIS SUBSECTION, THE PRIMARY
13 PROPERTY TAX RATES FOR SCHOOL DISTRICTS THAT ARE USED TO DETERMINE THE
14 PROPORTION OF THE VIOLATION OF ARTICLE IX, SECTION 18, CONSTITUTION OF
15 ARIZONA, SHALL BE THE NET EFFECTIVE RATES THAT EXIST AFTER THE ADJUSTMENT IS
16 APPLIED PURSUANT TO SUBSECTION B OF THIS SECTION. FOR THE PURPOSES OF THIS
17 SUBSECTION, "PEER JURISDICTIONS" MEANS ALL TAXING JURISDICTIONS OF THE SAME
18 TYPE WITHIN THIS STATE.

19 L. BEGINNING IN FISCAL YEAR 2016-2017, A TAXING JURISDICTION FOR WHICH
20 THE PROPERTY TAX OVERSIGHT COMMISSION HAS COMPUTED AN AMOUNT THAT MUST BE
21 TRANSFERRED FOR A FISCAL YEAR TO A SCHOOL DISTRICT OR SCHOOL DISTRICTS
22 PURSUANT TO SUBSECTION K OF THIS SECTION SHALL TRANSFER THAT AMOUNT TO THE
23 SCHOOL DISTRICT OR SCHOOL DISTRICTS ON OR BEFORE JANUARY 31 OF THE FISCAL
24 YEAR. IF A COUNTY, CITY OR TOWN DOES NOT MAKE THE TRANSFER ON OR BEFORE
25 JANUARY 31 OF THE FISCAL YEAR, THE SCHOOL DISTRICT OR SCHOOL DISTRICTS SHALL
26 NOTIFY THE STATE TREASURER OF THE AMOUNT OWED AND THE STATE TREASURER, AFTER
27 CONFIRMING THE NONTRANSFER, SHALL WITHHOLD THE AMOUNT, INCLUDING ANY
28 ADDITIONAL INTEREST AS PROVIDED IN SECTION 42-1123, FROM ANY TRANSACTION
29 PRIVILEGE TAX REVENUES THAT WOULD OTHERWISE BE DISTRIBUTED TO THE COUNTY,
30 CITY OR TOWN. THE STATE TREASURER SHALL TRANSFER IN A TIMELY MANNER TO A
31 SCHOOL DISTRICT AFFECTED BY THIS SUBSECTION THE AMOUNT OF REVENUES WITHHELD

1 FROM A COUNTY, CITY OR TOWN ON THE SCHOOL DISTRICT'S BEHALF UNDER THIS
2 SUBSECTION.

3 M. COUNTY, CITY, TOWN AND COMMUNITY COLLEGE DISTRICT TRANSFERS MADE
4 PURSUANT TO SUBSECTION L OF THIS SECTION ARE EXCLUDED FROM THE COUNTY, CITY,
5 TOWN AND COMMUNITY COLLEGE DISTRICT EXPENDITURE LIMITATIONS.

6 N. NOTWITHSTANDING ANY OTHER LAW, BEGINNING IN FISCAL YEAR 2016-2017,
7 A TAXING JURISDICTION FOR WHICH THE PROPERTY TAX OVERSIGHT COMMISSION
8 COMPUTED A PROPORTION OF THE VIOLATION OF ARTICLE IX, SECTION 18,
9 CONSTITUTION OF ARIZONA, OF GREATER THAN ZERO FOR THE PRIOR FISCAL YEAR MAY
10 NOT LEVY IN THE FISCAL YEAR A PRIMARY PROPERTY TAX RATE THAT EXCEEDS THE
11 PRIMARY PROPERTY TAX RATE THE TAXING JURISDICTION LEVIED IN THE PRIOR FISCAL
12 YEAR. FOR FISCAL YEAR 2016-2017, THE PROPERTY TAX OVERSIGHT COMMISSION SHALL
13 DETERMINE, ON OR BEFORE JULY 15, 2016, WHETHER EACH SCHOOL DISTRICT, COUNTY,
14 CITY, TOWN OR COMMUNITY COLLEGE DISTRICT IN THIS STATE WOULD HAVE HAD A
15 PROPORTION OF THE VIOLATION OF ARTICLE IX, SECTION 18, CONSTITUTION OF
16 ARIZONA, OF GREATER THAN ZERO FOR FISCAL YEAR 2015-2016 IF SUBSECTION K OF
17 THIS SECTION HAD BEEN IN EFFECT FOR FISCAL YEAR 2015-2016 AND SHALL NOTIFY
18 THE SCHOOL DISTRICT, COUNTY, CITY, TOWN OR COMMUNITY COLLEGE DISTRICT OF THAT
19 DETERMINATION ON OR BEFORE JULY 15, 2016.

