

REFERENCE TITLE: special districts; secondary levy limits

State of Arizona
House of Representatives
Fifty-first Legislature
Second Regular Session
2014

HB 2379

Introduced by
Representative Olson

AN ACT

AMENDING SECTIONS 48-3903, 48-4023, 48-4023.01 AND 48-5805, ARIZONA REVISED STATUTES; RELATING TO SPECIAL DISTRICT TAX LEVIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 48-3903, Arizona Revised Statutes, is amended to
3 read:

4 48-3903. Tax levies

5 A. The board of directors, after a county free library is established,
6 shall annually levy in the same manner and at the same time as other county
7 secondary property taxes are levied a county free library district tax
8 sufficient to establish the district and to ~~insure~~ ENSURE the payment of
9 salaries, maintenance and upkeep and other necessary expenses of the county
10 free library district.

11 B. The tax shall be levied and collected upon all property in the
12 county and upon all property within incorporated cities and towns in the
13 county.

14 C. BEGINNING IN TAX YEAR 2014, THE MAXIMUM AMOUNT OF THE LEVY UNDER
15 THIS SECTION FOR ALL PURPOSES OF THE DISTRICT OTHER THAN DEBT SERVICE ON
16 VOTER-APPROVED DISTRICT BONDS MAY NOT EXCEED THE AMOUNT OF THE LEVY IN THE
17 PRECEDING TAX YEAR, ADJUSTED ANNUALLY BY A PERCENTAGE EQUAL TO THE RATE OF
18 CHANGE IN THE LEVY LIMIT BETWEEN THE CURRENT YEAR AND THE PRECEDING YEAR AS
19 DETERMINED PURSUANT TO SECTION 42-17051 FOR THE COUNTY IN WHICH THE DISTRICT
20 IS LOCATED. THE LIMITATION UNDER THIS SUBSECTION MUST BE INCREASED EACH YEAR
21 TO THE MAXIMUM PERMISSIBLE LIMIT WITHOUT REGARD TO WHETHER THE DISTRICT
22 ACTUALLY LEVIES THAT AMOUNT. FOR A DISTRICT THAT IS ESTABLISHED FROM AND
23 AFTER DECEMBER 31, 2013, THE LIMIT MUST BE BASED ON THE INITIAL LEVY OF THE
24 DISTRICT AS APPROVED BY THE BOARD OF DIRECTORS PURSUANT TO THIS SECTION.

25 Sec. 2. Section 48-4023, Arizona Revised Statutes, is amended to read:

26 48-4023. Property tax levy

27 A. If a majority of the qualified electors voting at an election held
28 pursuant to section 48-4021 approves a county jail district ad valorem
29 property tax, on or before the third Monday in August each year the district
30 shall certify to the county board of supervisors the amount of taxes to be
31 levied for the taxable year on the taxable property in the district which,
32 together with unexpended balances carried forward from the previous fiscal
33 year and revenues from all other sources, is necessary to pay the maintenance
34 and operation expenses of the district in carrying out the objects and
35 purposes of this chapter.

36 B. The board of supervisors shall levy a secondary property tax on the
37 taxable property in the district, at the same time and in the same manner as
38 county taxes are levied, sufficient to provide the amount certified under
39 subsection A of this section, but the tax ~~rate~~ is limited to, and shall not
40 exceed in any event, THE LESSER OF:

41 1. Twenty cents per one hundred dollars of assessed valuation, ~~except~~
42 ~~as provided in subsection D of this section.~~

43 2. BEGINNING IN TAX YEAR 2014, THE AMOUNT OF THE LEVY IN THE PRECEDING
44 TAX YEAR, ADJUSTED ANNUALLY BY A PERCENTAGE EQUAL TO THE RATE OF CHANGE IN
45 THE LEVY LIMIT BETWEEN THE CURRENT YEAR AND THE PRECEDING YEAR AS DETERMINED
46 PURSUANT TO SECTION 42-17051 FOR THE COUNTY IN WHICH THE DISTRICT IS LOCATED.

1 THE LIMITATION UNDER THIS PARAGRAPH MUST BE INCREASED EACH YEAR TO THE
2 MAXIMUM PERMISSIBLE LIMIT WITHOUT REGARD TO WHETHER THE DISTRICT ACTUALLY
3 LEVIES THAT AMOUNT. FOR A DISTRICT THAT IS ESTABLISHED FROM AND AFTER
4 DECEMBER 31, 2013, THE LIMIT MUST BE BASED ON THE INITIAL LEVY OF THE
5 DISTRICT AS APPROVED BY THE QUALIFIED ELECTORS PURSUANT TO SECTION 48-4021.

6 C. The tax revenues collected pursuant to this section shall be paid
7 to the district treasurer and deposited in the county jail district general
8 fund and used solely for the purposes for which they were collected.

9 ~~C.~~ D. The tax shall be levied on all of the taxable property in the
10 district.

