AN ACT

AMENDING TITLE 41, CHAPTER 12, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1772; RELATING TO THE DEPARTMENT OF PUBLIC SAFETY.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 41, chapter 12, article 5, Arizona Revised Statutes, is amended by adding section 41-1772, to read:

41-1772. Ammunition coding system database; sale of ammunition; tax; fund; civil penalty; violation; classification; definition

A. Beginning January 1, 2009, a manufacturer shall code all handgun and assault weapon ammunition that is manufactured or sold in this state. This section applies to all calibers.

B. Beginning January 1, 2011, a private citizen or a retail vendor shall dispose of all noncoded ammunition that is owned or held by the citizen or vendor.

C. The department shall establish and maintain an ammunition coding system database containing a manufacturer registry and a vendor registry.

D. A manufacturer shall:
   1. Register with the department in a manner prescribed by the department by rule.
   2. Maintain records on the business premises for at least seven years concerning all sales, loans and transfers of ammunition to, from or within this state.
   3. Encode ammunition provided for retail sale for regulated firearms in a manner that the director establishes so that:
      (a) The base of the bullet and the inside of the cartridge casing of each round in a box of ammunition are coded with the same serial number.
      (b) Each serial number is engraved in such a manner that it is highly likely to permit identification after ammunition discharge and bullet impact.
      (c) The outside of each box of ammunition is labeled with the name of the manufacturer and the same serial number used on the cartridge casings and bases of bullets contained in the box.
   4. Pay the tax levied by subsection I of this section.

E. A manufacturer shall not label ammunition contained in one ammunition box with the same serial number as the ammunition contained in another ammunition box that is produced by the same manufacturer.

F. A vendor shall:
   1. Register with the department in a manner prescribed by the department by rule.
   2. Record the following information in a format prescribed by the department:
      (a) The date of the transaction.
      (b) The name of the purchaser.
      (c) The purchaser's driver license number or other government issued identification card number.
      (d) The date of birth of the purchaser.
      (e) The unique identifier of all handgun ammunition or bullets transferred.
(f) All other information prescribed by the department.

3. Maintain records on the business premises for at least three years after the date of the recorded purchase.

G. The department shall establish the ammunition coding system database within the framework of any existing firearms databases.

H. Access to information in the ammunition coding system database is reserved for law enforcement personnel. The department shall only release information in connection with a criminal investigation.

I. A tax of one-half cent is levied on each bullet or round of ammunition that is sold in this state. The department of revenue shall collect the tax and deposit the tax, pursuant to sections 35-146 and 35-147, in the coded ammunition fund established by subsection J of this section.

J. The coded ammunition fund is established consisting of monies deposited pursuant to subsection I of this section. The department shall administer the fund. Subject to legislative appropriation, monies in the fund shall be used for the purpose of establishing and maintaining the ammunition coding system database prescribed by this section.

K. A manufacturer that fails to comply with this section is subject to a civil penalty of not more than one thousand dollars for the first violation, not more than five thousand dollars for a second violation and not more than ten thousand dollars for any subsequent violation.

L. A vendor who knowingly fails to comply with this section or who knowingly falsifies the records required to be kept by this section is guilty of a class 3 misdemeanor.

M. A person who knowingly destroys, obliterates or otherwise renders unreadable the coding required by this section is guilty of a class 3 misdemeanor.

N. For the purposes of this section, “code or coded” means a unique identifier that has been applied by etching onto the base of a bullet or ammunition projectile.

Sec. 2. Requirements for enactment; two-thirds vote

Pursuant to article IX, section 22, Constitution of Arizona, this act is effective only on the affirmative vote of at least two-thirds of the members of each house of the legislature and is effective immediately on the signature of the governor or, if the governor vetoes this act, on the subsequent affirmative vote of at least three-fourths of the members of each house of the legislature.