20 O. THE MAXIMUM ONE MILLION DOLLARS OF ADDITIONAL STATE AID FOR
21 EDUCATION THAT IS DISTRIBUTED IN A COUNTY PURSUANT TO SUBSECTION K OF THIS
22 SECTION EACH FISCAL YEAR SHALL BE DISTRIBUTED FIRST TO SCHOOL DISTRICTS IN
23 THE COUNTY THAT HAVE THE SMALLEST ADDITIONAL STATE AID FOR EDUCATION COSTS
24 FOR THE FISCAL YEAR IN ORDER TO FULLY FUND ADDITIONAL STATE AID FOR EDUCATION
25 COSTS FOR AS MANY OF THOSE SCHOOL DISTRICTS AS POSSIBLE. AFTER THOSE
26 DISTRIBUTIONS ARE MADE, ANY REMAINING AMOUNT OF THE ONE MILLION DOLLARS OF
27 ADDITIONAL STATE AID FOR EDUCATION PER COUNTY, IF ANY, SHALL BE ALLOCATED TO
28 THE REMAINING AFFECTED SCHOOL DISTRICTS ON A PRO RATA BASIS BASED ON THE
29 AMOUNT OF ADDITIONAL STATE AID FOR EDUCATION THAT THE SCHOOL DISTRICTS WILL
30 FORGO FOR THE FISCAL YEAR PURSUANT TO SUBSECTION K OF THIS SECTION.

31 ~~L.~~ P. For the purposes of this section:

House Amendments to H.B. 2480

1 1. "Owner" includes any purchaser under a contract of sale or under a
2 deed of trust.

3 2. "Residential property" includes owner-occupied real property and
4 improvements to the property and owner-occupied mobile homes that are used as
5 the owner's primary residence and classified as class three property pursuant
6 to section 42-12003.

7 Sec. 3. Retroactivity

8 This act applies retroactively to from and after June 30, 2016."

9 Amend title to conform

JUSTIN OLSON

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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2480

DATE February 15, 2016 MOTION: DPAS/E

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding			✓		
Mr. Cardenas		✓			
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler			✓		
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		7	2	0	0

APPROVED:



DARIN MITCHELL, Chairman
ANTHONY KERN, Vice-Chairman



COMMITTEE SECRETARY

ATTACHMENT 41



HOUSE OF REPRESENTATIVES

HB 2301

bonding; sale; premiums; refunding; refinance
Prime Sponsor: Representative Weninger, LD 17

X Committee on Ways and Means

Caucus and COW

House Engrossed

OVERVIEW

HB 2301 modifies procedures for the issuance of bonds and refunding bonds in various political subdivisions.

PROVISIONS

General Obligation Bond Liens

1. Requires all general obligation bonds to be secured by a lien.
2. Specifies that the lien arises automatically with no need for action or authorization by the governing body and is valid from the time the bond is issued.
3. Stipulates that all tax levy revenues are subject to the lien.
4. Specifies that the lien is enforceable against the political subdivision, its successors, transferees, creditors and all other parties asserting rights in the revenues, regardless of whether the parties were given notice of the lien.

Net Premium Use

5. Removes the bond and refunding bond net premium caps.
6. Allows net premium to be used for any purpose if all of the following apply:
 - a. Use of the net premium was approved by the voters.
 - b. Available capacity exists under the political subdivision's debt limitations.
 - c. The net premium will reduce the available aggregate debt capacity and the principal amount authorized by the voters.
7. Stipulates that, if a refunding bond net premium is used to fund the escrow account to pay the bonds and the principal amount of the refunding bond is less than the principal amount of the bond being refunded, the difference must be used to reduce the available aggregate debt capacity of the political subdivision.
 - a. Prohibits the difference in principal of the refunding bond and the bond being refunded from exceeding the available aggregate debt capacity of the political subdivision.
 - b. Specifies that the difference in principal amounts will not cause any increase or decrease in the original principal amount authorized at the bond election.