11 ~~D. Notwithstanding subsection B of this section, for tax years 2006,~~
12 ~~2007 and 2008, the district may certify and the board of supervisors shall~~
13 ~~levy a secondary property tax on the taxable property in the district in an~~
14 ~~amount equal to the amount levied in tax year 2005.~~

15 Sec. 3. Section 48-4023.01, Arizona Revised Statutes, is amended to
16 read:

17 48-4023.01. Property tax levy for juvenile detention facilities

18 A. If a majority of the qualified electors voting at an election held
19 pursuant to section 48-4021 approves an ad valorem property tax for the
20 district that includes juvenile detention facilities or if a majority of the
21 qualified electors voting at an election held pursuant to section 48-4004
22 approves the inclusion of juvenile detention facilities in a district that
23 was created by an election held pursuant to section 48-4021, the district may
24 impose an ad valorem property tax pursuant to this section. The district
25 shall certify to the county board of supervisors on or before the third
26 Monday in August of each year the amount of taxes to be levied in addition to
27 the levy in section 48-4023 for the taxable year on the taxable property in
28 the district. The amount certified together with unexpended balances carried
29 forward from the previous fiscal year and revenues from all other sources
30 shall be the amount necessary to pay the maintenance and operation expenses
31 of the district in carrying out this chapter in relation to juvenile
32 detention facilities.

33 B. The board of supervisors may levy a secondary property tax on the
34 taxable property in the district at the same time and in the same manner as
35 county taxes are levied in an amount that is sufficient to provide the amount
36 certified pursuant to subsection A of this section. The tax ~~rate~~ is limited
37 to THE LESSER OF:

38 1. Ten cents per one hundred dollars of assessed valuation, ~~except as~~
39 ~~provided in subsection D of this section.~~

40 2. BEGINNING IN TAX YEAR 2014, THE AMOUNT OF THE LEVY IN THE PRECEDING
41 TAX YEAR, ADJUSTED ANNUALLY BY A PERCENTAGE EQUAL TO THE RATE OF CHANGE IN
42 THE LEVY LIMIT BETWEEN THE CURRENT YEAR AND THE PRECEDING YEAR AS DETERMINED
43 PURSUANT TO SECTION 42-17051 FOR THE COUNTY IN WHICH THE DISTRICT IS LOCATED.
44 THE LIMITATION UNDER THIS PARAGRAPH MUST BE INCREASED EACH YEAR TO THE
45 MAXIMUM PERMISSIBLE LIMIT WITHOUT REGARD TO WHETHER THE DISTRICT ACTUALLY
46 LEVIES THAT AMOUNT. FOR A DISTRICT THAT IS ESTABLISHED FROM AND AFTER

1 DECEMBER 31, 2013, THE LIMIT MUST BE BASED ON THE INITIAL LEVY OF THE
2 DISTRICT AS APPROVED BY THE QUALIFIED ELECTORS PURSUANT TO SECTION 48-4021.

3 C. The tax revenues collected pursuant to this section shall be paid
4 to the district treasurer for deposit in the county jail district general
5 fund and shall be used solely for juvenile detention facilities.

6 ~~C. D. The tax shall be levied on all of the taxable property in the~~
7 ~~district.~~

8 ~~D. Notwithstanding subsection B of this section, for tax years 2006,~~
9 ~~2007 and 2008, the district may certify and the board of supervisors shall~~
10 ~~levy a secondary property tax on the taxable property in the district in an~~
11 ~~amount equal to the amount levied in tax year 2005.~~

12 Sec. 4. Section 48-5805, Arizona Revised Statutes, is amended to read:
13 48-5805. Transaction privilege tax; property tax

14 A. The board of directors of the district by resolution may levy, and
15 if levied, the department of revenue shall collect, a transaction privilege
16 tax pursuant to this section to be used and spent for the purposes described
17 in section 48-5804. The board shall set the rate of the tax at not more than
18 two per cent of the tax rate that applies to each business in the district
19 that is subject to taxation under title 42, chapter 5, article 1. The board
20 shall levy the tax on each person engaging in the district in a business
21 taxed under title 42, chapter 5, article 1.

22 B. Each month the state treasurer shall remit to the district
23 treasurer the net revenues collected under subsection A of this section
24 during the second preceding month. The district treasurer shall deposit the
25 monies in the public health services district's accounts and shall account
26 for all expenditures.

27 C. In lieu of a transaction privilege tax pursuant to subsection A of
28 this section, the board by resolution may levy in the same manner and at the
29 same time as other county secondary property taxes are levied a public health
30 services district tax. The tax shall not exceed **THE LESSER OF:**

31 1. Twenty-five cents per one hundred dollars of assessed valuation and
32 shall be levied on all property in the county and on all property within
33 incorporated cities and towns in the county.

34 2. BEGINNING IN TAX YEAR 2014, THE AMOUNT OF THE LEVY IN THE PRECEDING
35 TAX YEAR, ADJUSTED ANNUALLY BY A PERCENTAGE EQUAL TO THE RATE OF CHANGE IN
36 THE LEVY LIMIT BETWEEN THE CURRENT YEAR AND THE PRECEDING YEAR AS DETERMINED
37 PURSUANT TO SECTION 42-17051 FOR THE COUNTY IN WHICH THE DISTRICT IS LOCATED.
38 THE LIMITATION UNDER THIS PARAGRAPH MUST BE INCREASED EACH YEAR TO THE
39 MAXIMUM PERMISSIBLE LIMIT WITHOUT REGARD TO WHETHER THE DISTRICT ACTUALLY
40 LEVIES THAT AMOUNT. FOR A DISTRICT THAT IS ESTABLISHED FROM AND AFTER
41 DECEMBER 31, 2013, THE LIMIT MUST BE BASED ON THE INITIAL LEVY OF THE
42 DISTRICT PURSUANT TO PARAGRAPH 1 OF THIS SUBSECTION.

43 D. The district shall deposit all monies collected pursuant to this
44 subsection in a separate account and shall account for all expenditures.