Issuance of Refunding Bonds

8. Stipulates that the holder of any refunding bonds issued after August 31, 2016 and before the bond date of maturity must rely on the sufficiency of the funds or securities held in trust for the payment of the refunding bonds.

HB 2301

9. Clarifies that a holder of refunding bonds may rely on a tax levy for the payment of principal and interest on the refunding bonds if the investments in the redemption funds are insufficient.
10. Limits the aggregate taxes levied to pay the principal and interest on refunding bonds to the aggregate principal and interest accrued on the bonds from the issuance date to the final date of maturity.
11. Requires the following taxes to be levied, with the proceeds kept in a special fund and used only for the purpose for which it was collected:
 - a. Taxes in an amount sufficient to pay:
 - i. The interest on all outstanding refunding bonds issued;
 - ii. The installments of the principal due in the ensuing year; and
 - iii. The annual portion of a sinking fund set up for retirement of the bonds.

Refunding Municipal Improvement District Bonds

12. Repeals and replaces A.R.S. Title 48, Chapter 4, Article 4 relating to municipal improvement district refunding bonds.
13. Authorizes the issuance of municipal improvement district refunding bonds.
14. Requires interest on refunding bonds to be paid semiannually on January 1st and July 1st.
15. Prohibits refunding bonds from being exchanged for less than a like principal amount of bonds to be refunded.
16. Allows refunding bonds to be sold at, above or below par at a negotiated or public sale or to be exchanged or sold in part.
17. Stipulates that, if a bond is sold, the proceeds, monies in the debt service fund, amounts in any reserve fund and any other amounts may be invested, as long as the investment will mature with interest to provide funds to pay the refunding bond when due or called for redemption.
 - a. Requires investments to be deposited in trust with a national bank that is a member of the Federal Deposit Insurance Corporation and is authorized to do business in this state.
 - b. After a deposit, the refunding bonds are deemed paid and have no further interest in the assessments for the bonds being refunded.
18. Allows the Treasurer to enter into trust agreements with banks for the handling, safekeeping and administration of the amounts and investments that are derived from the refunding bond.
 - a. Requires the investments to be obligations issued by the U.S. government or fully guaranteed by the U.S. government for principal and interest.
19. Stipulates that refunding bonds may only be issued if the total amount of principal and interest on the refunding bonds does not exceed the total amount of remaining principal and interest on the bonds to be refunded.
20. Requires the superintendent to file a modified assessment reflecting any reduction after the issuance of a refunding bond.
 - a. Authorizes the governing body to approve the modified assessment without providing notice or a hearing to the owners of affected parcels, as long as no parcels' assessments are increased.

HB 2301

- b. Requires the governing body to notice and call a hearing if the modified assessment is an increase.
- 21. Requires refunding bonds to be secured by the assessments levied to pay for the refunding bonds.
- 22. Requires, upon issuance of a refunding bond, the remaining unpaid installments of the assessments to be recalculated and modified so that the collected amount equals the amount necessary to repay the refunding bonds.
- 23. Specifies that payments for a bond being refunded remain in effect, securing the refunding bonds, until the refunding bond is paid in full.
- 24. Stipulates that refunding bonds may only be paid out of a special fund and that the monies in the fund may only be used for the payment of refunding bonds.
- 25. Specifies that the refunding bond assessments are the liens for the bonds being refunded.
- 26. Allows the city treasurer to enter into an agreement with the county treasurer for the county treasurer to collect the special assessments for the refunding bonds.
 - a. The agreement may include payment for expenses of collection by the county treasurer, as well as additional compensation.]
- 27. Specifies that the determination by the board of directors that the limitations and conditions prescribed by this Act have been met is conclusive in the absence of fraud or arbitrary and gross abuse of discretion.

Miscellaneous

- 28. Removes the requirement that any bond sold in a public offering must receive one of the four highest investment grade ratings by a nationally recognized board or agency.
- 29. Allows county, municipal and special taxing district bonds to be sold by a negotiated sale.
- 30. Defines terms.
- 31. Makes technical and conforming changes.

ADDITIONAL INFORMATION

A bond is a debt security that borrowers issue to raise money from investors willing to lend them money for a certain amount of time. A purchaser of a bond is essentially providing a loan to the issuer, which may be a government, municipality or corporation. In return, the issuer is required to pay a specified rate of interest during the life of the bond and to repay the principal when it matures or comes due after a set period of time (U.S. Securities and Exchange Commission).

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2301

DATE February 15, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding		✓			
Mr. Cardenas		✓			
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler		✓			
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		9	0	0	0

APPROVED:



DARIN MITCHELL, Chairman
ANTHONY KERN, Vice-Chairman



COMMITTEE SECRETARY

ATTACHMENT 43



HOUSE OF REPRESENTATIVES

HB 2597

delinquent property taxes; interest; reduction
Prime Sponsor: Representative Olson, LD 25

X Committee on Ways and Means
Caucus and COW
House Engrossed

OVERVIEW

HB 2597 reduces the annual interest rate on delinquent property taxes from 16% to 10%.

PROVISIONS

1. Reduces the annual interest rate on delinquent property taxes from 16% to 10%.

CURRENT LAW

A.R.S. Title 42, Chapter 18, Article 2 specifies that all taxes have an interest rate from the time of delinquency at a rate of 16% per year until paid. However, interest will not be collected if the delinquency is the result of an error by the county assessor or county treasurer or if the full year tax for the year is paid on or before December 31 of that tax year. The date in which a tax becomes delinquent depends on whether the taxpayer is paying his/her liability in one payment or splitting it between two.

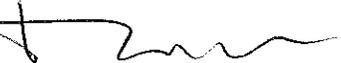
ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2597

DATE February 15, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding		✓			
Mr. Cardenas		✓			
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler		✓			
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		9	0	0	0

APPROVED: 

DARIN MITCHELL, Chairman
ANTHONY KERN, Vice-Chairman


 COMMITTEE SECRETARY

ATTACHMENT 45



HOUSE OF REPRESENTATIVES

HB 2536

fine art; TPT exemption

Prime Sponsor: Representative Ugenti-Rita, LD 23

-
- X Committee on Ways and Means
Committee on Appropriations
Caucus and COW
House Engrossed
-

OVERVIEW

HB 2536 exempts the sale of fine art at an auction or gallery to a nonresident, for use outside the state, from Transaction Privilege Tax (TPT).

PROVISIONS

1. Exempts the sale of works of fine art at an art auction or gallery to a nonresident, for use outside the state, from TPT.
2. Specifies that the vendor must deliver the work of fine art to a destination outside the state in order to qualify for TPT.
3. Contains a retroactive effective date of January 1, 2016.

CURRENT LAW

TPT is imposed on a vendor for the privilege of conducting business in Arizona. Under this tax, the seller is responsible for remitting to the state the entire amount of tax due based on the gross proceeds or gross income of the business. While the tax is commonly passed on to the consumer at the point of sale, it is ultimately the seller's responsibility to remit the tax. Business activities subject to TPT include, but are not limited to: retail, restaurants and bars, hotel/motel, commercial leasing, advertising, amusements, personal property rentals, real property rentals, construction/contracting, owner/builders, manufactured building, mining, timbering, transportation, printing, publishing, utilities, communications, air/railroad, and private cars/pipelines. The current Arizona TPT rate is 5.6%. DOR collects TPT and administers distribution to the state General Fund and counties, cities and towns.

A.R.S. §44-1771 defines *work of fine art* as an original or multiple original art work which is:

- a. A visual rendition, including a painting, drawing, sculpture, mosaic or photograph.
- b. A work of calligraphy.
- c. A work of graphic art, including etching, lithograph, offset print or silk screen.
- d. A craft work in material, including, clay, textile, fiber, wood, metal, plastic or glass.
- e. A work in mixed media, including a collage or a work consisting of any combination of previously listed.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2536
(Reference to printed bill)

1 Page 17, strike lines 29 through 32, insert:

2 "Sec. 2. Effective date

3 This Act applies to taxable periods beginning the first day of the
4 month following the general effective date."

5 Amend title to conform

MICHELLE B. UGENTI-RITA

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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2536

DATE February 15, 2016 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding			✓		
Mr. Cardenas		✓			
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler			✓		
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		7	2	0	0

APPROVED:

Darin Mitchell
 DARIN MITCHELL, Chairman
 ANTHONY KERN, Vice-Chairman

Abby Selvey
 COMMITTEE SECRETARY

ATTACHMENT 48



HOUSE OF REPRESENTATIVES

HB 2018

optional individual flat income tax

Prime Sponsor: Representative Stevens, LD 14

X Committee on Ways and Means

Caucus and COW

House Engrossed

OVERVIEW

HB 2018 establishes an optional individual flat income tax.

PROVISIONS

1. Allows a taxpayer to elect to pay a flat income tax rate between Tax Year (TY) 2016 and TY 2021 if the taxpayer:
 - a. is an Arizona resident for the full tax year;
 - b. files as a single person; and
 - c. has an Arizona gross income not exceeding \$25,000 annually.
2. Sets the flat income tax rate at 1% of the taxpayer's state taxable income.
3. States that a taxpayer that pays the flat income tax may not make any additions or claim any subtractions, exemptions, deductions or credit, except those prescribed under this Act.
4. Allows a taxpayer to qualify for refunds in the case of overpayment of taxes and may contribute all or part of the refund.
5. Requires a taxpayer that elects to pay the flat income tax to do so on the return form established by this Act.
6. Requires a taxpayer that elects to pay the flat income tax to add each of the following to their Arizona gross income:
 - a. Amounts withdrawn from a medical savings account.
 - b. Amount of interest income received on obligations of any state, territory, or possession of the United States, reduced by the amount of any interest on indebtedness that was incurred and that are not otherwise deducted in computing Arizona gross income.
7. Requires a taxpayer that elects to pay the flat income tax to subtract each of the following from their Arizona gross income:
 - a. A standard personal exemption of \$10,000.
 - b. Interest income received on obligations of the United States minus any debt interest deducted in computing Arizona gross income.
 - c. An amount received by an enrolled member of an American Indian tribe for which Arizona is not authorized or permitted to impose a tax.
 - d. Any monies from social security and railroad retirement benefits.
8. Requires DOR to provide adjustments to Arizona gross income to prevent double tax benefits or double tax detriments relating to the same item of income or expense.

HB 2018

9. Directs DOR to administer and collect the optional flat income tax in the same manner as other individual income taxes.
10. Requires the Department of Revenue (DOR) to provide a simplified return form for individual taxpayers who:
 - a. are eligible and elect to pay the optional individual flat tax established by this Act;
 - b. are residents for the full tax year;
 - c. file as single individuals;
 - d. claim no subtractions, exemptions, deductions or credits, except for those prescribed in this Act; and
 - e. are not required to add any income to their Arizona gross income, except for additions provided by this Act.
11. Defines *state taxable income* as an individual's Arizona gross income after making the additions, subtractions and adjustments required by this Act.
12. Contains an effective date of January 1, 2017.
13. Makes technical and conforming changes.

CURRENT LAW

The individual income tax is levied on the personal income of full-time residents and pro-rated for part-time residents of Arizona. Income tax revenue is collected from wage and salary based income, as well as final payments and refunds after state tax returns have been filed. Arizona uses a graduated rate structure, which currently ranges between 2.59% and 4.54% depending on the individual's income level (A.R.S. § 43-1011).

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2018

DATE February 15, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding				✓	
Mr. Cardenas			✓		
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler			✓		
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		6	2	1	0

APPROVED:



DARIN MITCHELL, Chairman
ANTHONY KERN, Vice-Chairman


 COMMITTEE SECRETARY

ATTACHMENT 50

ARIZONA STATE LEGISLATURE
 Fifty-second Legislature - Second Regular Session
COMMITTEE ATTENDANCE RECORD

COMMITTEE ON WAYS AND MEANS

CHAIRMAN: Darin Mitchell VICE-CHAIRMAN: Anthony Kern

DATE	1/25 /16	2/1 /16	2/8 /16	2/15 /16	/16
CONVENED	2:09 pm	2:42 pm	3:26 pm	2:32 pm	m
RECESSED				4:33 pm	
RECONVENED				4:53 pm	
ADJOURNED	2:53 pm	6:08 pm	5:30 pm	7:57 pm	
MEMBERS					
Mr. Bolding	✓	✓	✓	✓	
Mr. Cardenas	✓	✓	✓	✓	
Mr. Mesnard	✓	✓	✓	✓	
Mr. Olson	✓	✓	✓	✓	
Ms. Ugenti-Rita	✓	exc	✓	✓	
Mr. Weninger	✓	✓	✓	✓	
Mr. Wheeler	✓	✓	✓	✓	
Mr. Kern, Vice-Chairman	✓	✓	✓	✓	
Mr. Mitchell, Chairman	✓	✓	✓	✓	

✓ Present -- Absent exc Excused